

MAINE STATE LEGISLATURE

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12.18.

L.D. 1790

Date: 06-13-07

(Filing No. S-308)

TRANSPORTATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

123RD LEGISLATURE

FIRST REGULAR SESSION

Majority

COMMITTEE AMENDMENT "A" to S.P. 634, L.D. 1790, Bill, "An Act To Secure Maine's Transportation Future"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

PART A

Sec. A-1. Legislative purpose. The Legislature declares that it is the purpose of this Act to augment the State's transportation capital improvement needs by:

1. Establishing quantifiable capital goals and reporting procedures to enhance accountability;
2. Establishing stable, reliable, long-term capital funding sources including rational and predictable transportation debt policy for planning purposes;
3. Establishing stable, reliable, long-term operational funding for transit;
4. Setting priorities that maximize the benefit to transportation users and that focus on corridors of regional economic significance for transportation; and
5. Providing additional transportation capital resources from transportation-related user fees and taxes.

PART B

Sec. B-1. 23 MRSA §73, sub-§6 is enacted to read:

6. Capital goals and reporting. To provide a capital transportation program that is geographically balanced and that addresses urban and rural needs, the department shall include the following goals as part of its multimodal transportation capital improvement planning and program delivery. The goals are to:

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- 1 A. Improve and modernize the interstate system to a good condition or better
- 2 condition than on July 1, 2007 so as to maintain a free and safe flow of traffic;
- 3 B. By 2022, reconstruct those principal and minor arterial highways that are not built
- 4 to nationally accepted design standards;
- 5 C. By 2027, reconstruct those state highway major collectors that are not built to the
- 6 department's state design standards;
- 7 D. Reconstruct state aid minor collector highways in partnership with municipalities,
- 8 to the extent municipalities elect to undertake such reconstruction pursuant to chapter
- 9 19, subchapter 6;
- 10 E. By 2027, achieve an even distribution of the service life remaining before the
- 11 arterial and state highway major collector inventory needs major rehabilitation of
- 12 drainage or structural features;
- 13 F. By 2027, achieve an even distribution of the service life remaining before bridges
- 14 need major rehabilitation or replacement, excepting extraordinary-cost bridges as
- 15 determined by the department or low use bridges or redundant bridges as defined in
- 16 section 562; and
- 17 G. Maximize the benefit of capital improvements to freight and passenger
- 18 transportation users while mitigating, to the extent practicable, energy and
- 19 environmental impacts.

20 The department shall report to the joint standing committee of the Legislature having
21 jurisdiction over transportation matters by January 15th of each odd-numbered year
22 quantifying progress realized and time that has elapsed since the goals were established.
23 The department shall recommend any remedial actions, including additional funding or
24 revisions to the goals, that the department determines to be necessary or appropriate.

25 **Sec. B-2. Extraordinary corridor investments for transportation and the**
26 **economy.** The Department of Transportation shall consider the appropriate scope,
27 priorities, schedule for community consensus and funding plans for significant new
28 capacity projects of all modes and extraordinary bridge replacement, removal or
29 rehabilitation projects. Such projects must be considered significant if they are estimated
30 to exceed \$10,000,000 in cost. The department shall take into consideration all available
31 funding options including federal funds, bonds, tolling and public-private partnerships.
32 The department shall consider at a minimum partnerships with the Maine Turnpike
33 Authority, the Maine Port Authority and the Northern New England Passenger Rail
34 Authority.

35 The department shall consider significant new capacity projects of all modes, which
36 must include at least the following: Aroostook North-South Highway; East-West corridor
37 improvements; Gorham connector; I-295 South Portland to Brunswick capacity
38 improvements; I-295 Brunswick to Gardiner rehabilitation; I-95 Bangor capacity and
39 modernization improvements; Lewiston-Auburn I-95 to downtown connector; Portland to
40 Brunswick passenger rail; Sanford connector; Wiscasset bypass; and the department's
41 3-port strategy including the ports of Eastport, Searsport and Portland.

42 The department also shall consider extraordinary bridge replacement, removal or
43 rehabilitation projects, which must include at least the following: Carlton Bridge in Bath;

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COMMITTEE AMENDMENT "A" to S.P. 634, L.D. 1790

1 Route 1 West approach in Bath; Beals Island Bridge in Beals; Knickerbocker Bridge in
2 Boothbay; Frank J. Wood Bridge in Brunswick; Sibley Pond Bridge in Canaan;
3 Aroostook River Bridge in Caribou; Deer Isle-Sedgwick Bridge in Deer Isle;
4 International Bridge in Fort Kent; Turner Center Bridge in Greene; Bailey Island Bridge
5 in Harpswell; Penobscot River Bridge in Howland; Piscataquis River Bridge in Howland;
6 Memorial Bridge in Kittery; Sarah Mildred Long Bridge in Kittery; St. John Border
7 Crossing in Madawaska; Covered Bridge in Norridgewock; Martin's Point Bridge in
8 Portland; Waldo-Hancock Bridge removal in Prospect; Maine Kennebec Bridge in
9 Richmond; Kennebec River Bridge in Skowhegan; Veterans Memorial Bridge in South
10 Portland; and New Bridge in York.

11 The department shall submit a report to the Joint Standing Committee on
12 Transportation by January 15, 2008 that includes the department's recommendations as to
13 the appropriate scope, schedule for community consensus, additional study needs, priority
14 and funding plans for significant new capacity projects and extraordinary bridge
15 replacement, removal or rehabilitation projects. Such funding plans must seek to avoid
16 disruption in the achievement of goals set forth in the Maine Revised Statutes, Title 23,
17 section 73, subsection 6.

