

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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**Legislative Document**

**No. 1790**

S.P. 634

March 29, 2007

### **An Act To Secure Maine's Transportation Future**

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Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in black ink, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator DAMON of Hancock.  
Cosponsored by Representative MARLEY of Portland and  
Senators: DIAMOND of Cumberland, MARRACHÉ of Kennebec, MARTIN of Aroostook,  
NUTTING of Androscoggin, PERRY of Penobscot, SAVAGE of Knox, STRIMLING of  
Cumberland, Representatives: BLANCHARD of Old Town, BROWNE of Vassalboro,  
CEBRA of Naples, CRAVEN of Lewiston, CROSTHWAITE of Ellsworth, CURTIS of  
Madison, FAIRCLOTH of Bangor, FISCHER of Presque Isle, FISHER of Brewer, FLOOD of  
Winthrop, HOGAN of Old Orchard Beach, HOLMAN of Fayette, MAZUREK of Rockland,  
PEOPLES of Westbrook, PINGREE of North Haven, PIOTTI of Unity, ROSEN of Bucksport,  
STRANG BURGESS of Cumberland, TARDY of Newport, THERIAULT of Madawaska,  
WOODBURY of Yarmouth.

1 **Be it enacted by the People of the State of Maine as follows:**

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

3 **6. Performance goals and reporting.** The Legislature establishes the following set  
4 of goals to provide overall direction and consistency in delivering a comprehensive  
5 transportation capital improvement program that is geographically balanced and  
6 addresses urban and rural needs.

7 A. All principal and minor arterials must be reconstructed to nationally accepted  
8 design standards by 2017.

9 B. All major collectors must be reconstructed by 2027 to at least the standards set in  
10 the department's state design standards.

11 C. The service period remaining before arterials and major collectors need major  
12 rehabilitation of drainage or structural features must be evenly distributed across the  
13 inventory by 2027.

14 D. The service period remaining before nonextraordinary bridges need major  
15 rehabilitation or replacement must be evenly distributed across the inventory by 2027  
16 except for low use or redundant bridges.

17 E. Extraordinary bridge replacement, removal or rehabilitation projects or new  
18 capacity highway projects exceeding \$10,000,000 in cost must receive special  
19 consideration as to the most appropriate means of capital financing to avoid  
20 disruption to achievement of goals under paragraphs A to D.

21 F. Capital improvements must maximize the benefit to freight and passenger  
22 transportation users while mitigating, to the extent practicable, energy and  
23 environmental impacts.

24 The department shall report to the joint standing committee of the Legislature having  
25 jurisdiction over transportation matters on January 15th of each year the progress realized  
26 in achieving the goals set forth in this subsection. The report must quantify progress  
27 realized and time that has elapsed since the goals under paragraphs A to D were  
28 established. The department shall recommend any remedial actions, including additional  
29 funding, needed to ensure fulfillment of the goals if they are at risk of not being attained.

30 **Sec. 2. 23 MRSA §1822** is enacted to read:

31 **§1822. State-municipal partnerships for state and state aid highway reconstruction**

32 **1. Priority of transportation capital improvements; 90% of excise tax set aside.**  
33 Of the deposits held by the Maine Municipal Bond Bank pursuant to Title 36, section  
34 1482, subsection 1, paragraph C, subparagraph (4), 90% must be expended on  
35 transportation capital improvements in the following order of priority:

36 A. Arterial improvements for which the Department of Transportation provides at  
37 least a 60% match;

1 B. Major collector improvements for which the Department of Transportation  
2 provides at least a 50% match;

3 C. Minor collector improvements for which the Department of Transportation  
4 provides at least a 33% match; and

5 D. Any capital improvement to a public road or bridge within a municipality that has  
6 a life expectancy of at least 10 years or restores the load-carrying capacity.

7 **2. Locally administered projects.** The Department of Transportation shall provide  
8 to municipalities the opportunity to administer projects funded under this section upon  
9 successful completion of a department training and certification program.

10 **3. Ten percent of excise tax set aside.** The balance of 10% of the deposits held by  
11 the Maine Municipal Bond Bank pursuant to Title 36, section 1482, subsection 1,  
12 paragraph C, subparagraph (4) may, at the discretion of the municipality, be expended on  
13 any of the transportation capital improvements set out in subsection 1 or on rail, bus,  
14 aviation, ferry and pedestrian capital improvements or passenger rail, ferry and bus  
15 operating subsidies.

