

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 951

H.P. 654

House of Representatives, March 10, 2009

An Act To Prioritize Funding in the TransCap Trust Fund

(EMERGENCY)

Reference to the Committee on Transportation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MAZUREK of Rockland.
Cosponsored by Senator DIAMOND of Cumberland and
Representatives: BLANCHARD of Old Town, BROWNE of Vassalboro, CAIN of Orono,
CAREY of Lewiston, HARLOW of Portland, HOGAN of Old Orchard Beach, TUTTLE of
Sanford, WHEELER of Kittery.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** revenue is scheduled to be deposited into the TransCap Trust Fund
4 beginning July 1, 2009 for capital improvements to bridges and highways; and

5 **Whereas,** this legislation affects the allocation of that revenue; and

6 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
7 the meaning of the Constitution of Maine and require the following legislation as
8 immediately necessary for the preservation of the public peace, health and safety; now,
9 therefore,

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

11 **Sec. 1. 30-A MRSA §6006-G, sub-§4,** as enacted by PL 2007, c. 470, Pt. D, §1,
12 is amended to read:

13 **4. Uses.** Revenues deposited in the fund from sources enumerated in the
14 Constitution of Maine, Article IX, Section 19 may be used or applied only in accordance
15 with that provision and subsection 6. Within this limitation, the fund may be used for one
16 or more of the following purposes:

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

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

23 C. To guarantee or insure, directly or indirectly, funds established by municipalities
24 for the purpose of financing any capital improvements described in Title 23, section
25 1803-B;

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

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

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

36 **Sec. 2. 30-A MRSA §6006-G, sub-§6** is enacted to read:

1 6. Allocation of revenue. Revenue deposited in the fund must be allocated between
2 expenditures for bridges and highways as set out in this subsection.

3 A. At least 20% but no more than 35% must be used for bridge capital improvements
4 consistent with the capital goal specified in Title 23, section 73, subsection 6,
5 paragraph F.

6 B. The balance after the allocations under paragraph A and less the administration
7 costs specified in subsection 4, paragraph F must be used for highway capital
8 improvements consistent with the capital goals specified in Title 23, section 73,
9 subsection 6, paragraphs A to D, in accordance with the following:

10 (1) As a first priority, the goals in Title 23, section 73, subsection 6, paragraph A
11 must be met;

12 (2) As a 2nd priority, the goals in Title 23, section 73, subsection 6, paragraph B
13 must be met;

14 (3) As a 3rd priority, the goals in Title 23, section 73, subsection 6, paragraph C
15 must be met; and

16 (4) As a 4th priority, the goals in Title 23, section 73, subsection 6, paragraph D
17 must be met.

18 The Department of Transportation may recommend alternative allocations of the revenue
19 in the fund in its biennial report submitted pursuant to Title 23, section 73, subsection 6.

20 **Emergency clause.** In view of the emergency cited in the preamble, this
21 legislation takes effect July 1, 2009.

22 **SUMMARY**

23 Current law requires, beginning July 1, 2009, that 7.5% of the net excise tax imposed
24 on internal combustion engine fuel be deposited in the TransCap Trust Fund, the purpose
25 of which is to provide financial assistance for the planning, design, acquisition,
26 reconstruction and rehabilitation of transportation capital improvements.

27 This bill requires that at least 20%, but no more than 35%, of the revenue be allocated
28 for capital improvements to bridges and the balance to highways and prioritizes the use of
29 the funds for the highway capital improvements.