§1604. TRANSPORTATION DEBT POLICY FOR CAPITAL PLANNING PURPOSES

Due to the capital intensive nature of transportation investment and the dedicated nature of transportation revenue streams, the Department of Transportation shall plan its capital transportation program based upon the following assumed debt policies. Neither this section nor planning undertaken pursuant to this section authorizes the issuance of any debt. Debt may be issued only in accordance with applicable authorizing law. [2007, c. 470, Pt. C, §1 (NEW).]

1. **Highway Fund general obligation bonding.** The rolling, 3-year average ratio of Highway Fund general obligation debt service payments to Highway Fund revenue must be assumed to be not more than 10%. Highway Fund general obligation bond terms must be assumed to be 10 years.

[2007, c. 470, Pt. C, §1 (NEW) .]

2. **GARVEE bonding.** The rolling, 3-year average ratio of GARVEE bond debt service payments to funds received from the Federal Highway Administration must be assumed to be not more than 15%, except that sufficient debt service capacity must be assumed to be reserved under the 15% level for a $25,000,000 GARVEE bond issuance for extraordinary, unprogrammed needs. GARVEE bonds must be assumed to have terms of not more than 15 years and to be available only for capital projects that have an anticipated useful life of at least 20 years. GARVEE bonds must be authorized by the Legislature as provided in section 1612. For purposes of this section, "GARVEE bond" has the same meaning as in section 1611.

[2007, c. 470, Pt. C, §1 (NEW) .]

3. **TransCap revenue bonding.** The level of TransCap revenue bonding as authorized by Title 30-A, section 6006-G is limited by the level of revenue authorized and exclusively dedicated to the Maine Municipal Bond Bank for debt service for such bonds and by bond issuer requirements. TransCap bonds must be assumed to have terms of not more than 15 years and to be available only for capital projects that have an anticipated useful life of at least as long as the bond term. TransCap bonds must be authorized by the Legislature as provided in Title 30-A, section 6006-G.

[2009, c. 413, Pt. Q, §1 (AMD) .]

SECTION HISTORY
2007, c. 470, Pt. C, §1 (NEW). 2009, c. 413, Pt. Q, §1 (AMD).

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