

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**

**ONE HUNDRED AND EIGHTH LEGISLATURE**

**COMMITTEE ON TRANSPORTATION**

Representative John L. Martin, Chairman  
Legislative Council  
State House  
Augusta, Maine 04333

Dear Speaker Martin:

In accordance with the directive of the Legislative Council, directing the Committee on Transportation to study the contents of L.D. 388 and the future administration and operation of the Maine Turnpike, we enclosed herein the final report of the Committee.

Respectfully submitted,

A handwritten signature in cursive script that reads "Edwin H. Greeley".

Edwin H. Greeley  
Senate Chairman

A handwritten signature in cursive script that reads "George A. Carroll".

George A. Carroll  
House Chairman

enclosure  
TP/sym



REPORT OF THE COMMITTEE  
ON TRANSPORTATION  
ON ITS STUDY OF  
THE FUTURE ADMINISTRATION AND OPERATION OF THE MAINE TURNPIKE

Senate

Edwin H. Greeley  
Cecil H. McNally  
Carroll E. Minkowsky

House

George A. Carroll  
Emile Jacques  
John W. Jensen  
Kenneth C. Brown  
James P. Elias  
Richard E. McKean  
Donald A. Strout  
Frederick B. Lunt  
Majorie C. Hutchings  
Lloyd Littlefield

Edward W. Potter  
Legislative Assistant

January 20, 1978



## Preface

The Joint Standing Committee on Transportation of the Maine Legislature, pursuant to Study Order no. H.P. 1830, undertook a study of L.D. 388, "AN ACT Relating to the Maine Turnpike Authority." The Committee was directed by the study order to

"... study the implications of the adoption of legislation such as L.D. 388, the necessity or desirability of retention of the Maine Turnpike Authority, the possibility of implementating alternative toll collection methods, and the inter-relating federal and state agreements governing the existence of the Maine Turnpike..."

In addition, the Committee on Transportation was authorized to submit its recommendations in the form of legislation to the Second Regular Session of the 108th Legislature.

In order to implement the study order the Committee held a public hearing in Lewiston, Maine on October 26, 1977 and a second public hearing in Saco, Maine on December 15, 1977. All persons and groups interested in the Maine Turnpike were invited to participate, and questions concerning the future administration and operation of the turnpike were sent to many of the participants. In addition, the Committee studied a number of alternatives to the present system.

## Introduction

The Maine Turnpike is the only efficient super highway in the State that links the southern tip of Maine with the rest of New England and the nation. Since the rest of the State is dependent upon the Maine Turnpike from Kittery to South Portland as the only major avenue of commerce and communication, it has a

substantial impact upon the economy of the State.

Maine has two major and efficient highways, Route 95 and the Maine Turnpike, which parallel each other and link Portland with Augusta. Between Augusta and Houlton, a distance of nearly 200 miles, Interstate 95 serves as the only means of efficient highway transportation. Approximately 75 miles of Interstate 95 is a two lane highway which is expected to become a 4 lane highway by the early 1980's.

The Maine Turnpike and Interstate 95 are essential to the economy of Maine. Approximately two-thirds of all manufactured goods (excluding petroleum and coal products) imported into Maine arrive by truck. Nearly 65 percent of all goods shipped out-of-state from Maine are shipped by truck. Virtually all goods transported in intracity commerce are transported by truck. In addition, most tourists arrive in Maine by automobiles or bus. Maine industry and commerce therefore, are dependent upon a fast, efficient highway system.

FINDINGS AND RECOMMENDATIONS OF THE

MAJORITY OF THE COMMITTEE ON TRANSPORTATION

A. Findings

1. The Maine Turnpike Authority which is responsible for the construction of the turnpike is also responsible for maintaining the excellent condition of the turnpike since its construction. Furthermore, the Turnpike Authority has managed to redeem turnpike bonds at a rate faster than originally anticipated and without ever increasing turnpike tolls. The rate of redemption of turnpike bonds and the excellent condition of the turnpike are significant achievements particularly during a period of substantial increases in costs of operation and maintenance.
2. The Maine Turnpike is one of the most important commercial and communication links within Maine and with areas outside Maine. Therefore, it is necessary to provide greater public access to and influence over turnpike administration to satisfy better the objectives of the Turnpike Authority and to the needs of the public. The provisions of the present turnpike act and the provisions of the unamended version of LD 388 do not provide sufficient public influence over the administration of the turnpike.
3. By 1981, maintenance and operating costs of the Maine Turnpike will exceed \$5,000,000 or 13.5 percent of total summer-winter highway maintenance costs in Maine.
4. While out-of-state residents provide 17 percent of the revenues derived from the State gasoline excise tax, out-of-state users provide 50 percent of the toll revenues derived from the Maine Turnpike.
5. Conversion of the turnpike into a toll free highway will not qualify Maine for additional federal funds for turnpike maintenance and operation. Presently federal highway funds are available to improve or construct 42,500 miles of interstate highway across the nation. These monies are not available for highway maintenance. Each state is eligible for federal funds based upon the cost of completion of interstate highways in each state. Maine is entitled to .25 percent of total federal highway funds. The Federal Highway Act, however, establishes a minimum appropriation of .5 percent for each state which means that Maine receives twice as many federal highway dollars than it is entitled based upon interstate highway construction costs. Since the Maine Turnpike is completed, no additional federal highway construction funds are available for the turnpike if it is converted to a toll free highway.



6. The purpose of the Maine Turnpike is to facilitate long distance travel and to provide the State with an efficient highway system. Maine's growth and development is dependent upon an efficient highway system. If the Turnpike is used to relieve traffic congestion of municipalities along the turnpike, the purpose of the turnpike will be thwarted and Maine's economic development will be adversely effected. By means of highway spurs from the turnpike to popular tourist areas and by means of commuter tickets, traffic congestion in communities along route 1 will be reduced.

#### B. Recommendations

1. The Maine Turnpike Authority should continue to administer the Maine Turnpike. The Turnpike Authority has an excellent administrative record which is due, in part, to its existence as a separate highway administrative agency. The Turnpike Authority is able to concentrate its entire effort upon the maintenance and operation of the turnpike that a state agency such as the Department of Transportation is unable to do.
2. Greater public access to and influence over the administration of the turnpike is necessary. Therefore, new construction or major alterations of the turnpike should be subject to the public hearing process. The terms of office of the members of the Turnpike Authority should be reduced, and the number of members of the Authority need to be increased.
3. The growth and development of the Maine economy is dependent upon efficient and quality maintenance of the turnpike. Operating and maintenance monies for the turnpike therefore, should be separate from other highway revenues to insure the availability of funds for turnpike maintenance.
4. To the greatest extent possible, turnpike maintenance and operating costs should be borne by turnpike users. While everyone in the State benefits from the existence of the turnpike, the user, unlike the non-user, derives direct benefits from the turnpike that incur substantial maintenance costs. The user therefore has the responsibility for defraying these maintenance costs.
5. Since out-of-state users derive substantial benefits from the Maine Turnpike and create a significant percentage of the maintenance costs incurred by the turnpike, out-of-state users should provide their just proportion of the monies required to maintain the turnpike.
6. The existing closed toll system with commuter tickets available at reduced prices should be adopted as the funding system for maintaining and operating the Maine Turnpike. The toll barrier system will create

peak traffic problems, reduce the efficiency of the Maine Turnpike, increase energy waste, and reduce highway safety. The closed toll system with commuter tickets eliminates the disadvantages of a toll barrier system.

Report of the Majority

Senator Cecil McNally  
Representative Donald Strout  
Representative Frederick Lunt

Representative Majorie Hutchings  
Representative Lloyd Littlefield  
Representative James Elias  
Representative Richard McKean

FINDINGS AND RECOMMENDATIONS OF THE MINORITY OF THE COMMITTEE  
ON TRANSPORTATION

Senator Edwin Greeley  
Senator Carroll Minkowsky

Representative George Carroll  
Representative Emile Jacques  
Representative Kenneth Brown

A. Findings

1. By 1981 the Maine Turnpike Authority will have accomplished the purpose for which it was created - the construction of the Maine Turnpike and full redemption of turnpike bonds.
2. Since the Maine Turnpike is a key to commerce and communication within Maine and with areas outside the State, there should be public access and some degree of public influence over the administration of the turnpike. The provisions of the unamended version of the Legislative Document #388 provide the Turnpike Authority, the members of which serve very lengthy terms, with extensive powers that are subject to very little public control or regulation.
3. By 1981, maintenance and operating costs of the Maine Turnpike will exceed \$5,000,000 or 13.5 percent of total summer-winter highway maintenance costs in Maine.
4. While out-of-state residents provide 17 percent of the revenues derived from the State gasoline excise tax, out-of-state users provide 50 percent of the toll revenues derived from the Maine Turnpike.
5. Conversion of the turnpike into a toll free highway will not qualify Maine for additional federal funds for turnpike maintenance and operation. Presently federal highway funds are available to improve or construct 42,500 miles of interstate highway across the nation. These monies are not available for highway maintenance. Each state is eligible for federal funds based upon the cost of completion of interstate highways in each state. Maine is entitled to .25 percent of total federal highway funds. The Federal Highway Act, however, establishes a minimum appropriation of .5 percent for each state which means that Maine receives twice as many federal highway dollars than it is entitled based upon interstate highway construction costs. Since the Maine Turnpike is completed, no additional federal highway construction funds are available for the turnpike if it is converted to a toll free highway.
6. Many Maine communities located along the Maine Turnpike are experiencing serious traffic and highway problems. These municipalities are, for the most part, located on Route 1 which is toll free and which bears a substantial traffic burden, particularly during the summer months.

## B. Recommendations

1. Administration of the turnpike should be vested in the Department of Transportation. The Department of Transportation possesses the expertise and capability to administer 100 miles of highway that it presently administers.

While the Maine Turnpike Authority is responsible for the creation of a significant asset for the State and has performed admirably in the area of debt payment, it is not necessary to maintain a separate agency to maintain the highway.

2. New construction and major alterations of the turnpike should be subject to a public hearing procedure and to some degree of public control.
3. The growth and development of the Maine economy is dependent upon efficient and quality maintenance of the turnpike. Operating and maintenance monies for the turnpike therefore, should be separate from other highway revenues to insure the availability of funds for turnpike maintenance.
4. To the greatest extent possible, turnpike maintenance and operating costs should be borne by turnpike users. While everyone in the State benefits from the existence of the turnpike, the user, unlike the non-user, derives direct benefits from the turnpike that incur substantial maintenance costs. The user therefore has the responsibility for defraying these maintenance costs.
5. Since out-of-state users derive substantial benefits from the Maine Turnpike and create a significant percentage of the maintenance costs incurred by the turnpike, out-of-state users should provide their just proportion of the monies required to maintain the turnpike.
6. A toll-barrier system with commuter tickets should be adopted as the financial source for maintaining the turnpike. This system of funding turnpike maintenance should be designed to alleviate some of the traffic and highway problems of municipalities neighboring the turnpike without significantly impeding the efficiency of the turnpike.
7. In order to optimally place toll barriers along the Maine turnpike, further study, including surveys, must be undertaken. The Department of Transportation should implement a study to calculate the optimum geographical locations for toll barriers that will produce the needed maintenance revenues and alleviate some of the traffic congestion in neighboring municipalities. Final determination of the toll barrier locations should rest with the Legislature.