18 **PART C**

19 **Sec. C-1. 23 MRSA §1604** is enacted to read:

20 **§1604. Transportation debt policy for capital planning purposes**

21 Due to the capital intensive nature of transportation investment and the dedicated
22 nature of transportation revenue streams, the Department of Transportation shall plan its
23 capital transportation program based upon the following assumed debt policies. Neither
24 this section nor planning undertaken pursuant to this section authorizes the issuance of
25 any debt. Debt may be issued only in accordance with applicable authorizing law.

26 **1. Highway Fund general obligation bonding.** The rolling, 3-year average ratio of
27 Highway Fund general obligation debt service payments to Highway Fund revenue must
28 be assumed to be not more than 10%. Highway Fund general obligation bond terms must
29 be assumed to be 10 years.

30 **2. GARVEE bonding.** The rolling, 3-year average ratio of GARVEE bond debt
31 service payments to funds received from the Federal Highway Administration must be
32 assumed to be not more than 15%, except that sufficient debt service capacity must be
33 assumed to be reserved under the 15% level for a \$25,000,000 GARVEE bond issuance
34 for extraordinary, unprogrammed needs. GARVEE bonds must be assumed to have
35 terms of not more than 15 years and to be available only for capital projects that have an
36 anticipated useful life of at least 20 years. GARVEE bonds must be authorized by the
37 Legislature as provided in section 1612. For purposes of this section, "GARVEE bond"
38 has the same meaning as in section 1611.

39 **3. TransCap revenue bonding.** The level of TransCap revenue bonding as
40 authorized by Title 30-A, section 6006-G is limited by the level of revenue authorized
41 and exclusively dedicated to the Maine Municipal Bond Bank for debt service for such
42 bonds. TransCap bonds must be assumed to have terms of not more than 15 years and to

1 be available only for capital projects that have an anticipated useful life of at least 5 years
2 greater than the bond term. TransCap bonds must be authorized by the Legislature as
3 provided in Title 30-A, section 6006-G.

4 **PART D**

5 **Sec. D-1. 23 MRSA c. 19, sub-c. 3-A is enacted to read:**

6 **SUBCHAPTER 3-A**

7 **GARVEE BONDING**

8 **§1611. Definitions**

9 As used in this subchapter, unless the context otherwise indicates, the following
10 terms have the following meanings.

11 **1. Bank.** "Bank" means the Maine Municipal Bond Bank, established under Title
12 30-A, chapter 225.

13 **2. GARVEE bond.** "GARVEE bond" means a grant anticipation revenue vehicle
14 debt financing instrument repaid with federal highway funds as authorized by 23 United
15 States Code, Section 122.

16 **3. Qualified transportation project.** "Qualified transportation project" means a
17 project to reconstruct, rehabilitate or replace existing bridges and existing arterial
18 highways that:

19 A. Will forward the capital goals set forth in Title 23, section 73, subsection 6;

20 B. Has a useful life of 20 years or more; and

21 C. Meets eligibility requirements of the United States Department of Transportation,
22 Federal Highway Administration.

23 "Qualified transportation project" does not include a project that predominantly consists
24 of a new highway on a new location or a new bridge on a new location, other than a
25 replacement bridge located in close proximity to the bridge it is replacing, unless
26 specifically approved by the Legislature.

27 **4. Qualified transportation project costs.** "Qualified transportation project costs"
28 includes, without limitation:

29 A. The purchase price or acquisition of any properties or interest in those properties
30 or other rights necessary or convenient for the project;

31 B. The costs of the study, permitting and engineering of the project, including the
32 preparation of plans and specifications, surveys and estimates of cost;

33 C. The costs of construction, reconstruction, paving, repaving, building, alteration,
34 repair, restoration, environmental review or remediation, enlargement or other
35 improvement, including all labor, materials, machinery, fixtures and equipment,
36 including rolling stock or vehicles;

37 D. The costs of engineering, architectural, legal and other professional services;

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1 E. The costs of reserves, insurance, letters of credit or other financial guarantees for
2 payment of future debt service on bonds or notes; and

3 F. All other costs or expenses necessary or convenient to the project, including
4 financing or refinancing costs.

5 **5. Revenue.** "Revenue" means, in the case of bonds or notes issued by the bank to
6 finance the qualified transportation project, payment of funds derived from the United
7 States Department of Transportation, Federal Highway Administration and any other
8 investment, gift, grant, contribution, appropriation and income and any other amount
9 pledged to secure payment of such bonds or notes.

10 **§1612. GARVEE bonding authorized**

11 Notwithstanding any other provision of law, upon certification, the bank may issue
12 from time to time GARVEE bonds for qualified transportation projects and qualified
13 transportation project costs in such amounts as are authorized by the Legislature, as long
14 as the rolling, 3-year average ratio of GARVEE bond debt service payments to federal
15 funds received from the United States Department of Transportation, Federal Highway
16 Administration does not exceed 15%, less the amount of capacity necessary to issue a
17 \$25,000,000 GARVEE bond for extraordinary, unprogrammed needs.

18 Beginning with the budget presented for the fiscal year beginning July 1, 2009, the
19 Department of Transportation shall present for review and approval by the Legislature as
20 part of the Highway Fund budget the level of programmed biennial GARVEE bond
21 financing.

