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An Act To Secure Maine's Transportation Future

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

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

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

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

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

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

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

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

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

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

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

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

1. Priority of transportation capital improvements; 90% of excise tax set aside.

Of the deposits held by the Maine Municipal Bond Bank pursuant to Title 36, section 1482, subsection 1, paragraph C, subparagraph (4), 90% must be expended on transportation capital improvements in the following order of priority:

- A. Arterial improvements for which the Department of Transportation provides at least a 60% match;
- B. Major collector improvements for which the Department of Transportation provides at least a 50% match;
- C. Minor collector improvements for which the Department of Transportation provides at least a 33% match; and
- D. Any capital improvement to a public road or bridge within a municipality that has a life expectancy of at least 10 years or restores the load-carrying capacity.

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

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

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

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

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

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

- A. On or after July 1, 2007, 4%;
- B. On or after July 1, 2008, 8%;
- C. On or after July 1, 2009, 12%;
- D. On or after July 1, 2010, 16%; and
- E. On or after July 1, 2011, 20%.

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

Sec. 4. 30-A MRS §6006-G is enacted to read:

§ 6006-G. Bridge Investment Trust Fund

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

- A. "Grant anticipation revenue bond" means a grant anticipation revenue vehicle debt financing instrument as authorized by 23 United States Code, Section 122.
- B. "Fund" means the Bridge Investment Trust Fund.
- C. "Qualified transportation project" means a bridge project for which the Department of Transportation has authorized state or federal financial participation or a combination of both.

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

- A. The purchase price or acquisition of any property or interest in those properties or other rights necessary or convenient for such projects;
- B. Costs of the study, permitting and engineering of any such projects, including the preparation of plans and specifications, surveys and estimates of cost;
- C. Costs of construction, reconstruction, paving, repaving, building, alteration, repair, restoration, environmental review or remediation, enlargement or other improvement, including all labor, materials, machinery, fixtures and equipment, including rolling stock or vehicles;
- D. Costs of engineering, architectural, legal and other professional services;
- E. Costs of reserves, insurance, letters of credit or other financial guarantees for payment of future debt service on bonds or notes; and
- F. All other costs or expenses necessary or convenient to such projects, including the financing or refinancing of the projects.

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

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

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

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

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

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

A. The bank may assist the State by borrowing money to finance or refinance from time to time all or a portion of the costs of qualified transportation projects and make the proceeds of such borrowing available to the Department of Transportation at terms agreed upon by the bank, the State Budget Officer and the Department of Transportation. The principal of and interest on any bonds or notes issued by the bank to finance or refinance the qualified transportation projects must be secured by a pledge of funds paid by the United States Department of Transportation, Federal Highway Administration and any matching funds of the State as necessary and legally available that are allocated for such a purpose on an annual basis by the Treasurer of State pursuant to Title 36, section 2903, subsection 5 and Title 36, section 3203, subsection 4 and may further be secured by

a pledge of any rights, grants, reserves, contracts, agreements or other revenues or property as may be determined by resolution of the bank. Bonds, notes, leases, agreements or other forms of debt or liability entered into or issued by the bank under this section are not in any way a debt or liability of the State and do not constitute a loan of the credit of the State or create any debt or liability on behalf of the State or constitute a pledge of the faith and credit of the State. Each bond, note, lease, agreement or other evidence of debt or liability entered into by the bank must contain a statement to the effect that the bank is obligated to pay the principal, interest, redemption premium, if any, and other amounts payable solely from the sources pledged for that purpose by the bank and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal, interest, premium, charge, fee or other amount on the bond, note, lease, agreement or other form of indebtedness.

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

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

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

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

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

(5) Lease the qualified transportation projects to the State or any agency, political subdivision, instrumentality or department of the State to further the purposes of this section, as long as the obligation of the State or of any such agency, political subdivision, instrumentality or department to make any rental or other payments is considered executory only to the extent of funds paid by the United States Department of Transportation and any matching funds of the State as necessary and legally available that are allocated for such a purpose on an annual basis by the Treasurer of State, as long as the liability on account of the State or any such agency,

political subdivision, instrumentality or department is not incurred by the State or any such agency, political subdivision, instrumentality or department beyond the money available for that purpose.