16 **Sec. 3. 29-A MRSA §409, sub-§3,** as enacted by PL 1993, c. 683, Pt. A, §2 and  
17 as affected by Pt. B, §5, is amended to read:

18 **3. Collection fee.** Each official shall retain from the use taxes collected a fee of  
19 \$1.25 for each vehicle or truck camper, even if a certificate indicates that no use tax is  
20 due.

21 Retained fees must be transmitted to the Treasurer of State and credited to the Highway  
22 Fund.

23 Taxes collected must be transmitted to the Treasurer of State and credited to the General  
24 Fund, except that the following percentages of the tax collected from the tax imposed  
25 pursuant to Title 36, Part 3 on vehicles and transportation-related items must be deposited  
26 in the General Highway Fund established in Title 23, section 1651:

27 A. On or after July 1, 2007, 4%;

28 B. On or after July 1, 2008, 8%;

29 C. On or after July 1, 2009, 12%;

30 D. On or after July 1, 2010, 16%; and

31 E. On or after July 1, 2011, 20%.

32 Deposits made to the General Highway Fund under this subsection must first be  
33 expended to satisfy all obligations of the State under Title 36, section 1482, subsection 1,  
34 paragraph C, subparagraph (4). Of the balance remaining, 90% may be expended only on  
35 state and state aid highway reconstruction, with first priority given to the modernization  
36 of arterials, second priority to modernization of major collectors and third priority to  
37 modernization of minor collectors. The remaining 10% of the balance may be expended  
38 only on rail, bus, aviation, ferry and pedestrian capital improvements or passenger rail,  
39 ferry and bus operating subsidies.

1           **Sec. 4. 30-A MRSA §6006-G** is enacted to read:

2           **§6006-G. Bridge Investment Trust Fund**

3           **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
4 following terms have the following meanings.

5           A. "Grant anticipation revenue bond" means a grant anticipation revenue vehicle  
6 debt financing instrument as authorized by 23 United States Code, Section 122.

7           B. "Fund" means the Bridge Investment Trust Fund.

8           C. "Qualified transportation project" means a bridge project for which the  
9 Department of Transportation has authorized state or federal financial participation or  
10 a combination of both.

11           **2. Establishment; purposes.** The Bridge Investment Trust Fund is established in  
12 the custody of the bank as a special fund as provided in this section. The purpose of the  
13 fund is to provide financial assistance for qualified transportation projects to construct,  
14 reconstruct, rehabilitate or replace state bridges that meet eligibility requirements of the  
15 United States Department of Transportation, Federal Highway Administration. Costs of  
16 qualified transportation projects include, without limitation:

17           A. The purchase price or acquisition of any property or interest in those properties or  
18 other rights necessary or convenient for such projects;

19           B. Costs of the study, permitting and engineering of any such projects, including the  
20 preparation of plans and specifications, surveys and estimates of cost;

21           C. Costs of construction, reconstruction, paving, repaving, building, alteration,  
22 repair, restoration, environmental review or remediation, enlargement or other  
23 improvement, including all labor, materials, machinery, fixtures and equipment,  
24 including rolling stock or vehicles;

25           D. Costs of engineering, architectural, legal and other professional services;

26           E. Costs of reserves, insurance, letters of credit or other financial guarantees for  
27 payment of future debt service on bonds or notes; and

28           F. All other costs or expenses necessary or convenient to such projects, including the  
29 financing or refinancing of the projects.

30           **3. Grant anticipation revenue vehicle bonds authorized.** Notwithstanding any  
31 other provision of law, the bank shall issue from time to time grant anticipation revenue  
32 bonds to be repaid solely from annual federal transportation appropriations for funding  
33 for qualified transportation projects and any matching funds of the State. At the time of  
34 any grant anticipation revenue bond issuance, the total amount of annual debt service  
35 payments, including principal and interest, for all issued and outstanding grant  
36 anticipation revenue bonds may not exceed the obligation authority granted to the State of  
37 Maine from the United States Department of Transportation, Federal Highway  
38 Administration for the immediately prior federal fiscal year for the federal bridge  
39 program.