22 **§1613. Bank resolution; pledge; bond terms**

23 **1. Issuance.** The bank shall issue GARVEE bonds from time to time pursuant to a
24 resolution adopted by the bank. The GARVEE bonds issued must be secured pursuant to
25 a pledge and certificate issued by the Department of Transportation and approved by the
26 State Budget Officer. The pledge and certificate must contain provisions that dedicate
27 and pledge receipt of future federal transportation funds to secure the payment of the
28 GARVEE bonds, including principal, interest and issuance costs. The terms of the
29 GARVEE bonds, their repayment schedule and other provisions to facilitate their
30 creditworthiness are determined by the bank in consultation with the Department of
31 Transportation and the State Budget Officer. The pledge and certificate are a part of the
32 contract with the holders of the GARVEE bonds to be authorized.

33 **2. Form and term.** The GARVEE bonds must be in the form, bear the date or dates,
34 mature at the time or times and have such other terms as determined by the bank and
35 approved by the Department of Transportation and the State Budget Officer, except that a
36 GARVEE bond may not mature more than 15 years from the date of its issue.

37 **3. Not a state liability.** GARVEE bonds issued under this section do not constitute
38 a debt or liability of the State or of any political subdivision of the State, or a pledge of
39 the full faith and credit of the State or of any political subdivision of the State, but are
40 payable solely from the funds and revenues pledged for that purpose.

1 **4. Proceeds.** The proceeds from the sale of the GARVEE bonds must be deposited
2 into the appropriate highway fund capital account or other appropriate dedicated revenue
3 account.

4 **§1614. Power and duty of the bank**

5 The powers and duties of the bank provided under Title 30-A, chapter 225 are
6 modified and supplemented as set out in this section.

7 **1. Qualified transportation projects.** The bank may assist the State by borrowing
8 money to finance or refinance from time to time all or a portion of the costs of qualified
9 transportation projects and make the proceeds of such borrowing available to the
10 Department of Transportation at terms agreed upon by the bank, the State Budget Officer
11 and the Department of Transportation. The principal of and interest on any bonds or
12 notes issued by the bank to finance or refinance the qualified transportation projects must
13 be secured by a pledge of funds paid by the United States Department of Transportation,
14 Federal Highway Administration and may further be secured by a pledge of any rights,
15 grants, reserves, contracts, agreements or other revenues or property as may be
16 determined by resolution of the bank. Bonds, notes, leases, agreements or other forms of
17 debt or liability entered into or issued by the bank under this section are not in any way a
18 debt or liability of the State and do not constitute a loan of the credit of the State or create
19 any debt or liability on behalf of the State or constitute a pledge of the faith and credit of
20 the State. Each bond, note, lease, agreement or other evidence of debt or liability entered
21 into by the bank must contain a statement to the effect that the bank is obligated to pay
22 the principal, interest, redemption premium, if any, and other amounts payable solely
23 from the sources pledged for that purpose by the bank and that neither the faith and credit
24 nor the taxing power of the State is pledged to the payment of the principal, interest,
25 premium, charge, fee or other amount on the bond, note, lease, agreement or other form
26 of indebtedness.

27 **2. Additional powers.** In addition to all other powers elsewhere granted to the bank,
28 the bank may, with respect to qualified transportation projects:

29 A. Acquire title to or an interest in the qualified transportation projects;

30 B. Make, enter into and enforce contracts and all other instruments, including any
31 amendments or modifications to the extent permitted under its contract with holders
32 of its bonds or notes, with the State, the United States Department of Transportation,
33 Federal Highway Administration or any other legal entity in furtherance of the
34 purposes of this section;

35 C. Invest any funds or money of the bank not then required for funding costs of the
36 qualified transportation projects in the same manner as permitted for the investment
37 of funds belonging to the State or held by the Treasurer of State, except as otherwise
38 permitted or provided by this section;

39 D. Fix and prescribe any form of application or procedure to be required of the State
40 or of any agency or department of the State with respect to the qualified
41 transportation projects and fix the terms and conditions of the qualified transportation
42 projects and enter into agreements with the State or any agency or department of the
43 State in connection with the qualified transportation projects; and

E. Lease the qualified transportation projects to the State or any agency or department of the State to further the purposes of this section, as long as the obligation of the State or of any such agency or department to make any rental or other payments is considered executory only to the extent of funds paid by the United States Department of Transportation.

§1615. Pledge of federal highway funds

The Department of Transportation may transfer, assign or pledge any or all of the funds paid to it, directly or indirectly, by the United States Department of Transportation, Federal Highway Administration with respect to the qualified transportation projects. Any such pledge does not constitute a debt or liability on behalf of, a loan of the credit of or a pledge of the faith and credit of the State or of any political subdivision of the State. A decision by the Department of Transportation not to allocate such federal transportation funds for the payment of such bonds or notes or related costs and expenses may not be construed to constitute an action impairing any contract entered into by the bank under this section.

§1616. Contracts are subject to continuing federal appropriations of federal transportation funds

Every contract relating to the issuance of bonds or notes to finance all or a part of the costs of qualified transportation projects must provide that all financial obligations of the State or of any agency or department of the State in regard to the portion of the principal of and interest on the bonds or notes and the related costs and expenses that may be paid from federal transportation funds pursuant to federal law and any agreement between the United States Department of Transportation, Federal Highway Administration or any agency of the Federal Highway Administration and the Department of Transportation that is or will be the initial recipient of such federal transportation funds are subject to continuing federal appropriations of federal transportation funds at a level equal to or greater than the amount needed to pay the federal share of principal, interest and costs and expenses on any such bonds or notes.