FINDINGS AND RECOMMENDATIONS OF THE  
MINORITY OF THE COMMITTEE ON TRANSPORTATION

REPRESENTATIVE JOHN JENSEN

A. Findings

1. By 1981 the Maine Turnpike Authority will have accomplished the purpose for which it was created - the construction of the Maine Turnpike and full redemption of turnpike bonds.
2. Since the Maine Turnpike is a key to commerce and communication within Maine and with areas outside the State, there should be public access and some degree of public influence over the administration of the turnpike. The provisions of the unamended version of the Legislative Document #388 provide the Turnpike Authority, the members of which serve very lengthy terms, with extensive powers that are subject to very little public control or regulation.
3. By 1981, maintenance and operating costs of the Maine Turnpike will approach \$5,000,000 or 13.5 percent of total summer-winter highway maintenance costs in Maine.
4. While out-of-state residents provide 17 percent of the revenues derived from the State gasoline excise tax, out-of-state users provide 50 percent of the toll revenues derived from the Maine Turnpike.
5. Conversion of the turnpike into a toll free highway will not qualify Maine for additional federal funds for turnpike maintenance and operation. Presently federal highway funds are available to improve or construct 42,500 miles of interstate highway across the nation. These monies are not available for highway maintenance. Each state is eligible for federal funds based upon the cost of completion of interstate highways in each state. Maine is entitled to 25 percent of total federal highway funds. The Federal Highway Act, however, establishes a minimum appropriation of .5 percent for each state which means that Maine receives twice as many federal highway dollars than it is entitled based upon interstate highway construction costs. While no additional interstate funds are now available, federal funds may well be made available in the future for major improvements or rebuilding the existing turnpike, provided that tolls are removed. However, the partial removal of tolls in some sections (via the toll barrier concept) would allow the use of federal interstate funds for major improvements or reconstruction within certain non-toll segments.

6. Many Maine communities located along the Maine Turnpike are experiencing serious traffic and highway problems. These municipalities are, for the most part, located on Route 1 which is toll free and which bears a substantial traffic burden, particularly during the summer months.

#### B. Recommendations

1. Administration of the turnpike could be vested in the Department of Transportation or MTA, with no noticeable differences. Both the Department of Transportation and the M.T.A. possesses the expertise and capability to administer 100 miles of highway that it presently administers. Therefore, the Department can administer the Turnpike and thereby save duplication of Agencies.
2. New construction and widening of the turnpike appears to be unnecessary for the immediate future. However, should conditions change, any major alterations should be subject to public hearings and to ultimate control by the legislature.
3. To the greatest extent possible, turnpike maintenance and operating costs should be borne by turnpike users. While everyone in the State benefits from the existence of the turnpike, the user, unlike the non-user, derives direct benefits from the turnpike that incur substantial maintenance costs. The user therefore has the responsibility for defraying these maintenance costs.
4. Since out-of-state users derive substantial benefits from the Maine Turnpike and create a significant percentage of the maintenance costs incurred by the turnpike, out-of-state users should provide their just proportion of the monies required to maintain the turnpike.
5. A toll-barrier system with commuter tickets should be adopted as the financial source for maintaining the turnpike. This system of funding turnpike maintenance should be designed to alleviate some of the traffic and highway problems of municipalities neighboring the turnpike without significantly impeding the efficiency of the turnpike.

I. Background

In 1941, the Maine Turnpike Authority was created as an independent State agency and was vested with the authority to construct a turnpike "from some point at or near Kittery to a point at or near Fort Kent". The State intentionally delegated the responsibility for turnpike construction to the Turnpike Authority, and precluded any financial commitment on the part of the State to turnpike construction and maintenance.

Previous to the creation of the Turnpike Authority, the State Highway Commission was concerned about the inadequate condition of Route 1 between Kittery and Portland. The State Highway Department proposed a number of by-passes to route traffic away from congested and built-up areas on Route 1, but the Department's proposals were opposed by several municipalities and various groups that considered the by-passes detrimental to their welfare.

As transportation conditions worsened along the southern tip of Route 1, a small group from that section of the State began to deliberate the feasibility of a turnpike between Kittery and Portland. Composed primarily of George D. Varney of York County, Speaker of the Maine House of Representatives; Mrs. George C. Lord of Wells, a member of the State Highway Commission, and Representative Joseph Sayward of Kennebunk, this group was influenced to a large extent by the construction of the Pennsylvania Turnpike in 1940. George Varney prepared a bill similar

to the Pennsylvania Turnpike legislation which Joseph Sayward presented to the Legislature.

The Maine Turnpike Authority was empowered to issue bonds and establish tolls in order to raise the revenues required to construct and operate a turnpike. The Legislature appropriated \$10,000 for operating expenses of the authority for the interim period between the time of appointment of authority members and the issuance of turnpike bonds. No other state monies, however, have been appropriated by the Legislature to the Turnpike Authority. Following full redemption of turnpike bonds, the Maine turnpike by the 1941 Act, would become a toll free highway administered by the State Highway Department.

Between 1941 and 1946, the Turnpike Authority investigated means to finance traffic and engineering surveys and the issuance of bonds. Lacking the necessary funds to undertake any surveys, the Turnpike Authority obtained \$6,000 which it used to contract with Coverdale and Colpitts, a consulting engineering firm in New York, to conduct a traffic survey for a section of highway between Kittery and Portland.

Following a favorable report from Coverdale and Colpitts, the Maine Turnpike Authority discussed the construction of the turnpike with Jerome Trepp of Trepp & Co., Inc. in New York and with Tuthill Ketcham of the banking firm, Stifel Nicolaus and Co. of Chicago. The Chicago banking firm agreed to fund all preliminary work and to purchase the bonds estimated to be \$13,000,000 to cover the project cost. This estimate proved to be insufficient



and the Chicago bank agreed to purchase \$15,000,000 of bonds at 2 1/2% interest in February, 1946 and an additional \$5,600,000 of bonds at 2 3/4% interest in 1947.

The Turnpike Authority contracted with Howard, Needles, Tammen & Bergendoff of New York to conduct an engineering survey of the proposed road. Construction commenced on the Kittery-Portland section of the Turnpike in the mid 1940's which was opened to traffic on December 13, 1947.

The success of the Kittery-Portland section of the turnpike led the Maine Good Roads Association to propose in December, 1949 an extension of the turnpike. The Association's report in February, 1950 declared that an extension of the turnpike to Augusta, Waterville, or Bangor would accelerate economic development of the State.

Following the report of the Maine Good Roads Association, the State Highway Commission contracted with Coverdale & Colpitts at the cost of \$30,000 to conduct a traffic survey between Portland and Bangor. The result of the traffic survey led the turnpike Authority in 1952 to contract with Howard, Needles, Tammen and Bergendoff to conduct an engineering survey between Portland and Augusta.

The Chicago banking firm, Stifel, Nicolaus & Co. agreed in April, 1953 to purchase \$75,000,000 of refunding and extension bonds bearing 4 percent interest to replace the initial bond issues and to construct the link between Portland and Augusta. The second and final section of the turnpike was opened to traffic on December 13, 1955.

II. The Implications of Legislation Pertaining to the Maine Turnpike - L.D. 388

Presently, the statute by which the Maine Turnpike Authority functions provides that the turnpike will become a toll free highway administered by the Department of Transportation following full redemption of turnpike bonds. As a result of this provision, the Maine turnpike will become toll free in 1981, unless the present law is changed.

The objective of any legislation designed to modify or repeal the present turnpike statute would be to retain the Maine Turnpike Authority as the administrative agency of the turnpike or to retain the toll system, or to retain the Authority and the tolls.

During the First Regular Session of the 108th Legislature, LD 388, "AN ACT Relating to the Maine Turnpike Authority" was presented to the Committee on Transportation. LD 388 proposed to:

- A. retain the Maine Turnpike Authority as the administrative agency of the turnpike;
- B. establish 10 year terms for members of the Authority;
- C. retain the toll system;
- D. convert the toll system from a closed system to a barrier system ;
- E. widen the turnpike from South Portland to Kittery; and
- F. provide the Maine turnpike Authority with powers exceeding its present authority including the power to:
  - 1. reconstruct and widen any portion of the turnpike,
  - 2. use toll revenues to construct interconnecting access roads with 10 miles from the turnpike,

3. construct interconnecting access roads without the benefits of a public hearing, and
4. provide revenues to the Maine Department of Transportation to construct or reconstruct interconnecting access roads.

LD 388 was based on the premise that the Maine economy, dependent to a very great extent upon the Maine turnpike, requires a Commission concerned exclusively with the efficient operation of the turnpike. In addition, the efficient operation of the turnpike is dependent upon adequate revenues that can be best provided by tolls which will not be expended on the maintenance of the roads.

LD 388 not only extended the life of the Maine Turnpike Authority, it also significantly increased its powers which were not subjected to any form of public review and control. As a result, the objectives of the committee's amendments to the bill were to provide greater public control over the powers exercised by the Maine Turnpike Authority. Committee Amendments A and B, for example:

- A. required that construction and reconstruction costs of interconnecting access roads receive legislative approval via legislative review of the budget of the Department of Transportation;
- B. required the Department of Transportation to approve any Turnpike Authority capital investment in excess of \$500,000;
- C. increased the membership of the Turnpike Authority from 4 to 6 members and subjected each member to legislative approval;

- D. reduced the term of office of authority members from 10 years to 6 years;
- E. established a ceiling of \$25,000,000 for the amount of bonds outstanding at any one time;
- F. limited bond issues to 20 years; and
- G. subjected proposals for road construction to public hearing.

In addition to the limitations, Committee Amendment B prohibited the construction of new lanes, bridges, and access roads while the Turnpike Authority was operating with outstanding debts.

Although the Committee Amendments placed limits upon the Turnpike Authority's exercise of power, direct legislative or public control was limited. The only direct public control was limited to legislative approval of Turnpike Authority's members. Following approval, the only form of public control over the Turnpike Authority was legislative approval of construction and reconstruction of interconnecting access roads.