1 A. The bank shall issue grant anticipation revenue bonds from time to time pursuant  
2 to a resolution adopted by the bank. The grant anticipation revenue bonds issued must  
3 be secured pursuant to a pledge and certificate issued by the Department of  
4 Transportation and approved by the State Budget Officer. The pledge and certificate  
5 must contain provisions that dedicate and pledge receipt of future federal  
6 transportation funds to secure the payment of the grant anticipation revenue bonds,  
7 including principal, interest and issuance costs. The terms of the grant anticipation  
8 revenue bonds, their repayment schedule and other provisions to facilitate their  
9 creditworthiness are determined by the bank in consultation with the Department of  
10 Transportation and the State Budget Officer. The pledge and certificate are a part of  
11 the contract with the holders of the grant anticipation revenue bonds to be authorized.

12 B. The grant anticipation revenue bonds must be in the form, bear the date or dates,  
13 mature at the time or times and have such other terms as determined by the bank and  
14 approved by the Department of Transportation and the State Budget Officer, except  
15 that a grant anticipation revenue bond may not mature more than 20 years from the  
16 date of its issue.

17 C. Grant anticipation revenue bonds issued under this section do not constitute a debt  
18 or liability of the State or of any political subdivision of the State, or a pledge of the  
19 full faith and credit of the State or of any political subdivision of the State, but are  
20 payable solely from the funds and revenues pledged for that purpose.

21 D. The proceeds from the sale of the grant anticipation revenue bonds must be  
22 deposited into the appropriate highway fund capital account or other appropriate  
23 dedicated revenue account.

24 **4. Power and duty of the bank.** The powers and duties of the bank provided in this  
25 chapter are modified and supplemented as follows.

26 A. The bank may assist the State by borrowing money to finance or refinance from  
27 time to time all or a portion of the costs of qualified transportation projects and make  
28 the proceeds of such borrowing available to the Department of Transportation at  
29 terms agreed upon by the bank, the State Budget Officer and the Department of  
30 Transportation. The principal of and interest on any bonds or notes issued by the bank  
31 to finance or refinance the qualified transportation projects must be secured by a  
32 pledge of funds paid by the United States Department of Transportation, Federal  
33 Highway Administration and any matching funds of the State as necessary and  
34 legally available that are allocated for such a purpose on an annual basis by the  
35 Treasurer of State pursuant to Title 36, section 2903, subsection 5 and Title 36,  
36 section 3203, subsection 4 and may further be secured by a pledge of any rights,  
37 grants, reserves, contracts, agreements or other revenues or property as may be  
38 determined by resolution of the bank. Bonds, notes, leases, agreements or other forms  
39 of debt or liability entered into or issued by the bank under this section are not in any  
40 way a debt or liability of the State and do not constitute a loan of the credit of the  
41 State or create any debt or liability on behalf of the State or constitute a pledge of the  
42 faith and credit of the State. Each bond, note, lease, agreement or other evidence of  
43 debt or liability entered into by the bank must contain a statement to the effect that  
44 the bank is obligated to pay the principal, interest, redemption premium, if any, and  
45 other amounts payable solely from the sources pledged for that purpose by the bank

1 and that neither the faith and credit nor the taxing power of the State is pledged to the  
2 payment of the principal, interest, premium, charge, fee or other amount on the bond,  
3 note, lease, agreement or other form of indebtedness.

4 B. In addition to all other powers elsewhere granted to the bank, the bank may, with  
5 respect to qualified transportation projects:

6 (1) Acquire title to or an interest in the qualified transportation projects;

7 (2) Make, enter into and enforce contracts and all other instruments, including  
8 any amendments or modifications to the extent permitted under its contract with  
9 holders of its bonds or notes, with the State, the United States Department of  
10 Transportation, Federal Highway Administration or any other legal entity in  
11 furtherance of the purposes of this section;

12 (3) Invest any funds or money of the bank not then required for funding costs of  
13 the qualified transportation projects in the same manner as permitted for the  
14 investment of funds belonging to the State or held by the Treasurer of State,  
15 except as otherwise permitted or provided by this section;

16 (4) Fix and prescribe any form of application or procedure to be required of the  
17 State or of any agency, political subdivision, instrumentality or department of the  
18 State with respect to the qualified transportation projects and fix the terms and  
19 conditions of the qualified transportation projects and enter into agreements with  
20 the State or any agency, political subdivision, instrumentality or department of  
21 the State in connection with the qualified transportation projects; and