5. Pledge of federal highway funds. The Department of Transportation is authorized to transfer, assign or pledge any or all of the bridge program funds paid to it, directly or indirectly, by the United States Department of Transportation, Federal Highway Administration with respect to the qualified transportation projects, together with any matching funds of the State as necessary and legally available that are allocated for such a purpose on an annual basis by the Department of Transportation in its sole discretion. Any such pledge does not constitute a debt or liability on behalf of, a loan of the credit of or a pledge of the faith and credit of the State or of any political subdivision of the State. A decision by the Department of Transportation not to allocate such federal transportation funds or state matching funds as necessary and legally available in any given fiscal year for the payment of such bonds or notes or related costs and expenses may not be construed to constitute an action impairing any contract entered into by the bank under this section.

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

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

- A. To sell, lease, loan, donate, grant, convey, pledge, assign or otherwise transfer to the bank any real or personal property or interests in any real or personal property; and
- B. To enter into agreements, including loan and pledge agreements, with any person for the joint financing, construction, operation or maintenance of the qualified transportation projects and to agree to make payments, without limitation as to amount except as set forth in the agreement, from revenues received in one or more fiscal years by the Department of Transportation or with any person to defray the costs of the financing, construction, operation or maintenance of the qualified transportation projects.

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

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

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

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

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

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

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

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

§ 6006-H. Transportation Investment Trust Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) On or after July 1, 2007, 4%;
- (b) On or after July 1, 2008, 8%;
- (c) On or after July 1, 2009, 12%;
- (d) On or after July 1, 2010, 16%; and
- (e) On or after July 1, 2011, 20%.

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

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

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

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

The tax imposed by this Part on the sale or use of any vehicle, snowmobile, all-terrain vehicle or watercraft must, except where the dealer has collected the tax in full, be paid by the purchaser or other person seeking registration of the vehicle, snowmobile, all-terrain vehicle or watercraft at the time and

place of registration. In the case of vehicles, the tax must be collected by the Secretary of State and transmitted to the Treasurer of State as provided by Title 29-A, section 409. In the case of watercraft, snowmobiles and all-terrain vehicles, the tax must be collected by the Commissioner of Inland Fisheries and Wildlife and transmitted to the Treasurer of State as provided by Title 12, sections 13002 to 13005. If the dealer collects the tax due under this Part on the sale of vehicles, the following percentage of the tax collected from the tax imposed pursuant to Part 3 on vehicles and transportation-related items must be deposited in the General Highway Fund established in Title 23, section 1651:

1. **2007.** On or after July 1, 2007, 4%;
2. **2008.** On or after July 1, 2008, 8%;
3. **2009.** On or after July 1, 2009, 12%;
4. **2010.** On or after July 1, 2010, 16%; and
5. **2011.** On or after July 1, 2011, 20%.

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

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

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

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

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

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

1. Providing stable, reliable, long-term funding supported by transportation user fees and taxes;
2. Setting priorities that maximize the benefit to transportation users;
3. Creating intergovernmental and public-private partnerships that expand available financial resources;
4. Instituting actions to reduce costs; and

5. Establishing quantifiable performance measures and reporting procedures to enhance accountability and guide the enactment of remedial policies.

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

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

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

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

SUMMARY

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

Any municipal excise tax revenues transferred to the bond bank must be held in an account in the name of the contributing municipality in the Transportation Investment Trust Fund and be matched by the State. If the State fails to make its match commitment, unmatched municipal funds may be withdrawn. Further, match through the Maine Department of Transportation is set at 60% for arterial

reconstruction, 50% for major collector reconstruction and 33% for minor collector reconstruction. If the Maine Department of Transportation declines to provide a match, the participating municipality may expend the funds held by the bond bank for any public road improvement within the municipality. The municipality is granted the option to administer projects undertaken within its boundaries. The municipality is granted discretion to use up to 10% of funds for alternative modes of transportation.

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

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