

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 269, L.D. 333, Bill, "An Act Making Unified Highway Fund and Other Funds Allocations for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2010 and June 30, 2011"

Amend the amendment in Part W by inserting before section 1 the following:

'Sec. W-1. 23 MRSA §73, sub-§6, ¶F, as enacted by PL 2007, c. 470, Pt. B, §1, is amended to read:

F. By 2027, achieve an even distribution of the service life remaining before bridges need major rehabilitation or replacement, excepting extraordinary-cost bridges as determined by the department or low use bridges or redundant bridges as defined in section 562; and

'Sec. W-2. 23 MRSA §73, sub-§6, ¶G, as enacted by PL 2007, c. 470, Pt. B, §1, is amended to read:

G. Maximize the benefit of capital improvements to freight and passenger transportation users while mitigating, to the extent practicable, energy and environmental impacts; and

'Sec. W-3. 23 MRSA §73, sub-§6, ¶H is enacted to read:

H. Provide a maintenance paving treatment every 7 years on average on roads for which the State has summer maintenance responsibility that have not been built to state design standards and that have poor pavement condition, which will require, on average, 600 miles of maintenance paving at 550 tons per mile per year.'

Amend the amendment in Part W in section 1 by striking out all of subsection 1 (page 78, lines 9 to 22 in amendment) and inserting the following:

'1. Excise tax imposed. An excise tax is imposed on internal combustion engine fuel used or sold within this State, including sales to the State or a political subdivision of the State, at the rate of ~~22¢~~ 28.4¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel, as defined in section 2902, bought or used for the purpose of propelling jet or turbojet engine aircraft. Beginning July 1, 2009, an excise

1 tax is imposed on internal combustion engine fuel used or sold within this State,
2 including sales to the State or a political subdivision of the State, at the rate of 29.5¢ per
3 gallon, plus the maintenance paving surcharge calculated pursuant to section 3351, except
4 that the rate is 3.4¢ per gallon on internal combustion engine fuel bought or used for the
5 purpose of propelling jet engine aircraft. The tax rate provided by this section is subject
6 to annual inflation adjustment pursuant to section 3321 except with respect to the tax
7 imposed upon fuel bought or used for the purpose of propelling jet or turbojet engine
8 aircraft and the surcharge calculated pursuant to section 3351. Any fuel containing at
9 least 10% internal combustion engine fuel is subject to the rate of tax imposed by this
10 section.'

11 Amend the amendment in Part W in section 2 in subsection 1-B in the 7th line (page
12 78, line 31 in amendment) by inserting after the following: "gallon" the following: 'plus
13 the maintenance paving surcharge imposed pursuant to section 3351'

14 Amend the amendment in Part W in section 2 in subsection 1-B in the 13th line (page
15 78, line 37 in amendment) by inserting after the following: "3321" the following: ', except
16 for the surcharge calculated pursuant to section 3351'

17 Amend the amendment in Part W in section 3 in §3203-C in the indented paragraph
18 in the 3rd line (page 79, line 39 in amendment) by inserting after the following: "tax" the
19 following: 'and any surcharge'

20 Amend the amendment in Part W in section 4 in subsection 1 in the last line (page 80,
21 line 19 in amendment) by inserting after the following: "dealers." the following: 'The
22 surcharge calculated pursuant to section 3351 is not subject to indexing under this
23 subsection.'

24 Amend the amendment in Part W by striking out all of section 6 and inserting the
25 following:

26 'Sec. W-6. 36 MRSA §3321, sub-§3, as enacted by PL 2001, c. 688, §8, is
27 amended to read:

28 3. **Exclusion.** This section does not apply to internal combustion engine fuel
29 purchased or used for the purpose of propelling jet or turbojet engine aircraft.

30 Sec. W-7. 36 MRSA c. 467 is enacted to read:

31 CHAPTER 467

32 MAINTENANCE PAVING SURCHARGE

33 §3351. Surcharge on tax rates for maintenance paving

34 1. **Generally.** Beginning July 1, 2009 a surcharge for maintenance paving
35 treatments calculated pursuant to this section must be added to the excise tax imposed
36 upon internal combustion engine fuel pursuant to section 2903, subsection 1 and the
37 excise tax imposed upon distillates pursuant to section 3203, subsection 1-B.