22 (5) Lease the qualified transportation projects to the State or any agency,  
23 political subdivision, instrumentality or department of the State to further the  
24 purposes of this section, as long as the obligation of the State or of any such  
25 agency, political subdivision, instrumentality or department to make any rental or  
26 other payments is considered executory only to the extent of funds paid by the  
27 United States Department of Transportation and any matching funds of the State  
28 as necessary and legally available that are allocated for such a purpose on an  
29 annual basis by the Treasurer of State, as long as the liability on account of the  
30 State or any such agency, political subdivision, instrumentality or department is  
31 not incurred by the State or any such agency, political subdivision,  
32 instrumentality or department beyond the money available for that purpose.

33 **5. Pledge of federal highway funds.** The Department of Transportation is  
34 authorized to transfer, assign or pledge any or all of the bridge program funds paid to it,  
35 directly or indirectly, by the United States Department of Transportation, Federal  
36 Highway Administration with respect to the qualified transportation projects, together  
37 with any matching funds of the State as necessary and legally available that are allocated  
38 for such a purpose on an annual basis by the Department of Transportation in its sole  
39 discretion. Any such pledge does not constitute a debt or liability on behalf of, a loan of  
40 the credit of or a pledge of the faith and credit of the State or of any political subdivision  
41 of the State. A decision by the Department of Transportation not to allocate such federal  
42 transportation funds or state matching funds as necessary and legally available in any  
43 given fiscal year for the payment of such bonds or notes or related costs and expenses

1 may not be construed to constitute an action impairing any contract entered into by the  
2 bank under this section.

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

16 **7. State agency powers.** Each agency, instrumentality, department or other political  
17 subdivision of the State, for the purpose of aiding and cooperating in the financing,  
18 construction, operation or maintenance of qualified transportation projects, has the power:

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

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

29 To assist in the financing, construction, operation or maintenance of the qualified  
30 transportation project, any governmental unit or political subdivision may, by contract,  
31 pledge, assign or otherwise transfer to the Department of Transportation or otherwise as  
32 directed by the bank all or a portion of federal transportation funds paid to the  
33 governmental unit or political subdivision or the revenues from any other legally  
34 available source.

35 **8. Exception to prohibited acts and limitation of powers.** Notwithstanding:

36 A. Section 5958, the bank may make loans to the State or any agency, political  
37 subdivision, instrumentality or department of the State in connection with the  
38 financing of qualified transportation projects;

39 B. Section 6003, the bank may issue its bonds from time to time in any principal  
40 amounts that it considers necessary to provide funds for any of the purposes  
41 authorized by this section, including the financing or refinancing of all or a portion of  
42 the costs of qualified transportation projects; and



1 C. Section 6019, the bank may enter into any agreements or contracts with any  
2 commercial banks, trust companies or banking or other financial institutions within or  
3 outside the State that are necessary, desirable or convenient in the opinion of the bank  
4 to provide any other services to the bank to assist the bank in effectuating the  
5 purposes of this section.

6 **9. Receipt of federal appropriation money.** The Treasurer of State may receive  
7 from the Federal Government any amount of money as appropriated, allocated, granted,  
8 turned over or in any way provided for the purposes of this section. In connection with  
9 the financing of qualified transportation projects, these amounts must be credited to and  
10 deposited in the Highway Fund and are available to the bank.

11 **10. Remedies of holders of bonds and notes.** In addition to all other rights or  
12 remedies set forth in section 6023, subsection 2, the trustee appointed pursuant to that  
13 section may, and upon written request of the holders of 25% in principal amount of all  
14 bonds then outstanding that have been issued to finance or refinance all or a portion of the  
15 costs of qualified transportation projects shall, in the trustee's or the bank's own name, by  
16 mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the  
17 bondholders, including the right to require the bank to collect payments and other  
18 amounts and to collect interest and amortization payments under agreements payable to  
19 the bank and pledged to payment of the bonds, adequate to carry out any agreement as to,  
20 or pledge of, those payments and other amounts and of such interest and amortization  
21 payments and to require the bank to carry out any other agreements with the bondholders  
22 and to perform its duties under this section.

23 **Sec. 5. 30-A MRS §6006-H** is enacted to read:

24 **§6006-H. Transportation Investment Trust Fund**

25 **1. Establishment; administration.** The Transportation Investment Trust Fund,  
26 referred to in this section as "the fund," is established in the custody of the bank as a  
27 special fund as provided in this section.