§1617. State agency powers

1. Transportation projects. The Department of Transportation, and all other agencies or departments of the State working in conjunction with the Department of Transportation, for the purpose of aiding and cooperating in the financing, construction, operation or maintenance of qualified transportation projects, may:

A. Sell, lease, loan, donate, grant, convey, pledge, assign or otherwise transfer to the bank any real or personal property or interests in any real or personal property; and

B. Enter into agreements, including loan and pledge agreements, with any person for the joint financing, construction, operation or maintenance of the qualified transportation projects and agree to make payments, without limitation as to amount except as set forth in the agreements, from revenues received in one or more fiscal years by the Department of Transportation or with any person to defray the costs of the financing, construction, operation or maintenance of the qualified transportation projects.

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1 **2. Federal transportation funds.** To assist in the financing, construction, operation
2 or maintenance of the qualified transportation project, a state agency or department may
3 by contract or pledge assign or otherwise transfer to the Department of Transportation or
4 otherwise as directed by the bank all or a portion of federal transportation funds paid to
5 the state agency or department or the revenues from any other legally available source.

6 **§1618. Exception to prohibited acts and limitation of powers**

7 Notwithstanding Title 30-A, section 5958, the bank may make loans to the State or
8 any agency or department of the State in connection with the financing of qualified
9 transportation projects. Notwithstanding Title 30-A, section 6003, the bank may issue its
10 bonds from time to time in any principal amounts that it considers necessary to provide
11 funds for any of the purposes authorized by this section, including the financing or
12 refinancing of all or a portion of the costs of qualified transportation projects.
13 Notwithstanding Title 30-A, section 6019, the bank may enter into any agreements or
14 contracts with any commercial banks, trust companies or banking or other financial
15 institutions within or outside the State that are necessary, desirable or convenient in the
16 opinion of the bank to provide any other services to the bank to assist the bank in
17 effectuating the purposes of this section.

18 **§1619. Receipt of federal appropriation money**

19 The Treasurer of State may receive from the Federal Government any amount of
20 money as appropriated, allocated, granted, turned over or in any way provided for the
21 purposes of this subchapter. In connection with the financing of qualified transportation
22 projects, these amounts must be credited to and deposited in the Federal Expenditures
23 Fund and are available to the bank.

24 **§1620. Remedies of holders of bonds and notes**

25 In addition to all other rights or remedies set forth in Title 30-A, section 6023,
26 subsection 2, the trustee appointed pursuant to Title 30-A, section 6023 may, and upon
27 written request of the holders of 25% in principal amount of all bonds then outstanding
28 that have been issued to finance or refinance all or a portion of the costs of qualified
29 transportation projects shall, in the trustee's or the bank's own name, by mandamus or
30 other suit, action or proceeding at law or in equity, enforce all rights of the bondholders,
31 including the right to require the bank to collect payments and other amounts and to
32 collect interest and amortization payments under agreements payable to the bank and
33 pledged to payment of the bonds adequate to carry out any agreement as to, or pledge of,
34 those payments and other amounts and of such interest and amortization payments and to
35 require the bank to carry out any other agreements with the bondholders and to perform
36 its duties under this section.

37 **Sec. D-2. Programmed GARVEE bonding level for 2008-2009 biennium.**
38 Notwithstanding any other provision of law and pursuant to the Maine Revised Statutes,
39 Title 23, chapter 19, subchapter 3-A, the Maine Municipal Bond Bank may issue from
40 time to time up to \$50,000,000 of GARVEE bonds for projects programmed in the 2008-
41 2009 biennium to be repaid solely from annual federal transportation appropriations for
42 funding for qualified transportation projects.

PART E

Sec. E-1. 30-A MRSA §6006-G is enacted to read:

§6006-G. TransCap Trust Fund

1. Establishment; purposes. The TransCap Trust Fund, referred to in this section as "the fund," is established in the custody of the bank to provide transportation capital investment for the Department of Transportation and municipalities in accordance with this section. The purpose of the fund is to provide financial assistance for the planning, design, acquisition, reconstruction and rehabilitation of transportation capital improvements of all modes including improvements that will forward the capital goals set forth in Title 23, section 73, subsection 6.

2. Administration. The bank shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds or money of the State or the bank and used and administered exclusively for the purpose of this section. The fund consists of the following:

A. Sums that are transferred to the fund from time to time by the Treasurer of State pursuant to Title 36, section 2903, subsection 5 and Title 36, section 3203, subsection 4;

B. Sums transferred to the fund from time to time by the Treasurer of State pursuant to Title 29-A, section 159;

C. Sums transferred to the fund from time to time by the Treasurer of State pursuant to Title 36, section 1766; and

D. Other revenues or funds including:

(1) Principal and interest received from the repayment of loans made from the fund;

(2) Capitalization grants and awards made to the State or an instrumentality of the State by the Federal Government for any of the purposes for which the fund has been established. These amounts must be paid directly into the fund without need for appropriation by the State;

(3) Interest earned from the investment of fund balances;

(4) Private gifts, bequests and donations made to the State for any of the purposes for which the fund has been established;

(5) The proceeds of notes or bonds issued by the State for the purpose of deposit in the fund;

(6) The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; and

(7) Other funds from any public or private source received for use for any of the purposes for which the fund has been established.