Sentiment for greater public control over the management of the Maine Turnpike resulted in another amendment, Senate Amendment "A", that proposed to vest the Maine Department of Transportation with the administration of the turnpike. In addition, the amendment required legislative approval of all turnpike construction and reconstruction projects. This amendment was based on the premise that the Maine Turnpike has a profound effect upon the entire state. The State therefore, should not surrender its control over the turnpike to a small group that can make decisions which have a substantial impact upon every person in the State.

### III Role of The Maine Turnpike Authority

The original purpose of the Maine Turnpike Authority was to construct a turnpike somewhere in the vicinity from Kittery to Fort Kent. Following completion of the turnpike to Augusta, federal highway funds became available to construct an interstate highway from Augusta to Houlton. As a result, the role of the Maine Turnpike Authority was significantly reduced, and the Turnpike Authority could concentrate upon the maintenance of the 106 miles of turnpike and repayment of turnpike construction bonds.

At public hearings conducted by the Joint Standing Committee on Transportation in Lewiston and Saco, Maine, there was little testimony in regard to any particular administrative agency that could best maintain and operate the turnpike. Most of the participants at the hearings agreed, however, that the Maine turnpike has been extremely well maintained by the Turnpike Authority. One of the most important and underlying reasons for the excellent condition of the turnpike is the substantial revenues that are available for the maintenance of the turnpike.

One of the issues pertaining to the Maine Turnpike Authority is its autonomy. At the present time, the decisions of the MTA are subject to little or no review or control by any public agency. While the Turnpike Authority is responsible for the excellent physical and financial condition of the turnpike, greater public access to and influence over Turnpike Authority decisions would better ensure that the public welfare will be protected. By reducing the terms of Authority members, increasing the number of members on the Authority, and including major construction and reconstruction projects in the budget of the Department of Transportation, the activities of the Turnpike Authority will come under closer public scrutiny and control.

#### IV. Alternative Toll Collection Methods

The issue of financing turnpike maintenance was by far the most complicated and controversial issue raised at public hearings before the Committee. The issue did not concern the existence or non-existence of tolls but concerned the type of toll system (closed or barrier) and the location of toll barriers. Everyone agreed at the hearings that tolls are necessary to maintain the turnpike.

There are several toll collection systems that may be implemented in addition to other revenue sources for the maintenance and operation of the Maine Turnpike. The closed toll system, the toll barrier system, a one or two toll plaza system and the gasoline tax are examples of different revenue sources.

Under the present closed toll system, a toll booth is located at every entrance/exit point of the turnpike. In 1976, the Maine Turnpike collected roughly \$13,100,000 at 16 toll collection stations. Total turnpike revenues approximated \$14,100,000, total operating expenses approximated \$4,400,000, and reserve maintenance fund expenditures were roughly \$4,200,000 in 1976.

The greatest proportion of toll revenues were derived from passenger vehicles, but commercial vehicles provided a larger percentage of toll revenues compared to the percentage of commercial vehicles using the turnpike as shown in Table 1:

Table 1  
THE MAINE TURNPIKE  
ITS USE AND REVENUES

	<u>% of vehicles using the Maine Turnpike</u>	<u>% of toll revenues</u>
passenger vehicles	89%	74%
commercial vehicles	11%	26%

Approximately 45 percent of total turnpike revenues in 1976 were collected during the 4 month period from June through September when tourist traffic comprises a large percentage of turnpike use. Out-of-state vehicles provide a significant percentage of toll revenues. According to surveys conducted by the engineering consulting firm Howard, Needles, Tammen & Bergendoff, out-of-state toll revenues vary from 36 percent to as much as 70 percent of total turnpike revenues. The surveys were conducted for 1 week periods during specific months. The results are indicated below:

Table 2  
Out-of-State Vehicle Use  
and Revenues - Maine Turnpike

	<u>% of out-of-State vehicles using Turnpike</u>	<u>out-of-State vehicle revenues as a % of total toll revenues</u>
January, 1976	25.46%	38.9 %
April, 1976	32.58%	43.52%
July, 1976	59.14%	69.74%
September, 1976	37.89%	48.91%
October, 1976	34.86%	46.89%
January, 1977	23.42%	35.99%
March, 1977	24.60%	39.16%
June, 1977	35.95%	47.65%
October 1977	29.33%	42.27%

The survey conducted by Howard, Needles, Tammen & Bergendoff indicates that out-of-state vehicle toll revenues may comprise 50 percent of total turnpike toll revenues. In comparison, Maine residents provide 83 percent of total gasoline tax revenues.

In order to determine the means by which the turnpike can best be maintained, it is necessary to study the financial alternatives to fund the turnpike. The alternatives include:

- A. funding turnpike operation and maintenance from the present toll system;
- B. funding turnpike operation and maintenance from a toll barrier system;
- C. funding turnpike operation and maintenance from one or two toll plazas;
- D. funding turnpike operation and maintenance from the Highway Fund; and
- E. funding turnpike operation and maintenance from a 1¢ per gallon increase in the gasoline tax.

A. Funding turnpike maintenance from the present toll system

The first funding alternative is to retain the present closed toll system. The tolls can be established at a level to raise the necessary funds to cover maintenance and reconstruction costs. Proponents of a closed toll system argue that all users of the turnpike should pay for their proportionate use of the Maine Turnpike. In addition, some of the proponents argue that the purpose of the turnpike is to expediate long distance travel. In their opinion, the purpose of the turnpike is not to relieve municipalities of local traffic and highways problems.



To some extent residents of municipalities located North of Augusta perceive the purpose of the turnpike differently from residents located in municipalities in the southern portion of the State. Maine residents North of Augusta tend to perceive the turnpike for long distance travel while citizens in the southern tip perceive the turnpike as a means of facilitating inter and intracity travel.

The most significant benefit of a closed toll system is that 50 percent of all maintenance and reconstruction costs will be borne by out-of-state users. The closed toll system, unlike a gasoline tax or highway fund financing mechanism, taxes users and not the Maine public, in general. In addition, the closed toll system permits traffic to move non-stop from the entrance point to the exist point.

There are a number of disadvantages associated with a closed toll system. The closed toll system discourages use of the turnpike for inter and intracity traffic and thereby contributes to urban congestion. In addition, it reduces the ability or opportunity to compete on national markets for Maine businesses which ship their goods by truck down the turnpike. The toll system also increases the cost to consumers of goods transported to Maine via truck.

B. Funding turnpike maintenance from a toll barrier system

A toll barrier system consists of toll plazas strategically located along the turnpike. According to Senate Amendment "A" to LD 388 (Maine Turnpike Bill during the First Regular Session of the 108th Legislature), four toll barriers

would be established. One toll barrier would be located at the York interchange, a second toll barrier would be located North of Saco and South of the Scarborough Downs interchange, a third barrier would be located North of the Portland - North and South of the Gray exits, and the fourth barrier would be located at the West Gardiner interchange. Many of the proponents of the toll barrier system at the public hearings disagreed about the location of the toll barriers. No one wanted a toll barrier located near the municipality in which the individual resides.

The toll barrier system has most of the benefits associated with the closed toll system. In addition, the barrier system encourages intracity traffic use of the turnpike and relieves some of the traffic strains that a number of cities located near the turnpike suffer.

The toll barrier system also possesses most of the disadvantages associated with the closed toll system. In addition, it creates a "stop-go" traffic pattern which could create traffic congestion particularly during periods of peak use. Depending upon the location of toll barriers, a toll barrier system may penalize some municipalities and reward others.

C. Funding turnpike maintenance from a one or two toll station system.

The one or two toll station system is a variation of the toll barrier system. In contrast to four or more toll plazas, this alternative would establish a toll station at York or two toll stations located at York and Augusta. The level of tolls would be set at a level to raise the necessary revenues

to cover cover maintenance costs.

The advantages of this approach are very similar to the advantages of the closed toll and toll barrier systems. The disadvantages of this approach are also similar to the disadvantages of the closed toll and toll barrier systems.

One very significant disadvantage to the one or two toll station system is the opportunity that it affords to divert traffic from the toll station entrance points to non-toll entrance points.

Operators of commercial vehicles and Maine registered passenger vehicles which together comprise more than 50 percent of the vehicles that use the turnpike may be the users that would circumvent the tolls. As a result, toll revenues could be insufficient to maintain the highway.

D. Funding turnpike maintenance from the Highway Fund

If the present statute pertaining to the Maine Turnpike remains unchanged, the turnpike will become part of the part of the state's highway system and will be maintained with Highway Fund monies. Total Highway Fund monies for 1977-78 are expected to be \$77,250,000, of which roughly \$51,000,000 will be derived from the gasoline tax.

According to this approach, the turnpike would be financed from the summer-winter highway maintenance programs which have been allocated \$38,211,300 and comprise nearly 50 percent of the total Highway Fund. Summer-winter highway maintenance of existing roads would be reduced 13.4 percent to fund turnpike

maintenance which is estimated to cost \$5,200,000 in 1981. Turnpike maintenance costs do not include reconstruction, widening, or other construction costs.

Although a toll-free turnpike would be designated part of the federal aid primary system, the turnpike would not receive any additional federal funds. Federal funds are designated for reconstruction and construction projects and are not available for maintenance of highways. Maine's share of federal highway monies is .25% but it receives the established minimum of .5%. Since the State receives more than its designated share of federal monies, Maine will not receive additional federal monies for construction or reconstruction of a toll-free turnpike.

E. Funding turnpike maintenance from an increase in the gasoline tax

A second approach to funding turnpike maintenance is to increase the gasoline excise tax from 9¢ to 10¢ per gallon. At current annual consumption (566,666,666 gallons) a 1¢ per gallon increase would be financed from the highway fund.

A toll-free turnpike maintained with monies in the Highway Fund, will have a number of beneficial results. Urban congestion may be reduced as inter and intracity traffic utilizes the turnpike to a greater extent compared to the present situation. In addition, Maine businesses will incur lower transportation costs for goods shipped by truck to national markets and thereby increase the competitive

advantage of Maine businesses in national markets. Maine consumers will benefit as a result of reduced transportation costs for goods shipped by truck to markets in Maine.

A toll-free highway also creates some disadvantages. The cost of turnpike maintenance and reconstruction will be shifted from the turnpike users to the motor vehicles owning sector of the Maine population. As a result, 83 percent of turnpike maintenance costs will be financed by Maine residents compared to 50 percent of maintenance and reconstruction costs financed by Maine residents under a toll system.

Another aspect of funding turnpike maintenance and reconstruction from the Highway Fund is the effect that this will produce upon the maintenance and reconstruction of existing state highways and roads. Present highway maintenance funds for State aid roads would be reduced 13.4 percent.