28 A. The purpose of the fund is to provide financial assistance under subsection 2 for  
29 the planning, design, acquisition, reconstruction and rehabilitation of transportation  
30 capital improvements, excluding bridges, and operating subsidies for passenger rail,  
31 ferries and buses.

32 B. The bank shall administer the fund. The fund must be invested in the same  
33 manner as permitted for investment of funds belonging to the State or held in the  
34 State Treasury. The fund must be established and held separate from any other funds  
35 or money of the State or the bank and used and administered exclusively for the  
36 purpose of this section and Title 23, section 1822. The fund consists of the  
37 following:

38 (1) Sums that are transferred to the fund from time to time by the Treasurer of  
39 State pursuant to Title 29-A, section 409, subsection 3 and Title 36, section  
40 1952-A;

41 (2) Sums that are transferred to the fund from time to time by municipalities  
42 pursuant to Title 36, section 1482, subsection 1, paragraph C, subparagraph (8);

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

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

7           (5) Interest earned from the investment of fund balances;

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

10          (7) The process of notes or bonds issued by the State for the purpose of deposit  
11          in the fund;

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

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

16          **2. Uses.** The fund may be used for one or more of the following purposes:

17          A. To make grants and loans to municipalities under this section;

18          B. To guarantee or insure, directly or indirectly, the payment of notes or bonds  
19          issued or to be issued by a municipality for the purpose of financing any capital  
20          improvement described in Title 23, section 1822;

21          C. To guarantee or insure, directly or indirectly, funds established by municipalities  
22          for the purpose of financing any capital improvements described in Title 23, section  
23          1822;

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

26          E. To invest as a source of revenue or security for the payment of principal and  
27          interest on general or special obligations of the bank if the proceeds of the sale of the  
28          obligations have been deposited in the fund or loaned to eligible participants in the  
29          programs financed with the fund, or as a source of revenue to subsidize municipal  
30          loan payment obligations; and

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

34          **3. Establishment of accounts.** The bank may establish accounts and subaccounts  
35          within the fund as it determines desirable to effectuate the purposes of this section,  
36          including, but not limited to, accounts to segregate a portion of the fund for grants and as  
37          security for bonds issued by the bank for deposit in the fund and to be invested for the  
38          benefit of specified projects receiving financial assistance from the fund.

39          **Sec. 6. 36 MRSA §1482, sub-§1, ¶C,** as amended by PL 2001, c. 671, §32, is  
40          further amended to read:

1 C. For the privilege of operating a motor vehicle or camper trailer on the public  
2 ways, each motor vehicle, other than a stock race car, or each camper trailer to be so  
3 operated is subject to excise tax as follows, except as specified in subparagraph (3): a  
4 sum equal to 24 mills on each dollar of the maker's list price for the first or current  
5 year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for  
6 the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years.  
7 The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached,  
8 \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent  
9 trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

10 (1) On new registrations of automobiles, trucks and truck tractors, the excise tax  
11 payment must be made prior to registration and is for a one-year period from the  
12 date of registration.

13 (2) Vehicles registered under the International Registration Plan are subject to  
14 an excise tax determined on a monthly proration basis if their registration period  
15 is less than 12 months.

16 (3) For commercial vehicles manufactured in model year 1996 and after, the  
17 amount of excise tax due for trucks or truck tractors registered for more than  
18 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-  
19 A, section 101, subsection 70, is based on the purchase price in the original year  
20 of title rather than on the list price. Verification of purchase price for the  
21 application of excise tax is determined by the initial bill of sale or the state sales  
22 tax document provided at point of purchase. The initial bill of sale is that issued  
23 by the dealer to the initial purchaser of a new vehicle.

24 (4) For an urban compact municipality as defined in Title 23, section 754,  
25 subsection 2, the following percentage of the tax collected from the tax imposed  
26 pursuant to this paragraph must be deposited in the Transportation Investment  
27 Trust Fund at the Maine Municipal Bond Bank in the name of and solely for the  
28 use of that municipality as set forth in Title 23, section 1822:

29 (a) On or after July 1, 2007, 4%;

30 (b) On or after July 1, 2008, 8%;

31 (c) On or after July 1, 2009, 12%;

32 (d) On or after July 1, 2010, 16%; and

33 (e) On or after July 1, 2011, 20%.