1 3. Bond terms; authorized levels. Bonds issued pursuant to this section may not
2 have terms of more than 15 years. Commencing with the budget presented for the fiscal
3 year beginning July 1, 2009, the level of TransCap revenue bonding must be presented
4 for review and approval by the Legislature as part of the Highway Fund budget.

5 4. Uses. Revenues deposited in the fund from sources enumerated in the
6 Constitution of Maine, Article IX, Section 19 may be used or applied only in accordance
7 with that provision. Within this limitation, the fund may be used for one or more of the
8 following purposes:

9 A. To make grants and loans to the Department of Transportation and municipalities
10 under this section, except that such bonds may be used only for capital projects that
11 have an anticipated useful life of at least 5 years greater than the bond term;

12 B. To guarantee or insure, directly or indirectly, the payment of notes or bonds
13 issued or to be issued by the State for the purpose of financing capital improvements
14 that will forward the capital goals set forth in Title 23, section 73, subsection 6;

15 C. To guarantee or insure, directly or indirectly, funds established by municipalities
16 for the purpose of financing any capital improvements described in Title 23, section
17 1803-B;

18 D. To invest available fund balances and to credit the net interest income on those
19 balances to the fund;

20 E. To invest as a source of revenue or security for the payment of principal and
21 interest on general or special obligations of the bank if the proceeds of the sale of the
22 obligations have been deposited in the fund or loaned to eligible participants in the
23 programs financed with the fund or as a source of revenue to subsidize municipal
24 loan payment obligations; and

25 F. To pay the costs of the bank associated with the administration of the fund and
26 projects financed by it as long as no more than 2% of the aggregate of the highest
27 fund balance in any fiscal year is used for these purposes.

28 5. Establishment of accounts. The bank may establish accounts and subaccounts
29 within the fund as it determines desirable to effectuate the purposes of this section,
30 including, but not limited to, accounts to segregate a portion of the fund for grants and as
31 security for bonds issued by the bank for deposit in the fund and to be invested for the
32 benefit of specified projects receiving financial assistance from the fund.

33 PART F

34 **Sec. F-1. 25 MRSA §1509**, as enacted by PL 2005, c. 664, Pt. R, §1, is repealed.

35 **Sec. F-2. 25 MRSA §1509-A** is enacted to read:

36 §1509-A. State Police funding

37 Beginning July 1, 2009, state funding for the Department of Public Safety, Bureau of
38 State Police must be provided in accordance with this section.

1. General Fund. The percentage of state funding for the Department of Public Safety, Bureau of State Police appropriated from the General Fund must be according to the following schedule.

<u>Fiscal Year</u>	<u>General Fund %</u>
<u>2010</u>	<u>50%</u>
<u>2011</u>	<u>50%</u>
<u>2012</u>	<u>60%</u>
<u>2013</u>	<u>60%</u>
<u>2014</u>	<u>70%</u>
<u>2015</u>	<u>70%</u>
<u>2016 and thereafter</u>	<u>75%</u>

12 **2. Highway Fund.** The percentage of state funding for the Department of Public
13 **Safety, Bureau of State Police allocated from the Highway Fund must be according to the**
14 **following schedule.**

15	<u>Fiscal Year</u>	<u>Highway Fund %</u>
16	<u>2010</u>	<u>50%</u>
17	<u>2011</u>	<u>50%</u>
18	<u>2012</u>	<u>40%</u>
19	<u>2013</u>	<u>40%</u>
20	<u>2014</u>	<u>30%</u>
21	<u>2015</u>	<u>30%</u>
22	2016 and thereafter	25%

15	<u>Fiscal Year</u>	<u>Highway Fund %</u>
16	<u>2010</u>	<u>50%</u>
17	<u>2011</u>	<u>50%</u>
18	<u>2012</u>	<u>40%</u>
19	<u>2013</u>	<u>40%</u>
20	<u>2014</u>	<u>30%</u>
21	<u>2015</u>	<u>30%</u>
22	2016 and thereafter	25%

23 Sec. F-3. 36 MRSA §2903, sub-§5 is enacted to read:

27 **Sec. F-4. 36 MRSA §3203, sub-§4**, as enacted by PL 1997, c. 738, §10, is
28 amended to read:

33 **PART G**

35 §159. Application of certain fees

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COMMITTEE AMENDMENT

RMS

COMMITTEE AMENDMENT "A" to S.P. 634, L.D. 1790

1 6006-G 15% of the fees collected under section 501, subsection 1; section 504,
2 subsection 1; and section 512.

3 **Sec. G-2. 29-A MRSA §453, sub-§2**, as enacted by PL 1993, c. 683, Pt. A, §2
4 and affected by Pt. B, §5, is amended to read:

5 **2. Fee.** The annual service fee for a vanity registration plate is ~~\$15~~ \$25 in addition to
6 the regular motor vehicle registration fee. The service fee must be credited to the ~~General~~
7 Highway Fund. A sum sufficient to defray the cost of this program must be allocated
8 annually from the ~~General~~ Highway Fund.

9 **Sec. G-3. 29-A MRSA §501, sub-§1**, as amended by PL 1999, c. 790, Pt. C, §3
10 and affected by §19, is further amended to read:

11 **1. Automobiles; pickup trucks.** The fee for an automobile or pickup truck used for
12 the conveyance of passengers or interchangeably for passengers or property is ~~\$25~~ \$30.

13 An automobile used for the conveyance of passengers or property is a "combination"
14 vehicle and may be issued a special plate with the word "combination" instead of
15 "Vacationland." A passenger vehicle used under contract with the State, a municipality
16 or a school district to transport students must be designated as "combination." A vehicle
17 owned or operated by parents or legal guardians is exempt from this subsection.