REPORT OF THE MAJORITY-CONCLUSION  
REPORT A

In order to maintain the Maine Turnpike as an efficient avenue of commerce and communication in Maine and between the State and areas outside the State, the turnpike should be administered by the Maine Turnpike Authority. The Maine Turnpike Authority has maintained the turnpike in high quality condition for roughly 25 years and has thereby demonstrated its ability in this area.

By means of the closed toll system, turnpike maintenance and operation can be funded from toll revenues. In addition, the closed toll system justly charges all users of the turnpike according to the degree of use of each user.

Commuter tickets that are made available to frequent users at reduced rates will alleviate traffic congestion in municipalities located along the turnpike.

In the long run, the most efficient system of administration of the turnpike at the least cost is the system that utilizes an able and experienced organization to administer the turnpike and which provides adequate revenues to properly maintain the turnpike.

The impact of the turnpike upon the entire state is substantial. In order to protect the State, it is necessary to provide for public review of some turnpike decisions. By means of legislative approval of the construction of interconnecting access roads and Department of Transportation approval of capital improvement projects, the general welfare will be promoted.

REPORT OF THE MINORITY-CONCLUSION  
REPORT B

Senator Edwin Greeley  
Senator Carroll Minkowsky

Representative George Carroll  
Representative Emile Jacques  
Representative Kenneth Brown

In order to maintain the Maine Turnpike as an efficient avenue of commerce and communication within Maine and between the State and areas outside the State, the turnpike should be administered by the Maine Department of Transportation and operating costs should be financed by tolls derived from a toll barrier system. By means of tolls the State can be assured of sufficient revenues for optimum maintenance of the turnpike without the risk that such revenues will be expended on highways or roads which have a lesser impact on the State economy. Administration of the turnpike by the Department of Transportation will permit public overview and some degree of public control of the Maine Turnpike.

REPORT OF THE MINORITY-CONCLUSION  
REPORT C

Representative John Jensen

Administration of the Maine Turnpike could be vested in either the Department of Transportation or the Maine Turnpike Authority without any significant difference in results. In order to eliminate duplication of effort and ability, the Department of Transportation should be vested with the authority to administer the turnpike.

The toll barrier system will provide funds for turnpike maintenance and, at the same time, encourage intro-urban travel on the turnpike. Municipalities located along the turnpike which presently experience significant traffic congestion will experience many less traffic problems.

By prohibiting the issuance of bonds to construct or reconstruct the turnpike and by subjecting capital improvement and construction programs to legislative review, the public welfare will be protected. In addition, the public will have greater input into the administration of the turnpike compared to the present situation.



LEGISLATION PROPOSED BY THE MAJORITY OF THE  
COMMITTEE ON TRANSPORTATION PURSUANT TO STUDY ORDER #H.P. 1830  
REPORT A

AN ACT To Revise the powers and duties of the Maine Turnpike  
Authority and to Provide Commuter Passes for Turnpike Users

Senator Cecil McNally  
Representative Donald Strout  
Representative Frederick Lunt

Representative Marjorie Hutchings  
Representative Lloyd Littlefield  
Representative James Elias  
Representative Richard McKean

AN ACT To Revise the powers and duties of the Maine Turnpike Authority and to Provide Commuter passes for Turnpike Users

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

Sec. 1. P&SL 1941, c. 69, is repealed and the following enacted in place thereof:

§1. Definitions. The following words and terms shall have the following meanings:

1. Authority. "Authority" shall mean the Maine Turnpike Authority heretofore created, or if said authority shall be abolished, any board, commission or officer succeeding to the principal functions thereof, or upon whom the powers given by this Act to said authority shall be given by law.

2. Department. "Department" shall mean the Department of Transportation.

3. Maintain or Maintenance. "maintain" or "maintenance" shall embrace any and all activities undertaken to continue and to put the turnpike, or any part thereof, in a safe, efficient and modern functional state, and shall embrace construction or reconstruction when such construction or reconstruction is deemed necessary by the authority to obtain a safe, efficient and modern functional state.

4. Owner. "Owner" shall include all individuals, copartnerships, associations or corporations having any title or interest in any property rights, easements or franchises authorized to be acquired by the Act.

5. The turnpike. "The turnpike" shall mean the turnpike constructed pursuant to the private and special laws of 1941, chapter 69, sections 1 to 18, as amended, and shall be deemed to include not only the turnpike as it existed on December 31, 1977 and all tunnels and bridges connected therewith, overpasses, underpasses, median barriers, shoulders or embankments or both, and interchanges, but also all property rights, easements and franchises relating thereto and deemed necessary or convenient for the construction or reconstruction or the operation thereof but shall not include interconnecting access roads.

6. Cost of the turnpike. "Cost of the turnpike" shall embrace the cost of constructing or reconstructing the turnpike and all connecting tunnels and bridges, overpasses, underpasses, and interchanges; the cost of all lands, property rights, easements and franchises acquired which are deemed necessary for such construction or reconstruction; the cost of all machinery and equipment, financing charges, interest prior to and during construction or reconstruction and for one year after completion of such construction or reconstruction; cost of traffic estimates and of engineering and legal expenses; plans, specifications, surveys, estimates of costs of revenues; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; the payment of obligations, if any, as may be due the United States of America in order to continue the use of the turnpike as a toll-type facility; and such other expenses as may be necessary or incidental to the financing herein authorized; the construction or reconstruction of

the turnpike and connecting tunnels and bridges, overpasses, and underpasses, and interchanges; the placing of the same in operation; and the condemnation of property necessary for such construction or reconstruction and operation. Any obligation or expense heretofore or hereafter incurred by the Department for traffic surveys, preparation of plans and specifications, supervision of construction and other engineering services performed by the Department and its agents and employees in connection with the construction or reconstruction of the turnpike or any of the connecting tunnels and bridges, overpasses, underpasses, and interchanges shall be regarded as a part of the cost of the turnpike and shall be reimbursed to the Department out of the proceeds of the turnpike revenue bonds hereinafter authorized.

7. Interconnecting access roads. "Interconnecting access roads" shall mean any and all highways, including bridges, underpasses, within 10 road miles of the turnpike, which are under the control of the Department, which directly or indirectly connect with the turnpike and with respect to which the authority shall have made the determinations required by §12, sub-§6 of this Act.

8. Interchange. "Interchange" shall mean a system of interconnecting roadways in conjunction with one or more points of separation, providing for the interchange of traffic between 2 or more roadways or highways, one of which is the turnpike, and shall include sufficient lengths of intersecting roadways required for conformance with then current road design standards or standards acceptable to the Department.

9. Reconstruct. "Reconstruct" or "reconstruction" shall embrace any and all activities undertaken as deemed necessary by the authority to maintain the turnpike or any part thereof as a modern, safe and efficient facility, and shall include but not be limited to any rebuilding, redesign, improvement or enlargement of existing facilities, including the redesign, improvement or enlargement of the existing facilities, traveled way, bridges, overpasses, median barriers, shoulders, embankments or interchanges or both which the authority deems necessary to continuously, adequately, safely and swiftly facilitate vehicular traffic upon, to or from the turnpike.

§2.

1. Maine Turnpike Authority, created. In order to facilitate vehicular traffic between the southern core of the state of Maine, and to carry out the purposes of this Act, the Maine Turnpike Authority heretofore created is hereby authorized and empowered to operate, maintain and reconstruct the turnpike from a point at or near York in York County to a point at or near Augusta in Kennebec county together with connecting tunnels and bridges, overpasses, underpasses, and median barriers and to issue turnpike revenue bonds and refunding bonds payable solely from tolls as hereinafter provided.

§3. Bonds not to be pledges of state. Turnpike revenue bonds issued under the provisions of this Act shall not be deemed to be a debt of the state of Maine or a pledge of the faith and credit of the state of Maine but such bonds shall be payable exclusively from the fund herein provided therefor from tolls. All such bonds shall contain a statement on their face that the state of Maine shall not be obligated to pay the same or the interest thereon except from tolls and that the faith and credit of the state of Maine shall not be pledged to the payment of the principal of or interest or premium on such bonds. The issuance of turnpike revenue bonds or refunding bonds under the provisions of this Act shall not directly or indirectly or contingently obligate the state of Maine to levy or to pledge any form of taxation whatever therefor or to make any appropriation for the payment thereof or the interest or premium thereon.

§4. Powers. The Maine Turnpike Authority as heretofore created shall be a body corporate and politic in the State of Maine.

1. The authority shall have the following powers:

A. To sue and be sued;

B. to have a seal and alter the same at pleasure;

C. to adopt from time to time and amend by-laws covering its procedure, rules and regulations governing use of the turnpike and any of the other services made available in connection with said turnpike; to publish the same as such publication is necessary or advisable and to cause records of its proceedings to be kept;

D. to construct, maintain, reconstruct and operate a toll turnpike from a point at or near York in York county to a point at or near Augusta in Kennebec county;

E. to acquire, hold, and dispose of personal property for its purposes;

F. to acquire in the name of the authority by purchase, condemnation, lease or otherwise, real property and rights or easements therein deemed by it necessary or desirable for its purposes and to use such property;

G. to acquire any such real property by the exercise of the power of condemnation in the manner provided by law; (8) to charge and collect fees, fares and tolls for the use of said turnpike and other services made available in connection with said turnpike subject to and in accordance with such agreement with bondholders as may be made as hereinafter provided;

H. to make contracts with the United States of America or any instrumentality or agency of the United States of America, the state of Maine or any of its agencies or instrumentalities, municipalities, public corporations, or bodies existing therein, private corporations, partnerships, associations and individuals;

I. to accept grants and the cooperation of the United States of America or any agency thereof in the construction, maintenance, reconstruction, operation and financing of the turnpike and to do any and all things necessary in order to avail itself of such aid and cooperation and to repay any such grant or portion thereof;

J. to employ such assistants, agents and servants, engineering, traffic, architectural and construction experts and inspectors and attorneys and such other employees, as it shall deem necessary or desirable for its purpose;

K. to exercise any of its powers in the public domain of the United States of America unless the exercise of such powers is not permitted by the laws of the United States of America;

L. to borrow money, make and issue negotiable notes, bonds and other evidences of indebtedness or obligations of the authority and to secure the payment of such obligations or any part thereof by pledge of the revenue of the turnpikes;

M. to do all other lawful things necessary and incidental to the foregoing powers. All property of the authority and all property held in the name of the state of Maine pursuant to the provisions hereof shall be exempt from levy and sale by virtue of any execution and no execution or other judicial process shall be a lien upon its property held pursuant to the provisions hereof. Provided, however, the authority shall not lease, sell or otherwise convey, or allow to be used, any of its real or personal property or easements therein, franchises, buildings or structures, with access to any part of the turnpike or its approaches, for commercial purposes, with the exception of such gasoline filling stations, service and repair stations and restaurants as it deems necessary to service the needs of the traveling public while using the turnpike, except that the authority may permit the erection, or installation of electric power, telegraph, telephone, water, sewer or pipe line facilities;

N. to provide net revenues to or for the use of the Department for the construction or reconstruction or both of interconnecting access roads, which the Department has previously determined to require such assistance, and with respect to which the authority has made the determinations required by §12, sub-§6 of this Act;

O. to provide reduced rates of fees, fares and tolls to any class of vehicles based upon volume of use and, with regard to passenger vehicles only, and to provide reduced rates of fees, fares and tolls by the use of commutation or other tickets.