34 Upon monthly certification by the Maine Municipal Bond Bank, the Treasurer of  
35 State shall deposit in the Transportation Investment Trust Fund at the Maine  
36 Municipal Bond Bank in the name of the municipality an amount from the General  
37 Highway Fund from proceeds derived from section 1952-A and Title 29-A, section  
38 409, subsection 3 that is equal to the municipal deposit and for the sole use of the  
39 municipality as set forth in Title 23, section 1822. If the Treasurer of State fails to  
40 make the deposit required under this section after 2 months of receipt of the monthly  
41 certification, the municipality is entitled to withdraw any unmatched funds.

1 For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1,  
2 paragraph C, the excise tax must be prorated for the number of months in the  
3 registration.

4 **Sec. 7. 36 MRSA §1952-A**, as amended by PL 2005, c. 218, §26, is further  
5 amended to read:

6 **§1952-A. Payment of tax on vehicles and recreational vehicles**

7 The tax imposed by this Part on the sale or use of any vehicle, snowmobile, all-terrain  
8 vehicle or watercraft must, except where the dealer has collected the tax in full, be paid  
9 by the purchaser or other person seeking registration of the vehicle, snowmobile, all-  
10 terrain vehicle or watercraft at the time and place of registration. In the case of vehicles,  
11 the tax must be collected by the Secretary of State and transmitted to the Treasurer of  
12 State as provided by Title 29-A, section 409. In the case of watercraft, snowmobiles and  
13 all-terrain vehicles, the tax must be collected by the Commissioner of Inland Fisheries  
14 and Wildlife and transmitted to the Treasurer of State as provided by Title 12, sections  
15 13002 to 13005. If the dealer collects the tax due under this Part on the sale of vehicles,  
16 the following percentage of the tax collected from the tax imposed pursuant to Part 3 on  
17 vehicles and transportation-related items must be deposited in the General Highway Fund  
18 established in Title 23, section 1651:

- 19 1. 2007. On or after July 1, 2007, 4%;  
20 2. 2008. On or after July 1, 2008, 8%;  
21 3. 2009. On or after July 1, 2009, 12%;  
22 4. 2010. On or after July 1, 2010, 16%; and  
23 5. 2011. On or after July 1, 2011, 20%.

24 Deposits made to the General Highway Fund under this section may be used only for  
25 the purpose of state and state aid highway reconstruction with first priority given to the  
26 modernization of arterials, second priority to modernization of major collectors and third  
27 priority to modernization of minor collectors and for permitted uses under Title 23,  
28 section 1822. The remaining 10% of the balance may be expended only on rail, bus,  
29 aviation, ferry and pedestrian capital improvements or passenger rail, ferry and bus  
30 operating subsidies.

31 **Sec. 8. 36 MRSA §2903, sub-§5** is enacted to read:

32 5. Deposit to trust fund. Beginning on January 1, 2008, the Treasurer of State shall  
33 deposit monthly in the Bridge Investment Trust Fund established in Title 30-A, section  
34 6006-G and administered by the Maine Municipal Bond Bank 7.5% of the excise tax  
35 imposed under subsection 1.

36 **Sec. 9. 36 MRSA §3203, sub-§4**, as enacted by PL 1997, c. 738, §10, is amended  
37 to read:

1       **4. Highway Fund.** All taxes and fines collected under this chapter must be credited  
2 to the Highway Fund, except that beginning January 1, 2008 the Treasurer of State shall  
3 deposit monthly in the Bridge Investment Trust Fund established in Title 30-A, section  
4 6006-G and administered by the Maine Municipal Bond Bank 7.5% of the excise tax  
5 imposed under subsection 1.

6       **Sec. 10. Legislative purpose.** The Legislature declares that it is the purpose of  
7 this Act to comprehensively address the State's transportation capital improvement needs  
8 by:

- 9       1. Providing stable, reliable, long-term funding supported by transportation user fees  
10       and taxes;
- 11       2. Setting priorities that maximize the benefit to transportation users;
- 12       3. Creating intergovernmental and public-private partnerships that expand available  
13       financial resources;
- 14       4. Instituting actions to reduce costs; and
- 15       5. Establishing quantifiable performance measures and reporting procedures to  
16       enhance accountability and guide the enactment of remedial policies.