18 Commercial plates may not be issued for or displayed on an automobile.

19 The gross weight of a pickup truck registered as provided by this subsection may not
20 exceed 6,000 pounds. An owner of a pickup truck who operates the pickup truck with a
21 gross weight in excess of 6,000 pounds or the pickup truck drawing a semitrailer with a
22 combined gross weight in excess of 6,000 pounds must register the truck as provided in
23 section 504.

24 Notwithstanding any other provision of law, a combination of vehicles consisting of a
25 pickup truck as defined in section 101, subsection 55 and a semitrailer with a registered
26 weight of 2,000 pounds or less may be registered under this section for the combined
27 gross weight of the pickup truck and the semitrailer.

28 **Sec. G-4. 29-A MRSA §502, sub-§1**, as enacted by PL 1993, c. 683, Pt. A, §2
29 and affected by Pt. B, §5, is amended to read:

30 **1. Transferring registration.** A person who transfers the ownership or discontinues
31 the use of a registered motor vehicle, trailer or semitrailer and applies for registration of
32 another motor vehicle, trailer or semitrailer in the same registration year may use the
33 same number plates on payment of a transfer fee of ~~\$8~~ \$10, as long as the registration fee
34 is the same as that of the former vehicle. If the fee for the vehicle to be registered is
35 greater than the fee for the vehicle first registered, that person must also pay the
36 difference. If application is made for a truck camper or a trailer with a gross weight of
37 2,000 pounds or less, the transfer fee is ~~\$5~~ \$7.

38 **Sec. G-5. 29-A MRSA §504, sub-§1, ¶A**, as amended by PL 1999, c. 790, Pt. C,
39 §8 and affected by §19, is further amended to read:

40 A. For gross weight from 0 to 6,000 pounds, the fee is ~~\$25~~ \$30.

AMS

COMMITTEE AMENDMENT "**A**" to S.P. 634, L.D. 1790

Sec. G-6. 29-A MRSA §511, sub-§1, as amended by PL 2003, c. 253, §1 and affected by §5, is further amended to read:

1. Registration fees; trailers and semitrailers. The following annual registration fee applies to trailers, semitrailers and camp trailers.

A. The fee is ~~\$10.50~~ \$12.50 for a:

(1) Trailer, camp trailer or semitrailer not exceeding 2,000 pounds gross vehicle weight; or

(3) Mobile home.

B. The fee is ~~\$20~~ \$22 for a camp trailer exceeding 2,000 pounds.

C. The fee is ~~\$20~~ \$22 for a semitrailer exceeding 2,000 pounds.

D. Except as provided in paragraph A, a trailer exceeding 2,000 pounds must be registered on the basis of gross weight in accordance with the schedule under section 504.

Fees paid under this section and section 512 are administrative fees and nonapportionable. The Secretary of State may collect apportionable fees for trailers and semitrailers pursuant to the International Registration Plan.

Except for camp trailers, registrations under this section may be issued for 2 years for a fee twice that of the annual registration fee.

Sec. G-7. 29-A MRSA §512, sub-§1, ¶B, as amended by PL 2003, c. 253, §2 and affected by §5, is further amended to read:

B. The fee is ~~\$12~~ \$14 for each semitrailer, and the fee is \$5 for each trailer of not more than 2,000 pounds gross vehicle weight.

Fees for the first 3 years of a registration may not be refunded. Fees for the 4th and subsequent years may be refunded prior to the start of the registration year provided that the registration plate and certificate are returned to the Secretary of State. After the start of the registration year, fees for the current year may be refunded if the plate and certificate are returned within 120 days and the Secretary of State is satisfied that the credentials were not used during the registration period.

Sec. G-8. 29-A MRSA §512, sub-§2, ¶A, as amended by PL 2003, c. 253, §3 and affected by §5, is further amended to read:

A. The fee for each registration is ~~\$12~~ \$14 per year or portion of a year. The Secretary of State shall establish a procedure to bill each registrant using semipermanent semitrailer registrations once annually except the billing at the time of purchase of a full 20-year registration must be for a 3-year period. Fees for the first 3 years are nonrefundable. A fee for a registration of less than 20 years must be prorated accordingly. If any registrant fails to remit the payment in a timely manner, the Secretary of State shall suspend all registrations issued to that registrant pursuant to this subsection.

Sec. G-9. 29-A MRSA §603, sub-§1, as amended by PL 2001, c. 440, Pt. C, §1, is further amended to read:

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- For a person who possesses a trailer or semitrailer registration pursuant to section 512, subsection 3, the fee is \$18.

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7. Sales tax revenue. Beginning July 1, 2009 and every July 1st thereafter, the Treasurer of State shall transfer to the STAR Transportation Fund an amount, as certified by the State Tax Assessor, that is equivalent to the revenue from the tax imposed on the value of rental for a period of less than one year of an automobile pursuant to Title 36, section 1811. The tax amount must be based on actual cash receipts for that fiscal year and may not consider any accruals that may be required by law. The amount transferred under this subsection does not affect the calculation for the transfer of General Fund sales and use tax revenues to the Local Government Fund under Title 30-A, section 5681, subsection 5.

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R.S.