## §5. Appointment of Authority; Compensation; Officers

1. Appointment of Members. The present authority as heretofore created shall consist of 4 members and in addition thereto the Commissioner of Transportation shall be a member ex officio. The 4 members shall be appointed by the Governor and shall be residents of the State of Maine at the time of their appointment and qualification and shall also at such time have been qualified voters therein for a period of at least 1 year next preceding their appointment. The existing appointed members of the authority shall continue in office for the remaining term of their appointment and until their respective successors shall have been reviewed by the Joint Standing Committee on Transportation and confirmed by the Legislature. Their successors shall each be appointed for a term of 6 years except that any person appointed to fill a vacancy shall serve only for the unexpired term and any member of the authority shall be eligible for appointment to two complete terms. Immediately after such appointments, the members of the authority shall enter upon their duties. The Governor shall name one of the appointed members as chairman of the authority.

On or after January 1, 1981, the Maine Turnpike Authority shall consist of 6 members and the Commissioner of Transportation shall serve as an ex officio member. The two additional members of the authority shall be appointed by the Governor and shall be subject to review and confirmation and to the qualifications as provided in this section. The newly-appointed members shall serve initial terms as follows:

A. One member shall be appointed to serve until January 1, 1982; and

B. The other member shall be appointed to serve until January 1, 1983.

Thereafter, their successors shall each be appointed for a term of 6 years, except that any person appointed to fill a vacancy shall serve only for the unexpired term and any member of the authority shall be eligible for appointment to two complete terms.

2. Compensation of Authority Members. Each member of the authority shall receive \$50 for each day in attendance at an official meeting and be reimbursed for necessary expenses incurred in the performance of his duties. All expenses incurred in carrying out the provisions of this Act shall be paid solely from funds provided under the authority of this Act and no liability or obligation shall be incurred hereunder beyond the extent to which money shall have been provided under the authority of this Act.

3. Officers of the Authority. The authority shall elect a secretary and treasurer who need not be a member of the authority and shall elect an executive director or general manager who is not a member of the authority. Three members of the authority shall constitute a quorum until the additional members of the authority are appointed, at which time a quorum shall consist of 5 members who for all purposes must act unanimously. No vacancy in the authority shall impair the right of a quorum of the members

to exercise all the rights and perform all the duties of the authority. Before the issuance of any turnpike revenue bonds under the provisions of this Act, the secretary and treasurer shall execute a bond in the penalty of \$100,000. Each such bond shall be approved by the Attorney General and shall be conditioned upon the faithful performance of the duties of his office which bond shall be filed in the office of the State Auditor.

## §6. Contracts and Agreements

1. Role of the Department of Transportation. All contracts and agreements relating to the construction or reconstruction of connecting tunnels and bridges, overpasses, underpasses, and the interchanges shall be approved by the State Department of Transportation and the turnpike and connecting tunnels and bridges, overpasses, underpasses, and interchanges shall be constructed or reconstructed under the supervision of the \_\_\_\_\_ Department.

2. Review by the State Legislature. No proposed expenditure of funds to construct or reconstruct interconnecting access roads shall be used by the \_\_\_\_\_ Department \_\_\_\_\_ until said proposals have been reviewed by and included in the capital budget of the \_\_\_\_\_ Department \_\_\_\_\_ and has been reviewed by the Legislature in the same manner as the remainder of the \_\_\_\_\_ Department's \_\_\_\_\_ capital budget. The foregoing budgetary procedure is additional to, and not in substitution for, any other provision of this Act.

3. Approval of Capital Improvements by the Department of Transportation. Prior to any major capital improvements being undertaken by the authority, the contemplated expenditure of which exceeds \$500,000, the following procedures shall be followed and the required approvals obtained. If the authority desires to rebuild, redesign, improve or enlarge any existing facilities, including, but not necessarily limited to, traveled ways, bridges, overpasses, median barriers, shoulders, embankments, \_\_\_\_\_ interchanges, then the authority shall file, in such detail as shall be reasonably required by the \_\_\_\_\_ Department \_\_\_\_\_ the necessary plans, specifications and other documents describing said proposed capital improvements, with said department and request the approval of same. In determining whether or not to approve the authority's proposed major capital improvement, the \_\_\_\_\_ Department \_\_\_\_\_ shall follow the project development processes and standards used by said department for similar highways improvements, including environmental assessments, public notices and public hearings. In reviewing any request of the authority for approval, the department shall consider whether the proposed major capital improvement is reasonably necessary to maintain the turnpike in a safe and efficient and modern functional state. The determination by the \_\_\_\_\_ Department \_\_\_\_\_ shall be in writing and set forth with reasonable clarity the reasons for the approving or disapproving of any proposed major capital improvement.

## §7. Eminent Domain

1. Acquisition of property. Whenever a reasonable price cannot be agreed upon for the purchase or lease of real property found necessary for the purposes of the authority or whenever the owner is legally incapacitated or is absent or is unable to convey valid title or is unknown, the authority is hereby authorized and empowered to acquire by condemnation any such real property whether wholly or partly constructed on interest or interests therein and any land, rights, easements, franchises and other property deemed necessary or convenient for the construction or reconstruction or the efficient operation of the turnpike, its connecting tunnels, or bridges, overpasses, underpasses or interchanges or both in the same manner provided by Title 23 of the Revised Statutes section 154 et seq., as amended, for the taking of property for state and state aid highways by the Department.

2. Title to condemned property. Title to any property condemned by the authority shall be taken in the name of the authority. The authority shall be under no obligation to accept and pay for any property condemned or any costs incidental to any condemnation proceedings. In the event that the authority does accept title to the property that it has condemned, it shall pay for the property from the revenues provided by this Act. In any condemnation proceedings, the court having jurisdiction of the suit, action or proceedings may make such orders as may be just to the authority and to the owners of the property to be condemned and may require an undertaking or other security to secure such owners against loss or damage by reason of the failure of the authority to accept and pay for the property; but such undertaking or security shall impose no liability upon the State of Maine except such as may be paid from the funds provided under the authority of this Act.

3. Entry upon property. The authority and its authorized agents and employees may enter upon any lands, waters and premises in the State for the purpose of making surveys, soundings, drillings and examinations as it may deem necessary or convenient for the purpose of this Act and such entry shall not be deemed a trespass.

4. Leasing or sale of property to the Authority. All counties, cities, towns and other political subdivisions or municipalities and all public agencies and commissions of the State of Maine, and all public service corporations and districts, notwithstanding any contrary provisions of law, are hereby authorized and empowered to lease, lend, grant or convey to the authority upon its request upon such terms and conditions as the proper authorities of such counties, cities, towns, political subdivisions, other municipalities, agencies commissions, public service corporations and districts may deem reasonable and fair and without the necessity for any advertisement, order of court or other action or formality other than the regular and formal action of the authorities concerned, any real or personal property or rights therein which may be necessary or convenient to the effectuation of the authorized purposes of the authority including real and personal property or rights therein already devoted to public use. As used in this



subsection, the term "public service corporation" includes every public utility as defined in 35 MRSA and every corporation referred to in 13-A MRSA.

§8. Issuance of bonds. Subject to the provisions of section 14, the authority is hereby authorized to provide by resolution from time to time for the issuance of bonds for the purpose of paying the cost of the turnpike. No bonds shall be issued on or after September 21, 1963 for the purpose of constructing any unit or lineal extension of the turnpike not already constructed on said date. The bonds of the authority shall not constitute a debt of the state or of any agency or political subdivision thereof but shall be payable solely from the revenue of the turnpike. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this Act shall be fully negotiable. In case any of the members of the authority whose signatures appear on the bonds or coupons shall cease to be such members before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes.

1. Resolution for Issuing bonds. The authority may in the resolution authorizing prospective issues provide as to such bonds:

- A. the manner of executing the bonds and coupons;
- B. the form and denomination thereof;
- C. maturity dates not more than 30 years from the date or dates of issuance;
- D. the interest rates thereon;
- E. for redemption prior to maturity and the premium payable therefor;
- F. the place or places for the payment of interest and principal;
- G. for registration if the authority deems such to be desirable;
- H. for the pledge of all or any of the revenues for securing payment;
- I. for the replacement of lost, destroyed or mutilated bonds;
- J. the setting aside of reserve and sinking funds and the regulation and disposition thereof;
- K. for limitation on the issuance of additional bonds;
- L. for the procedure, if any, by which the contract with the bondholder may be abrogated or amended;
- M. for the manner of sale and purchase thereof;

N. for covenants against pledging of any of the revenue of the turnpike;

O. for covenants fixing and establishing such prices, rates and charges for the use of said turnpike and other services made available in connection with said turnpike so as to provide at all times funds which will be sufficient;

1) to pay all costs of operation and maintenance of said turnpike, its connecting tunnels, bridges, overpasses, underpasses, and interchanges together with the necessary repairs thereto or replacements thereof;

2) to meet and pay the principal and interest of all such bonds as they severally become due and payable;

3) for the creating of such revenues to pay for the principal of and interest and premium on all such bonds and for the meeting of contingencies and the reconstruction, operation and maintenance of said turnpike, its connecting tunnels, bridges, overpasses, underpasses, and interchanges, of the turnpike and, thereafter, of interconnecting access roads as the authority shall determine;

P. for such other covenants as to such prices, rates and charges as the authority shall determine;

Q. for covenants as to the rights, liability, powers and duties arising upon the breach by the authority of any covenant, condition or obligation;

R. for covenants as to the bonds to be issued and as to the issuance of said bonds in escrow and otherwise and as to the use and disposition of the proceeds thereof;

S. for covenants as to the use of its property and the maintenance and replacement thereof and the insurance to be carried thereon and the use and disposition of insurance money;

T. for limitations upon the exercise of the powers conferred upon the authority by this Act;

U. for the issuance of such bonds in series thereof;

V. for covenants as to the use of toll and other revenues by the State Department of Transportation for the construction or reconstruction, or both, interconnecting access roads as in the sole discretion of the authority are determined as provided in §12, sub-§6 of benefit to the turnpike, debt service on outstanding bonds of the authority and reasonable reserves for the foregoing as determined by the authority in its sole discretion;

W. the performance by the authority of any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds or in the absolute discretion of the authority as will tend to make the bonds more marketable notwithstanding that such acts or things may not be enumerated herein; and

X. to issue bonds upon the terms and conditions hereinbefore in this section set forth to effectuate the purpose of §4 of this Act.