38 2. **Certification of cost.** By April 1st of each odd-numbered year, the
39 Commissioner of Transportation shall certify to the State Tax Assessor the cost of
40 performing maintenance paving treatments that achieve the goal specified in Title 23,

1 section 73, subsection 6, paragraph H for the biennium starting on July 1st of that odd-
2 numbered year. This certification must be based upon actual competitive bids received
3 for that year in accordance with the laws and rules governing the competitive bid process
4 and the practices of the Department of Transportation and upon the assumption that the
5 prices reflected in those bids will be the same in the 2nd year of that biennium.

6 **3. Calculation of surcharge.** By April 15th of each odd-numbered year, the
7 Commissioner of Transportation, in consultation with the State Tax Assessor, shall
8 calculate the per gallon surcharge, rounded to the nearest 0.10¢, that is required to fund
9 the cost of maintenance paving treatments as certified under subsection 2 by the
10 Commissioner of Transportation for that biennium and the additional cost of providing
11 proportional funding to municipalities for the Urban-Rural Initiative Program pursuant to
12 Title 23, section 1803-B. The surcharge calculated pursuant to this section is effective for
13 the biennium starting July 1st of that odd-numbered year. The assessor shall publish the
14 adjusted fuel tax rates and shall provide all necessary forms and reports to suppliers,
15 distributors and retail dealers.

16 **Sec. W-8. Maintenance paving surcharge for 2009-2010 biennium.**
17 Notwithstanding the Maine Revised Statutes, Title 36, section 3351, the biennial
18 surcharge on tax rates for maintenance paving for the 2009-2010 biennium is 3.3¢ per
19 gallon.

20 **Sec. W-9. Effective date.** This Part takes effect July 1, 2009.'

21 Amend the amendment in Part X by striking out all of section 2 (page 80, lines 37 to
22 42 and page 81, lines 1 to 3 in amendment) and inserting the following:

23 **'Sec. X-2. Authorization to issue TransCap Trust Fund revenue bonds for**
24 **highways.** The Maine Municipal Bond Bank, at the request of the Department of
25 Transportation, is authorized to issue additional TransCap Trust Fund revenue bonds as
26 provided in the Maine Revised Statutes, Title 30-A, section 6006-G in amounts not to
27 exceed \$30,000,000 for the purpose of funding capital highway projects with an
28 estimated useful life of 10 years or greater.'

29 Amend the amendment by inserting after Part X the following:

30 **'PART Y**

31 **Sec. Y-1. Appropriations and allocations.** The following appropriations and
32 allocations are made.

33 **TRANSPORTATION, DEPARTMENT OF**

34 **Highway and Bridge Capital 0406**

35 Initiative: Allocates funding from the return of a portion of the 7.5% of fuel taxes
36 previously transferred to the Maine Municipal Bond Bank TransCap Trust Fund.

| | | | |
|---|--|--------------------|--------------------|
| 1 | OTHER SPECIAL REVENUE FUNDS | 2009-10 | 2010-11 |
| 2 | Capital Expenditures | \$9,688,225 | \$6,143,637 |
| 3 | | | |
| 4 | OTHER SPECIAL REVENUE FUNDS TOTAL | \$9,688,225 | \$6,143,637 |

5 **Highway and Bridge Capital 0406**

6 Initiative: Provides funding for capital projects utilizing the \$30,000,000 Maine
7 Municipal Bond Bank TransCap Trust Fund revenue bond in Part X.

| | | | |
|----|--|---------------------|---------------------|
| 8 | OTHER SPECIAL REVENUE FUNDS | 2009-10 | 2010-11 |
| 9 | Capital Expenditures | \$10,000,000 | \$20,000,000 |
| 10 | | | |
| 11 | OTHER SPECIAL REVENUE FUNDS TOTAL | \$10,000,000 | \$20,000,000 |

12 **Highway and Bridge Light Capital Z095**

13 Initiative: Provides funding for Capital Expenditures projects.

| | | | |
|----|---------------------------|---------------------|---------------------|
| 14 | HIGHWAY FUND | 2009-10 | 2010-11 |
| 15 | Capital Expenditures | \$22,210,092 | \$21,633,315 |
| 16 | | | |
| 17 | HIGHWAY FUND TOTAL | \$22,210,092 | \$21,633,315 |