COMMITTEE AMENDMENT "A" to S.P. 634, L.D. 1790

1. Percentages identified. The following percentages of the transportation-related sales tax receipts must be calculated and certified to the Treasurer of State by the State Tax Assessor within 60 days after the end of each calendar quarter:

- A. On or after July 1, 2009, 4%;
- B. On or after July 1, 2010, 8%;
- C. On or after July 1, 2011, 12%;
- D. On or after July 1, 2012, 16%; and
- E. On or after July 1, 2013, 20%.

2. Deposit of funds. Within 20 days of receiving certification from the State Tax Assessor under section 1, the Treasurer of State shall transfer from the General Fund to the following funds the following percentages of the amounts certified:

- A. Ninety percent to the TransCap Trust Fund established in Title 30-A, section 6006-G; and
- B. Ten percent to the STAR Transportation Fund established in Title 23, section 4210-B.

Sec. J-1. Appropriations and allocations. The following appropriations and allocations are made.

MUNICIPAL BOND BANK, MAINE

TransCap Trust Fund N031

Initiative: Allocates funds to authorize transfers to the TransCap Trust Fund at the Maine Municipal Bond Bank.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	\$0	\$19,163,740
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$19,163,740

MUNICIPAL BOND BANK, MAINE

DEPARTMENT TOTALS	2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS	\$0	\$19,163,740
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$19,163,740

TRANSPORTATION, DEPARTMENT OF

Highway and Bridge Improvement 0406

RMS

COMMITTEE AMENDMENT "A" to S.P. 634, L.D. 1790

1 Initiative: Allocates additional funds on a one-time basis for the Highway and Bridge
2 Improvements capital program.

3	HIGHWAY FUND	2007-08	2008-09
4	Capital Expenditures	\$8,012,100	\$0
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6	HIGHWAY FUND TOTAL	\$8,012,100	\$0

7	TRANSPORTATION, DEPARTMENT OF		
8	DEPARTMENT TOTALS	2007-08	2008-09
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10	HIGHWAY FUND	\$8,012,100	\$0
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12	DEPARTMENT TOTAL - ALL FUNDS	\$8,012,100	\$0

13	SECTION TOTALS	2007-08	2008-09
14			
15	HIGHWAY FUND	\$8,012,100	\$0
16	OTHER SPECIAL REVENUE FUNDS	\$0	\$19,163,740
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18	SECTION TOTAL - ALL FUNDS	\$8,012,100	\$19,163,740

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20 **SUMMARY**

21 This amendment replaces the bill. This amendment:

22 1. Amends the legislative purposes of the bill, which include long-term
23 transportation goal setting and prioritization and stable, long-term transportation funding;

24 2. Establishes capital goals for the Department of Transportation including with
25 respect to interstate modernization, reconstructing arterial highways, reconstructing major
26 collectors and reconstructing state aid minor collectors. It also establishes biennial
27 reporting requirements to track progress toward the goals;

28 3. Requires the Department of Transportation to report to the Legislature by January
29 15, 2008 with recommendations on the appropriate scope, priorities, schedule for
30 community consensus and funding plans for significant new capacity projects and
31 extraordinary bridge replacement, removal or rehabilitation projects estimated to cost in
32 excess of \$10,000,000;

33 4. Establishes a transportation debt policy for capital planning purposes. Actual
34 authorization for and issuance of debt will occur as otherwise provided by law;

COMMITTEE AMENDMENT

5. Provides enabling legislation for GARVEE bonds. Such bonds would be used only to fund projects to reconstruct, rehabilitate or replace existing bridges and existing arterial highways that have a useful life of at least 20 years. The maximum federal debt to revenue ratio is set at 15%, provided sufficient debt service capacity under the 15% level is reserved for a \$25,000,000 GARVEE bonding in emergencies. It directs that GARVEE bonding levels must be presented for legislative approval as part of the Highway Fund budget;

6. Provides an initial authorization for \$50,000,000 in GARVEE bonding to allow the Department of Transportation to deliver on its published Capital Work Plan;

7. Establishes a TransCap Trust Fund at the Maine Municipal Bond Bank to allow dedicated revenue streams to leverage revenue bonds to be used to achieve long-term transportation capital goals. It provides that bonding levels using the TransCap Trust Fund must be presented for legislative approval as part of the Highway Fund budget;

8. Beginning in fiscal year 2010, gradually increases the General Fund percentage of the Department of Public Safety, Bureau of State Police funding from the current 40% to 75% over 7 years and correspondingly decreases the Highway Fund percentage;

9. Beginning January 1, 2009, dedicates 7.5% of motor fuel tax revenues to the newly created TransCap Trust Fund at the Maine Municipal Bond Bank;

10. Effective October 1, 2007, increases the registration fee for vehicles under 6,000 pounds from \$25 to \$30 per year; increases title, certificate of salvage and related fees from \$23 to \$30 per year; increases the vanity plate fee from \$15 to \$25 per year; increases the semipermanent registration plate fees for trailers and semitrailers from \$12 to \$14; increases the annual registration fees for trailers and semitrailers by \$2; and increases the registration transfer fee from \$8 to \$10 per transaction;

11. Beginning July 1, 2008, dedicates 15% of the automobile registration fee, commercial vehicle registration fees and semipermanent and permanent registration fees for trailers and semitrailers to the newly created TransCap Trust Fund at the Maine Municipal Bond Bank. This amount approximately equals the amount of revenue generated by the various fee increases under the amendment;

12. Beginning July 1, 2009, dedicates the revenue from the tax on auto rentals to the STAR Transportation Fund for operational funding for transit, including the Downeaster train service;