§9. Application of proceeds of bonds.

1. Monies received from bonds. All monies received from any bonds issued pursuant to this Act shall be applied solely:

A. to the payment of the cost of the turnpike;

B. to the appropriate fund or funds created in the indenture; and

C. in the case of refunding bonds issued under §11 to refund outstanding turnpike bonds, including payment of any redemption of such bonds; and there shall be and hereby is created and granted a lien upon such moneys until so applied in favor of holders of such bonds or the trustee hereinafter provided for in respect of such bonds.

§10. Bonds; how secured. Such bonds shall be secured by a trust indenture by and between the authority and a corporate trustee which may be any trust company or bank having the powers of a trust company within or outside of the State of Maine. Such trust indenture may pledge or assign tolls or revenue to be received but shall not convey or mortgage the turnpike or any part thereof. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the acquisition of properties and the construction, reconstruction, maintenance, operation and repair and insurance of the turnpike and the custody, safeguarding and application of all moneys. It shall be lawful for any bank or trust company incorporated under the laws of this State to act as depositories of the proceeds of the bonds or revenues and to furnish such indemnity bonds or to pledge such securities as may be required by the authority. Such indenture may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. In addition to the foregoing such trust indenture may contain such other provisions as the authority may deem reasonable and proper for the security of bondholders. All expenses incurred in carrying out such trust indenture may be treated as a part of the cost of maintenance, operation and repair of the turnpike.

§11. Refunding bonds. Subject to the provisions of section 14, the authority is hereby authorized to provide by resolution for the issuance of turnpike revenue refunding bonds of the authority for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if deemed advisable by the authority, for the additional purposes for which bonds may be issued under §8.

The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof and the rights, duties and obligations of the authority in respect of the same, shall be governed by the provisions of this Act insofar as the same may be applicable.

§12. Maintenance of the Turnpike.

1. Services of the Department of Transportation. The turnpike shall be maintained and repaired by and under the control of the authority and, at the discretion of the authority, the services of the Department so far as the same are available or expedient may be utilized for this purpose. All charges and costs for such maintenance and repairs actually expended by said Department shall be paid to it by the authority. Such turnpike shall be operated by such force of toll takers and other operating employees as the authority may in its discretion employ. The authority may utilize the services of the state police to enforce the rules and regulations of the authority with respect to tolls, volume, weight and speed of traffic with respect to such other matters of enforcement as it may in its discretion require.

2. Maximum speed. The authority may by regulation prescribe a maximum limitation on the speed of vehicles using said turnpike, but not exceeding 55 miles per hour or such maximum speed as is permitted on similar roads in the State of Maine, and so limit at any point or place thereon, and is empowered to regulate the volume and weight of vehicles admitted to the turnpike.

3. Tolls. The authority is hereby authorized to fix and to revise from time to time tolls for the use of the turnpike and the different parts or sections thereof, and to charge and collect the same, and to contract with any persons, partnership, association or corporation desiring the use of any part thereof, including the right of way adjoining the paved portion. Such tolls shall be so fixed and adjusted as to provide a fund at least sufficient with other revenues of the turnpike, if any, to pay;

A. the cost of maintaining, repairing and operating the turnpike; and

B. the bonds and the interest thereon, and all sinking fund requirements, and other requirements provided by the resolution authorizing issuance of the bonds or by the trust indenture as the same shall become due; and

C. the cost to the Department of constructing or re-constructing interconnecting access roads as in the sole discretion of the authority are determined as provided in §12, sub-§6 to warrant the expenditure of turnpike revenues.

4. Tolls shall not be Regulated by the State. Tolls shall not be subject to supervision or regulation by any state commission, board or agency. The tolls and all other revenues derived from the turnpike, except such part thereof as may be required to pay the cost of maintaining, repairing and operating the turnpike and to provide such reserves therefor as may be provided for in the resolution authorizing the issuance of the bonds or in the trust indenture, and except such part thereof, if any, as may pursuant to the indenture be required to be paid for purposes designated in subsection 3, of this section, shall be set aside at such regular intervals as may be provided in such trust indenture, in the sinking fund which is pledged to, and charged with the payment of:

A. the interest upon such bonds as such interest shall fall due;

B. the principal of the bonds as the same shall fall due;

C. the necessary fiscal agency charges for paying principal and interest; and

D. any premiums upon bonds retired by call or purchase as herein provided. The use and disposition of such sinking fund shall be subject to such regulations as may be provided in the trust indenture, but, except as may otherwise be provided in such trust indenture, such sinking fund shall be a fund for the benefit of all bonds issued hereunder without distinction or priority of one over another. Subject to the provisions of the trust indenture, any moneys in such sinking fund in excess of an amount equal to one year's interest on all bonds then outstanding may be applied to the purchase or redemption of bonds. All bonds so purchased or redeemed shall forthwith be cancelled and shall not again be issued.

5. Government Use of the Turnpike. The turnpike may be used at any and all times by the Armed Forces of the United States, the State of Maine or any of their allies for defense purposes or preparations therefor free of all tolls and charges and such use shall not constitute a taking of property without due process, provided, however, that any structural damage to the turnpike created by such free use, ordinary deterioration or depreciation excepted, shall be compensated for at cost of repair or replacement.

6. Department of Transportation Use of Toll revenues. The authority may provide turnpike revenues to the State Department of Transportation for the construction or reconstruction or both of interconnecting access roads, provided it shall first determine that such interconnecting access roads have or would have a sufficient relationship to the public's use of the turnpike and the orderly regulation and flow of vehicular traffic using the turnpike so that the use of turnpike revenues is warranted to pay all or any portion of the cost of constructing or reconstructing, or both such access roads. In making the determination of whether a sufficient relationship exists the authority shall consider the following factors, no one of which shall necessarily be a determining factor:

A. the relative number of vehicles using such access roads on their way to or from the turnpike;

B. the availability of alternate roads to or from the turnpike;

C. the effect such construction or reconstruction will have on the flow of traffic to, from and on the turnpike and in diverting vehicular traffic onto, off of, or away from the turnpike;

D. the probable effect of the failure of the authority to pay or assist in the payment of the costs of such construction or reconstruction; and

E. the probable availability of turnpike revenues to make such payments and such other factors including expert opinion as the authority may in its discretion deem relevant. In no event shall the authority pay the whole or any portion of the cost of construction or reconstruction of access roads for more than 10 road miles from the turnpike nor for more than the extent the authority determines is necessary to achieve an orderly flow of vehicular traffic to and from the turnpike over said access roads. Provisions for the prior use of tolls to pay debt service on revenue bonds issued by the authority, for the operation and maintenance of the turnpike, and determinations as to the amounts and times of payment on account of the costs of construction or reconstruction of access roads shall be set forth in the trust indenture pursuant to which the bonds of the authority may be issued.

### §13. Provisions in case of default on bonds.

1. Appointment of a trustee. In the event that the authority shall make default in the payment of principal or interest on any of the bonds after the same shall fall due and such default shall continue for a period of 60 days or default in any agreement with the bondholders or the trustees under a trust indenture, the holders of 25% in aggregate principal amounts of the bonds then outstanding by instrument filed in the office of the Secretary of State duly acknowledged may appoint a trustee to represent the bondholders for the purpose herein provided, except to the extent

the rights herein given may be restricted by the trust indenture.

2. Powers of the trustee. Such trustee upon the written request of the holders of 25% in principal amount of the bonds then outstanding may:

A. enforce the rights of the bondholders by mandamus or other suit, action or proceeding at law or in equity;

B. bring suit upon the bonds;

C. enjoin any acts or other things which may be unlawful or in violation of the rights of the bondholders;

D. require the authority to account as if it were trustee of an expressed trust for the bondholder by action or suit in equity. Such trustee shall be entitled as a right to the appointment of a receiver who may, to the extent that the authority could itself do, enter and take possession of the facilities of the authority or any part thereof, the revenue or receipts from which are or may be applicable to the payment of the bonds so in default, and operate and maintain the same collect and receive all revenue thereafter arising therefrom in the same manner as the authority might do, and shall deposit all such moneys in a separate account and apply the same in such manner as the court shall direct. In any suit, action or proceeding by the trustee, the fees, counsel fees and expenses of the trustee and the receiver, if any; and all costs and disbursements allowed by the court shall be a first charge on

any revenues and receipts derived from the turnpike, the revenues and receipts from which are or may be applicable to the payment of the bonds so in default. Such trustees shall in addition to the foregoing have and possess all the powers necessary and appropriate for the exercise of any functions specifically set forth herein or incidental to the general representation of the bondholders in the enforcement and protection of their rights. In addition to other rights and limitations any bondholder shall have the right by mandamus or other suit, action or proceeding in law or in equity to enforce his rights against the authority including the right to require the authority to carry out any agreement or covenant and to perform its duties under this Act.

§14. Limitation upon the issuance of bonds. No new bonds shall be issued after the effective date of this Act either under section 6 or section 10, unless or until the authority shall have determined to its satisfaction that any contractual obligation to the Federal Government to convert the turnpike into a toll-free highway upon payment of theretofore outstanding bonds, has been, or not later than substantially simultaneously with the issuance of such new bonds will be, waived, discharged or otherwise become inoperative or of no effect.

§15. Exemption from taxes. The accomplishments by the authority of the authorized purpose stated in this act being for the benefit of the people of the state of Maine and for the improvement of their commerce and prosperity in which accomplishment the authority will be performing essential governmental functions, the authority shall not be required to pay any taxes or assessments on any property acquired or used by it for the purposes provided in this act nor shall the authority be required to pay any tax upon its income except as may be required by the laws of the United States of America, and the bonds or other securities and obligations issued by the authority, their transfer and the income therefrom, including any profits made on the sale thereof, shall at all times be free from taxation within the state of Maine.

§16. Governmental functions and site location. It is hereby declared that the purposes of this Act are public, that the authority shall be regarded as performing a governmental function in the carrying out of the provisions of the Act and that the authority is subject to the Site Location of Development Law, Maine Revised Statutes, Title 38, section 481 et seq., as amended.