17       **Sec. 11. Extraordinary corridor investment program.** The Department of  
18 Transportation shall establish priorities and financing plans for significant new capacity  
19 projects and extraordinary bridge replacement, removal or rehabilitation projects. The  
20 department shall take into consideration all available funding options including federal  
21 funds, bonds and public-private partnerships. The department shall consider at a  
22 minimum partnerships with the Maine Turnpike Authority, the Maine Port Authority and  
23 the Northern New England Passenger Rail Authority.

24       The department shall identify significant new capacity projects, which must include  
25 at least the following: Aroostook North-South Highway; East-West Highway; Gorham  
26 connector; I-295 South Portland to Brunswick capacity improvements; I-295 Brunswick  
27 to Gardiner rehabilitation; I-95 Bangor capacity and modernization improvements;  
28 Lewiston-Auburn I-95 to downtown connector; Portland to Brunswick passenger rail;  
29 Sanford connector; Wiscasset bypass; and the department's three-port strategy including  
30 the ports of Eastport, Searsport and Portland.

31       The department shall also identify extraordinary bridge replacement, removal or  
32 rehabilitation projects, which must include at least the following: Carlton Bridge in Bath;  
33 Route 1 West approach in Bath; Beals Island Bridge in Beals; Knickerbocker Bridge in  
34 Boothbay; Frank J. Wood Bridge in Brunswick; Sibley Pond Bridge in Canaan;  
35 Aroostook River Bridge in Caribou; Deer Isle-Sedgwick Bridge in Deer Isle;  
36 International Bridge in Fort Kent; Turner Center Bridge in Greene; Bailey Island Bridge  
37 in Harpswell; Penobscot River Bridge in Howland; Piscataquis River Bridge in Howland;  
38 Memorial Bridge in Kittery; Sarah Mildred Long Bridge in Kittery; Covered Bridge in  
39 Norridgewock; Martin's Point Bridge in Portland; Waldo-Hancock Bridge in Prospect;  
40 Maine Kennebec Bridge in Richmond; Kennebec River Bridge in Skowhegan; Veterans  
41 Memorial Bridge in South Portland; and New Bridge in York.

1 The department shall submit a report that includes priorities and financing plans for  
2 significant new capacity projects and extraordinary bridge replacement, removal or  
3 rehabilitation projects to the Joint Standing Committee on Transportation by January 15,  
4 2008.

5 **SUMMARY**

6 This bill sets forth a comprehensive transportation capital improvement program  
7 based upon measurable goals matched with long-term financing. Under the goals  
8 established in this bill, within 20 years 1,900 miles of state highways that have not been  
9 reconstructed in over 50 years will be modernized and roughly one-third of the State's  
10 aging bridge inventory will be replaced or substantially rehabilitated. A portion of  
11 existing highway user fees including motor fuel taxes, sales taxes on vehicles and  
12 transportation-related items and motor vehicle excise taxes raised in urban compact  
13 communities are set aside in trust funds established under the authority of the Maine  
14 Municipal Bond Bank.

15 Any municipal excise tax revenues transferred to the bond bank must be held in an  
16 account in the name of the contributing municipality in the Transportation Investment  
17 Trust Fund and be matched by the State. If the State fails to make its match commitment,  
18 unmatched municipal funds may be withdrawn. Further, match through the Maine  
19 Department of Transportation is set at 60% for arterial reconstruction, 50% for major  
20 collector reconstruction and 33% for minor collector reconstruction. If the Maine  
21 Department of Transportation declines to provide a match, the participating municipality  
22 may expend the funds held by the bond bank for any public road improvement within the  
23 municipality. The municipality is granted the option to administer projects undertaken  
24 within its boundaries. The municipality is granted discretion to use up to 10% of funds  
25 for alternative modes of transportation.

26 There is also created a Bridge Investment Trust Fund within the bond bank  
27 capitalized by a 7.5% set aside of motor fuel taxes and Federal Highway Administration  
28 Bridge Replacement and Rehabilitation Program funds. Authority is granted to undertake  
29 grant anticipation revenue bond financing for bridge capital improvements.

30 Additionally, the bill requires that the Maine Department of Transportation establish  
31 and provide to the Legislature priorities and financing plans for significant new capacity  
32 projects and extraordinary bridge projects.