18 **Urban-Rural Initiative Program 0337**

19 Initiative: Restores funding on a one-time basis to the Urban-Rural Initiative Program
20 deallocated in Part A by allocating funding from the return of a portion of the 7.5% of
21 fuel taxes previously transferred to the Maine Municipal Bond Bank TransCap Trust
22 Fund.

| | | | |
|----|--|----------------|--------------------|
| 23 | OTHER SPECIAL REVENUE FUNDS | 2009-10 | 2010-11 |
| 24 | All Other | \$0 | \$5,000,000 |
| 25 | | | |
| 26 | OTHER SPECIAL REVENUE FUNDS TOTAL | \$0 | \$5,000,000 |

27 **Urban-Rural Initiative Program 0337**

28 Initiative: Adjusts funding on a one-time basis for the Urban-Rural Initiative Program at
29 the correct proportioned rate per the Maine Revised Statutes, Title 23, section 1803-B.

| | | | |
|----|---------------------------|--------------------|--------------------|
| 30 | HIGHWAY FUND | 2009-10 | 2010-11 |
| 31 | All Other | \$2,367,158 | \$2,305,685 |
| 32 | | | |
| 33 | HIGHWAY FUND TOTAL | \$2,367,158 | \$2,305,685 |

**TRANSPORTATION, DEPARTMENT OF
DEPARTMENT TOTALS**

2009-10 2010-11

HIGHWAY FUND

\$24,577,250 \$23,939,000

OTHER SPECIAL REVENUE FUNDS

\$19,688,225 \$31,143,637

DEPARTMENT TOTAL - ALL FUNDS

\$44,265,475 \$55,082,637

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment makes the following changes to Committee Amendment "A."

1. It amends the transportation goals of the Sensible Transportation Policy Act to include a maintenance paving treatment every 7 years on average covering an estimated 600 miles per year of roads for which the State has summer maintenance responsibility.

2. It establishes a maintenance paving treatment surcharge to be added to the excise tax imposed on internal combustion engine fuel and distillates. The surcharge is adjusted every biennium and is established as 3.3¢ per gallon for the 2009-2010 biennium.

3. It establishes the amount of TransCap Trust Fund revenue bonds that the Maine Municipal Bond Bank, at the request of the Department of Transportation, is authorized to issue at \$30,000,000.

4. It allocates a portion of the TransCap Trust Fund revenue to replace the \$5,000,000 reduction to the funding for the Urban-Rural Initiative Program and allocates the remainder of the revenues in the TransCap Trust Fund to capital projects.

FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY:

(Representative CAREY)

TOWN: Lewiston

**124th MAINE LEGISLATURE****LD 333****LR 824(07)**

An Act Making Unified Highway Fund and Other Funds Allocations for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2010 and June 30, 2011

Fiscal Note for House Amendment "B" to Committee Amendment "A"

Sponsor: Rep. Carey of Lewiston

Fiscal Note Required: Yes

Fiscal Note

| | 2009-10 | 2010-11 | Projections 2011-12 | Projections 2012-13 |
|-----------------------------------|--------------|--------------|------------------------|------------------------|
| Net Cost (Savings) | | | | |
| Highway Fund | \$0 | \$0 | (\$23,754,000) | (\$23,809,500) |
| Appropriations/Allocations | | | | |
| Highway Fund | \$24,577,250 | \$23,939,000 | \$0 | \$0 |
| Other Special Revenue Funds | \$19,688,225 | \$31,143,637 | \$0 | \$0 |
| Revenue | | | | |
| Highway Fund | \$24,577,250 | \$23,939,000 | \$23,754,000 | \$23,809,500 |
| Other Special Revenue Funds | \$1,992,750 | \$1,941,000 | \$1,926,000 | \$1,930,500 |

Fiscal Detail and Notes

This amendment increases Highway Fund revenue by \$24,577,250 in fiscal year 2009-10 and \$23,939,000 in fiscal year 2010-11 and increases Highway Fund allocations by the same amount. This amendment will have no net effect on Highway Fund budgeted balance. A balanced budget is maintained through the 2010-2011 Biennium.