§17. Penalty. Subject to the provisions of section 20, any violation of published rules and regulations relating to the turnpike or its use or services shall be deemed a traffic infraction and shall be punishable by a fine of not more than \$250. Any failure or neglect to pay tolls, fares or charges for use of the turnpike shall be deemed a Class E crime. Nothing herein contained shall prevent the authority from collecting payment for use of the turnpike or any other service in connection with said turnpike by action at law or in equity.

§18. Offenses committed upon turnpike. The provisions of the Revised Statutes and amendments thereto shall apply to criminal acts, violations and infractions committed on the turnpike. Should provisions in the rules and regulations conflict with the Revised Statutes, including provisions as to penalties, all provisions of the Revised Statutes shall apply to such criminal act, violation or infraction. This section shall not revoke the power of the authority to make rules and regulations governing use of the turnpike or the power to prescribe limitations on the speed, volume and weight of vehicles using the turnpike, as heretofore granted to the authority, which powers are hereby expressly reaffirmed.





## Statement of Fact

The purpose of this bill is to maintain the turnpike in quality condition in the future as a means of stimulating Maine's economic growth. This bill therefore, retains the Maine Turnpike Authority as the administrative agency of the turnpike. The bill also retains the closed toll system (present system) to fund turnpike maintenance and operation. In order to reduce turnpike traveling costs to frequent users, commuter tickets will be provided at reduced rates.

The bill also increases public influence and control over the actions of the Turnpike Authority. To this end the bill proposes to:

1. increase the number of authority members from 4 to 6 and to reduce the term of office from 10 years to 6 years. Each member is subject to legislative approval.
2. require legislative approval of interconnecting access roads
3. require that capital improvements to the turnpike in excess of \$500,000 be placed within the budget of the Department of Transportation
4. subject proposals for road construction to public hearing.

LEGISLATION PROPOSED BY THE MINORITY OF  
THE COMMITTEE ON TRANSPORTATION  
PURSUANT TO STUDY ORDER #H.P. 1830  
REPORT B

Senator Edwin Greeley  
Senator Carroll Minkowsky

Representative George Carroll  
Representative Emile Jacques  
Representative Kenneth Brown

AN ACT Relating To The Maine Turnpike Authority

AN ACT Relating to the Maine Turnpike Authority.

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

Sec. 1. P&SL 1941, c. 69, § 3, Para. (c), is amended by adding at the end the following new sentence:

However, "the turnpike" shall be limited to the highway between York in York County and Augusta in Kennebec County as that highway existed on July 1, 1977 and all property rights, easements and franchises relating thereto and deemed necessary or convenient for the construction or the continued operation and maintenance thereof.

Sec. 2. P&SL 1941, c. 69, § 13 is repealed and the following enacted in its place:

Sec. 13. Limitation upon the issuance of bonds. No new bonds shall be issued after the effective date of this Act under either section 6 or section 10.

Sec. 3. P&SL 1941, c. 69, § 15, is repealed and the following enacted in its place:

Sec. 15. Federal obligations. Prior to final payment of all bonds and interest provided by section 16, the authority and the State Department of Transportation shall determine to their satisfaction that any contractual obligation to the Federal Government to convert the turnpike into a toll-free highway upon payment theretofore of outstanding bonds, has been or will be waived, discharged or otherwise become inoperative or of no effect.

Sec. 4. P&SL 1941, c. 69, § 16, as amended by P&SL 1963, c. 76, § 2, is repealed and the following enacted in its place:

thereon shall have been paid or a sufficient amount for the payment of all bonds and the interest to maturity thereon shall have been set aside in trust for the benefit of the bondholders and shall continue to be held for that purpose, the authority shall become dissolved and the turnpike, its leases, rights, easements, franchises, lands and properties shall become the property of the State of Maine and all revenue therefrom become payable to the Treasurer of the State of Maine for the turnpike fund of the State of Maine, and the turnpike, shall thereafter be maintained and operated as a toll highway by the State Department of Transportation,

and all machinery, equipment and other property belonging to the authority appertaining to the maintenance and operation of the turnpike, shall be vested in the State Department of Transportation for use as provided by the Revised Statutes, Title 23, chapter 8.

Sec. 5. 5 MRSA, Sec. 1092, Sub-Sec. 14, Para. E is enacted to read:

E. Notwithstanding this subsection, all funds held by the Maine State Retirement System to the credit of employees of the Maine Turnpike Authority will be transferred on the records of the Maine State Retirement System to the status of a state employee. Creditable service rendered by these employees will be the same as if the employment had been rendered as state employees.

Former employees of the Maine Turnpike Authority who have retired under the Maine State Retirement System will have their creditable service under the Maine State Retirement System transferred, and payment of retirement benefits will be continued at the same level as would be paid as if said retired employees had retired from State service.

Funds held by the Maine State Retirement System on account of the Maine Turnpike Authority, which were paid by said Authority, will be held by the Maine State Retirement System to pay benefits to retired persons and for future retirees. If, after a review of the Actuary of the Maine State Retirement System it is determined that additional funds are required to finance accrued retirement benefits for employees of the Maine Turnpike Authority, over and above those accrued unfunded benefits level made on behalf of state employees, then the Maine Turnpike Authority will provide funds necessary to fulfill this obligation.

Former employees of the Maine Turnpike Authority and those employees who are not transferred to the Department of Transportation will be treated in the same manner as if they had been state employees with respect to Maine State Retirement System rights and benefits.

The same benefit rights and protection shall apply to beneficiaries under the survivor benefit program and beneficiaries of former employees as are outlined above.

Sec.6. 23 MRSA c. 8 is enacted to read:

CHAPTER 8

MAINE TURNPIKE

§ 331. Department of Transportation responsibility

It is the intent of the Legislature that the collection of tolls on the turnpike shall be by means of a barrier toll system after all bonds have been retired and funds are available in sufficient amounts to convert the toll collection system and recommendations in regard to such system have been made to and reviewed by the Legislature.

Prior to conversion of the turnpike to a barrier toll system, the Commissioner of Transportation shall evaluate alternative barrier toll systems and toll schedules, conduct public hearings regarding alternative systems in appropriate geographic locations, and present a recommended barrier toll system and toll schedule to the Legislature while it is in session. Such recommended barrier toll system and toll schedule shall be authorized for implementation 60 calendar days after it is presented, provided the Legislature is in session, unless previously adjusted by both branches of the Legislature.

The Department of Transportation shall be responsible for the construction, reconstruction, operation and maintenance of the right of way between York in York County and Augusta in Kennebec County known as the Maine Turnpike, and for all leases, rights, easements, franchises, lands and properties acquired by operation of section 16 of chapter 69 of the Private and Special Laws of 1941, as amended, and shall administer the Maine Turnpike in the same manner as any highway constructed pursuant to Chapter 7, except as provided by this Chapter.

§ 332. Toll facilities

1. Removal of unneeded toll facilities. The department shall, when sufficient funds are available, and subject to review of the Legislature, as provided in section 331, convert the turnpike to a barrier toll system and remove the existing toll collection facilities not needed for barrier toll facilities.

2. Construction of barrier toll facilities. By the date of removal of the existing toll facilities, the department shall have in operation barrier toll facilities.

§ 333. Rates

The rate of toll at each facility shall be fixed and revised from time to time by the Commissioner of Transportation. Said tolls shall be so fixed and adjusted as to provide a fund sufficient to pay the cost of maintaining, improving, and operating the turnpike.

1. Commuter Passes to be issued. Commuter tickets shall be made available at convenient locations to provide passenger vehicles with reduced rates of fees, fares, and tolls.

§ 334. Turnpike account

All tolls collected from turnpike toll facilities and all other revenues derived from turnpike operations after the effective date of this chapter shall be deposited with the Treasurer of State in a special turnpike account for the use of the Department of Transportation limited to the following purposes.

1. Maintenance and operation of the turnpike. Maintenance and operation of the turnpike, including any administrative costs specially incurred by the Department of Transportation or any other state agency in connection with the operation of the turnpike and its toll facilities.

2. Conversion to barrier toll facilities. Conversion from the present toll collection facilities to the barrier toll collection facilities.

3. Construction or improvement of interchanges. The construction or improvement of interchanges.

4. Construction or reconstruction of access roads. Construction or reconstruction of interconnecting access roads where such construction or reconstruction will improve vehicular access to the turnpike.

5. Improvement of turnpike. Construction or reconstruction to improve the turnpike to meet greater traffic demands or improve safety of operation.



The Department of Transportation may enter into contracts, leases or other agreements for the provision of motorist services, including restaurant service and motor vehicle fuel and repair services on the turnpike. Revenues accruing to the Department from such contracts, leases, or other agreements or otherwise received as a result of such services shall be deposited in the turnpike account.

Sec. 7. Effective date. Section 6 of this Act shall become effective upon the date of repayment of all bonds and interest as provided in the private and special laws of 1941, chapter 69, section 19.

§ 336. Definitions

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings.

1. Barrier toll facility. "Barrier toll facility" shall mean a toll collection facility, whether toll collection be manually or by machine, which is placed directly across the main traveled way of highway, and requiring all traffic to stop to pay tolls at each point where such a facility is placed.

2. Interchange. "Interchange" shall mean a system of interconnecting roadways in conjunction with one or more points of separation, providing for the interchange of traffic between 2 or more roadways or highways, one of which is the turnpike and shall include sufficient lengths of intersecting roadways required for conformance with then current road design standards or standards acceptable to the Department of Transportation.

3. Interconnecting access roads. "Interconnecting access roads" shall mean any and all state and state aid highways, including bridges, underpasses and overpasses, within 10 road miles of either side of the turnpike, which directly or indirectly connect with the turnpike.

4. Reconstruct or reconstruction. "Reconstruct" or "reconstruction" shall mean any and all activities undertaken to maintain the turnpike or any part thereof as a modern, safe and efficient facility, and shall include but not be limited to any rebuilding, redesign, improvement or enlargement of existing facilities, including the redesign, improvement or enlargement of the existing facilities, traveled way, bridges, overpasses, median barriers, shoulders, embankments, or interchanges or both which the Department of Transportation deems necessary to continuously, adequately, safely and swiftly facilitate vehicular traffic upon, to or from the turnpike.

5. Turnpike. "Turnpike" shall mean the roadway constructed between York in York County and Augusta in Kennebec County pursuant to the private and special laws of 1941, chapter 69, sections 1 to 19, as amended, and shall be deemed to include not only the roadway and all rights of way, bridges, overpasses and underpasses, but also all property rights, easements, leases and franchises relating thereto and deemed necessary or convenient for the construction, reconstruction, operation or maintenance thereof.