13. Defines "transportation-related sales tax receipts" as 19% of total sales tax receipts and gradually dedicates an increasing percentage of these transportation-related sales tax receipts for transportation-related purposes. By July 1, 2013, 20% of the defined transportation-related sales tax receipts are dedicated to transportation-related purposes. Of these amounts dedicated to transportation-related purposes, each year 90% are deposited in the newly created TransCap Trust Fund at the Maine Municipal Bond Bank and 10% are deposited in the STAR Transportation Fund; and

14. Adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED

(See attached)

**123rd MAINE LEGISLATURE****LD 1790****LR 1908(02)****An Act To Secure Maine's Transportation Future****Fiscal Note for Bill as Amended by Committee Amendment "A "****Committee: Transportation****Fiscal Note Required: Yes**

Fiscal Note**Authorization of GARVEE Federal Bonding**

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)				
General Fund	\$0	\$11,035	\$19,101,588	\$27,811,893
Highway Fund	\$0	\$8,276,603	\$11,614,845	\$11,854,786
Appropriations/Allocations				
General Fund	\$0	\$0	\$4,985,491	\$5,090,338
Highway Fund	\$8,012,100	\$0	(\$4,985,491)	(\$5,090,338)
Other Special Revenue Funds	\$0	\$19,163,740	\$35,234,247	\$43,774,335
Revenue				
General Fund	\$0	(\$11,035)	(\$14,116,097)	(\$22,721,555)
Highway Fund	\$8,012,100	(\$8,276,603)	(\$16,600,336)	(\$16,945,124)
Other Special Revenue Funds	\$0	\$18,970,437	\$34,445,707	\$42,512,564
State Transit, Aviation and Rail Transportation Fund	\$0	\$0	\$7,913,973	\$9,828,177
Fiscal Detail and Notes				
General Fund Appropriations				
50% funding for State Police program from General Fund	\$0	\$0	\$4,985,491	\$5,090,338

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
General Fund Revenue				
Transfer of sales tax revenue from automobile rentals of less than one year to STAR Transportation Fund	\$0	\$0	(\$6,261,127)	(\$6,386,350)
Transfer of transportation-related sales tax receipts to TransCap Trust Fund and STAR Transportation Fund (Gross)	\$0	\$0	(\$8,264,228)	(\$17,209,136)
Transfer of transportation-related sales tax receipts - Local Government Fund effect	\$0	\$0	\$429,740	\$894,875
7.5% of gas tax revenue deposited into TransCap Trust Fund	\$0	(\$11,035)	(\$20,482)	(\$20,944)
Total General Fund Revenue	<hr/> \$0	<hr/> (\$11,035)	<hr/> (\$14,116,097)	<hr/> (\$22,721,555)
Highway Allocations				
50% funding for State Police program from Highway Fund	\$0	\$0	(\$4,985,491)	(\$5,090,338)
One-time allocation to Highway and Bridge Improvement program from increased fees	\$8,012,100	\$0	\$0	\$0
Total Highway Fund Allocations	<hr/> \$8,012,100	<hr/> \$0	<hr/> (\$4,985,491)	<hr/> (\$5,090,338)
Highway Fund Revenue				
Net changes in various motor vehicle fees: Highway Fund revenue	\$8,012,100	\$10,682,800	\$10,816,828	\$10,953,148
15% of certain vehicle fees to TransCap Trust Fund	\$0	(\$8,940,165)	(\$9,029,567)	(\$9,119,862)
7.5% of gas tax revenue deposited into TransCap Trust Fund	\$0	(\$7,966,855)	(\$14,787,597)	(\$15,121,410)
7.5% of special fuel tax revenue deposited into TransCap Trust Fund	\$0	(\$2,052,383)	(\$3,600,000)	(\$3,657,000)
Total Highway Fund Allocations	<hr/> \$8,012,100	<hr/> (\$8,276,603)	<hr/> (\$16,600,336)	<hr/> (\$16,945,124)
Other Special Revenue Funds				
Transfers to TransCap Trust Fund - MV Fees	\$0	\$8,940,165	\$9,029,567	\$9,119,862
Transfers to TransCap Trust Fund - Sales Tax	\$0	\$0	\$7,437,805	\$15,488,223
Transfers to TransCap Trust Fund - Gas Tax	\$0	\$8,171,192	\$15,166,875	\$15,509,250
Transfers to TransCap Trust Fund - Spec. Fuel Tax	\$0	\$2,052,383	\$3,600,000	\$3,657,000
Other Spec. Revenue - Gas Tax shift	\$0	(\$193,302)	(\$358,800)	(\$366,896)
Local Government Fund - Sales Tax	\$0	\$0	(\$429,740)	(\$894,875)
Total Other Special Revenue Funds Revenue	<hr/> \$0	<hr/> \$18,970,437	<hr/> \$34,445,707	<hr/> \$42,512,564
STAR Transportation Fund				
Transfers from Sales Tax	\$0	\$0	\$826,423	\$1,720,914
Transfers to STAR Transportation Fund	\$0	\$0	\$7,087,550	\$8,107,263

Part D of this bill provides enabling legislation for GARVEE bonds for highway and bridge improvement projects and authorizes a GARVEE bond of up to \$50 million for the 2008-2009 biennium. GARVEE bonds are a type of revenue bond that do not pledge the full faith and credit of the State. The principal and interest payments of these bonds are paid by future federal transportation grants received by the State. The Maine Municipal Bond Bank is authorized to assist the state in issuing the GARVEE Bonds.