#### Statement of Fact

The purpose of this legislation is to:

1. Transfer the responsibility of the Maine Turnpike Authority to the Maine Department of Transportation once the revenue bonds are finally paid;
2. Convert the system from a closed toll system to a barrier toll system;
3. Continue the tolls for the following purposes:
  - A. Pay for the maintenance and operational costs of the Maine Turnpike;
  - B. Provide funds as available for additional interchanges with the turnpike;

- C. Provide funds as available for interconnecting access roads to the turnpike;
- D. Provide funds as available for reconstruction or improvement of turnpike.

This legislation also is designed to protect retirement rights of employees of the Maine Turnpike Authority.

LEGISLATION PROPOSED BY THE MINORITY  
OF THE COMMITTEE ON TRANSPORTATION  
PURSUANT TO STUDY ORDER #H.P. 1830  
REPORT C

Representative John Jensen

AN ACT Concerning the Administration and Operation of the  
Maine Turnpike



STATE OF MAINE  
108TH LEGISLATURE  
2ND REGULAR SESSION

AN ACT Concerning the Administration and Operation of the Maine Turnpike.

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

Sec. 1. P&SL 1941, c. 69, § 3, ¶ (c), is amended by adding at the end the following new sentence:

However, the turnpike shall be limited to the highway between York in York County and Augusta in Kennebec County as that highway existed on July 1, 1977 and all property rights, easements and franchises relating thereto and deemed necessary or convenient for the construction or the continued operation and maintenance thereof.

Sec. 2. P&SL 1941, c. 69, § 13 is repealed and the following enacted in its place:

Sec. 13. Limitation upon the issuance of bonds. No new bonds shall be issued after the effective date of this Act under either section 6 or section 10.

Sec. 3. P&SL 1941, c. 69, § 15, is repealed and the following enacted in its place:

Sec. 15. Federal obligations. Prior to final payment of all bonds and interest provided by section 16, the authority and the State Department of Transportation shall determine to their satisfaction that any contractual obligation to the Federal Government to convert the turnpike into a toll-free highway upon payment theretofore of outstanding bonds, has been or will be waived, discharged or otherwise become inoperative or of no effect.

Sec. 4. P&SL 1941, c. 69, § 16, as amended by P&SL 1963, c. 76, § 2, is repealed and the following enacted in its place:

Sec. 16. Termination of the authority. When all bonds and the interest thereon shall have been paid or a sufficient amount for the payment of all bonds and the interest to maturity thereon shall have been set aside in trust for the benefit of the bondholders and shall continue to be held for that purpose, the authority shall become dissolved and the turnpike, its leases, rights, easements, franchises, lands and properties shall become the property of the State of Maine and all revenue therefrom become payable to the Treasurer of the State of Maine for the turnpike fund of the State of Maine, and the turnpike, shall thereafter be maintained and operated as a toll highway by the State Department of Transportation.

Sec. 5. 5 MRSA, Sec. 1092, Sub-§ 14, ¶ E is enacted to read:

E. Notwithstanding this subsection, all funds held by the Maine State Retirement System to the credit of employees of the Maine Turnpike Authority will be transferred on the records of the Maine State Retirement System to the status of a state employee. Creditable service rendered by these employees will be the same as if the employment had been rendered as state employees.

Former employees of the Maine Turnpike Authority who have retired under the Maine State Retirement System will have their creditable service under the Maine State Retirement System transferred, and payment of retirement benefits will be continued at the same level as would be paid as if said retired employees had retired from State service.

Funds held by the Maine State Retirement System on account of the Maine Turnpike Authority, which were paid by said Authority, will be held by the Maine State Retirement System to pay benefits to retired persons and for future retirees. If, after a review of the Actuary of

the Maine State Retirement System it is determined that additional funds are required to finance accrued retirement benefits for employees of the Maine Turnpike Authority, over and above those accrued unfunded benefits level made on behalf of state employees, then the Maine Turnpike Authority will provide funds necessary to fulfill this obligation.

Former employees of the Maine Turnpike Authority and those employees who are not transferred to the Department of Transportation will be treated in the same manner as if they had been state employees with respect to Maine State Retirement System rights and benefits.

Sec. 6. 23 MRSA c. 8 is enacted to read:

CHAPTER 8  
MAINE TURNPIKE

§ 331. Definitions

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings.

1. Barrier toll facility. "Barrier toll facility" shall mean a toll collection facility, whether toll collection be manually or by machine, which is placed directly across the main traveled way of highway, and requiring all traffic to stop to pay tolls at each point where such a facility is placed.

2. Interchange. "Interchange" shall mean a system of interconnecting roadways in conjunction with one or more points of separation, providing for the interchange of traffic between 2 or more roadways or highways, one of which is the turnpike and shall include sufficient lengths of intersecting roadways required for conformance with the current road design standards or standards acceptable to the Department of Transportation.

3. Interconnecting access roads. "Interconnecting access roads:



shall mean any and all state and state aid highways, including bridges, underpasses and overpasses, within 10 road miles of either side of the turnpike, which directly or indirectly connect with the turnpike.

4. Reconstruct or reconstruction. "Reconstruct" or "reconstruction" shall mean any and all activities undertaken to maintain the turnpike or any part thereof as a modern, safe and efficient facility, and shall include but not be limited to any rebuilding, redesign, improvement or enlargement of existing facilities, including the redesign improvement or enlargement of the existing facilities, traveled way, bridges, overpasses, median barriers, shoulders, embankments, or interchanges or both which the Department of Transportation deems necessary to continuously, adequately, safely and swiftly facilitate vehicular traffic upon, to or from the turnpike.

5. Turnpike. "Turnpike" shall mean the roadway constructed between York in York County and Augusta in Kennebec County pursuant to the private and special laws of 1941, chapter 69, sections 1 to 19, as amended, and shall be deemed to include not only the roadway and all rights of way, bridges, overpasses and underpasses, but also all property rights, easements, leases and franchises relating thereto and deemed necessary or convenient for the construction, reconstruction, operation and maintenance thereof.

§ 332. Department of Transportation responsibility

The Department of Transportation shall be responsible for the construction, reconstruction, operation and maintenance of the right of way between York in York County and Augusta in Kennebec County known as the Maine Turnpike, and for all leases, rights, easements, franchises, lands and properties acquired by operation of section 16 of chapter 69 of the Private and Special Laws of 1941, as amended, and shall

administer the Maine Turnpike in the same manner as any highway constructed pursuant to Chapter 7, except as provided by this Chapter.

§ 333. Toll facilities

1. Transition to toll barrier system. The Maine Turnpike shall continue as a closed toll system for a 3 year period beyond the date of complete redemption of existing outstanding bonds to derive the necessary revenues to convert the turnpike into a toll barrier system as described in sub-§ 2 of this section.

2. Construction of barrier toll facilities. By the date of removal of the existing toll facilities, the department shall have in operation barrier toll facilities in the following locations:

The present toll barrier at the York interchange;

A toll barrier north of the present Saco interchange and south of the present Scarborough Downs, seasonal, interchange;

A toll barrier north of the present Portland/North interchange; and

The present toll barrier at the present West Gardiner interchange.

No new or additional toll barriers shall be placed upon the turnpike without the prior approval of the Legislature. Any of the foregoing toll barriers, with the exception of sub-§ 1 may be relocated by the authority if deemed to be necessary but only within the parameters set forth above.

§ 334. Rates

The rate of toll at each facility shall be fixed and revised from time to time by the Commissioner of Transportation. Said tolls shall be so fixed and adjusted as to provide a fund sufficient to pay the cost of maintaining, improving, and operating the turnpike.

1. Commuter Passes to be issued. Commuter tickets shall be made available at convenient locations to provide passenger vehicles with reduced rates of fees, fares, and tolls.

§ 335. Turnpike account

All tolls collected from turnpike toll facilities and all other revenues derived from turnpike operations after the effective date of this chapter shall be deposited with the Treasurer of State in a special turnpike account for the use of the Department of Transportation limited exclusively to the following purposes.

1. Maintenance and operation of the turnpike. Maintenance and operation of the turnpike, including any administrative costs specially incurred by the Department of Transportation or any other state agency in connection with the operation of the turnpike and its toll facilities.

2. Conversion to barrier toll facilities. Conversion from the present toll collection facilities to the barrier toll collection facilities.

3. Construction or improvement of interchanges. The construction or improvement of interchanges.

4. Construction or reconstruction of access roads. Construction or reconstruction of interconnecting access roads where such construction or reconstruction will improve vehicular access to the turnpike.

5. Improvement of turnpike. Construction or reconstruction to improve the turnpike to meet greater traffic demands or improve safety of operation.

§ 336. Review by the State Legislature

No capital improvement in excess of \$500,000 and no expenditure of funds to construct or reconstruct interconnecting access roads shall be undertaken unless Legislative approval has been granted.

Capital improvements exceeding \$500,000 and the construction or reconstruction of interconnecting access roads shall be included in the Department's capital budget to be reviewed by the Legislature.

No widening of the turnpike shall be undertaken prior to the enactment of specific legislation authorizing this action.

§ 337. Issuance of bonds prohibited.

Nothing in this chapter shall be construed to permit the Department of Transportation to issue bonds to construct, reconstruct, or widen the turnpike as defined in 23 MRSA § 32.

§ 338. Motorist services

The Department of Transportation may enter into contracts, leases or other agreements for the provision of motorist services, including restaurant service and motor vehicle fuel and repair services on the turnpike. Revenues accruing to the Department from such contracts, leases, or other agreements or otherwise received as a result of such services shall be deposited in the turnpike account.

Sec. 7. Effective date. Section 6 of this Act shall become effective upon the date of repayment of all bonds and interest as provided in the private and special laws of 1941, chapter 9, section 19.

Statement of Fact

The purpose of this legislation is to:

1. Transfer the responsibility of the Maine Turnpike Authority to the Maine Department of Transportation once the revenue bonds are finally paid;
2. Convert the system from a closed toll system to a barrier toll system;
3. Continue the tolls for the following purposes:

- A. Pay for the maintenance and operational costs of the Maine Turnpike;
- B. Provide funds as available for additional interchanges with the turnpike;
- C. Provide funds as available for interconnecting access roads to the turnpike;
- D. Provide funds as available for reconstruction or improvement of the turnpike.

This legislation also is designed to protect retirement rights of employees of the Maine Turnpike Authority.

According to this bill, the Department of Transportation will be prohibited from issuing bonds to construct, reconstruct, or widen the turnpike. In addition, any capital improvements proposed for the turnpike exceeding \$500,000 and interconnecting access roads must be approved by the Legislature by its review of the Department's budget.

This bill also provides for the issuance of commuter tickets at reduced rates.

This bill proposes to establish four toll barriers located as follows:

- 1) at the present exchange in York,
- 2) at a place north of Saco and south of Scarborough,
- 3) at a place north of the present Portland-north exchange,
- 4) at the present exchange in West Gardiner.