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An Act To Increase Funding for the Snowmobile Trail Fund and Adjust the Sales Tax Relating to Snowmobiles and Trail-grooming Equipment

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

Sec. 1. 12 MRSA §1893, sub-§3, ¶D, as enacted by PL 2007, c. 429, §1 and affected by §3, is repealed.

Sec. 2. 12 MRSA §10206, sub-§2, ¶A, as amended by PL 2007, c. 556, §1 and PL 2011, c. 657, Pt. W, §§5 and 7, is further amended to read:

A. After the transfers provided in section 13104, subsection 4, the snowmobile and trail-grooming equipment registration fee for residents collected under chapter 937 is credited as follows:

(1) Twenty-two percent is credited to the General Fund as undedicated revenue; and

(2) ~~Fifty-two~~Seventy-eight percent is credited to the Snowmobile Trail Fund of the Department of Agriculture, Conservation and Forestry, Division of Parks and Public Lands; and

(3) ~~Twenty-six percent is annually distributed to the municipality of the owner's residence as shown on the owner's registration certificate, except that in unorganized territory, 26% is annually distributed to the county of the owner's residence as shown on the owner's registration certificate and credited to the unorganized territory fund of that county established in Title 30-A, section 7502.~~

Sec. 3. 12 MRSA §13002, 2nd ¶, as enacted by PL 2003, c. 414, Pt. A, §2 and affected by c. 614, §9, is amended to read:

~~All~~Except as provided in Title 36, section 1952-A, all taxes collected pursuant to this section must be transmitted forthwith to the Treasurer of State and credited to the General Fund as undedicated revenue. The Legislature shall appropriate to the department in each fiscal year an amount equal to the administrative costs incurred by the department in collecting revenue under this section. Those administrative costs must be verified by the Department of Administrative and Financial Services.

Sec. 4. 12 MRSA §13104, sub-§4, as repealed and replaced by PL 2011, c. 129, §1 and amended by c. 657, Pt. W, §§5 and 7, is further amended to read:

4. Fee. Except as provided in subsection 5, the annual snowmobile registration fee is as follows:

A. For residents, ~~\$40~~\$60 except that the fee for a person who purchases a resident registration prior to January 1st of each year is \$50. The registration for a snowmobile owned by a resident is valid for one year, commencing on July 1st of each year; and

B. For nonresidents:

(1) ~~Forty-three~~Fifty dollars for a 3-consecutive-day registration. A person may purchase more than one 3-day registration in any season; ~~and~~

(2) ~~Eighty-eight~~One hundred and eight dollars for a seasonal registration; ~~except that the fee for a person who purchases a seasonal registration prior to January 1st of each year is \$98; and~~

(3) ~~Seventy-five~~ dollars for a 7-consecutive-day registration. A person may purchase more than one 7-day registration in any season.

The registration for a snowmobile owned by a nonresident must specify the dates for which the registration is valid.

Five dollars from each registration fee collected pursuant to this subsection must be transferred to a special fund administered by the Off-Road Vehicle Division of the Division of Parks and Public Lands within the Department of Agriculture, Conservation and Forestry. The funds must be used to assist any entity that has a snowmobile trail grooming contract with the Division of Parks and Public Lands in the purchase of trail-grooming equipment. The funds also may be used for the repair or overhaul of trail-grooming equipment.

~~Seven dollars~~Except as otherwise provided, \$27 from each resident snowmobile registration fee must be transferred to the Snowmobile Trail Fund of the Department of Agriculture, Conservation and Forestry, Division of Parks and Public Lands. For each resident registration purchased prior to January 1st, \$17 must be transferred to the Snowmobile Trail Fund of the Department of Agriculture, Conservation and Forestry, Division of Parks and Public Lands.

Sec. 5. 29-A MRSA §456-H is enacted to read:

§ 456-H. Snowmobile registration plates

1. Snowmobile registration plates. The Secretary of State, upon receiving an application and evidence of payment of the annual motor vehicle registration fee required by section 501 and the excise tax required by Title 36, section 1482, shall issue a registration certificate and a set of snowmobile registration plates to be used in lieu of regular registration plates. These plates must bear identification numbers and letters. Vanity plates may not duplicate vanity plates issued in another class of plate. The Secretary of State shall begin issuing snowmobile registration plates by April 1, 2014.

2. Initial registration fee. In addition to the regular motor vehicle registration fee prescribed by law, the initial contribution for the snowmobile registration plates is \$20, which must be deposited with the Treasurer of State and credited as follows:

- A. Fourteen dollars to the Snowmobile Trail Fund of the Department of Agriculture, Conservation and Forestry, Division of Parks and Public Lands;
- B. Five dollars to the Highway Fund for administrative and production costs; and
- C. One dollar to the Specialty License Plate Fund established under section 469.

3. Renewal fee. In addition to the regular motor vehicle registration fee prescribed by law, the annual renewal contribution for snowmobile registration plates is \$20, which must be deposited with the Treasurer of State and credited as follows:

- A. Fourteen dollars to the Snowmobile Trail Fund of the Department of Agriculture, Conservation and Forestry, Division of Parks and Public Lands;
- B. Three dollars to the Highway Fund for administrative and production costs; and
- C. Three dollars to the Specialty License Plate Fund established under section 469.

4. Issuance. The Secretary of State shall issue a set of snowmobile registration plates in a number or letter sequence or a combination of a number and letter sequence.

5. Design and approval. Notwithstanding section 468, subsection 5, the Commissioner of Agriculture, Conservation and Forestry shall submit a new proposed design for the snowmobile registration plates every 6 years for approval or modification by the Secretary of State.

6. Transfer of fees. On a quarterly basis, the Secretary of State shall transfer the revenue from the issuance and renewal of the snowmobile registration plates to the Treasurer of State for deposit and crediting pursuant to subsections 2 and 3.

Sec. 6. 36 MRSA §1760, sub-§8, as amended by PL 2011, c. 548, §16, is further amended to read:

8. Certain motor fuels. Sales of:

- A. Motor fuels upon which a tax at the maximum rate for highway use pursuant to Part 5 or a comparable tax of another state or a province of Canada has been paid; ~~or~~
- B. Internal combustion engine fuel, as defined in section 2902, bought and used for the purpose of propelling jet engine aircraft; ~~or~~
- E. Diesel fuel when bought for use in off-road machinery that is used primarily to groom snowmobile trails that are open to use by the public.

Sec. 7. 36 MRSA §1760, sub-§90, as amended by PL 2009, c. 491, §1, is further amended to read:

90. Qualified snowmobiles used exclusively for trail grooming. Sales to snowmobile clubs incorporated under the provisions of Title 13-B of snowmobiles and ~~snowmobile trail grooming equipment~~ used directly and exclusively for the grooming of snowmobile trails.

Sec. 8. 36 MRSA §1760, sub-§90-A is enacted to read:

90-A. Snowmobile trail grooming equipment. Sales of snowmobile trail grooming equipment and parts.

Sec. 9. 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. In the case of snowmobiles, the tax must be collected by the Commissioner of Inland Fisheries and Wildlife and transmitted to the Snowmobile Trail Fund of the Department of Agriculture, Conservation and Forestry, Division of Parks and Public Lands, Off-road Recreational Vehicle Office, as described in Title 12, section 1893.

SUMMARY

This bill makes the following changes related to snowmobile registration and sales tax on snowmobiles and trail-grooming equipment.

1. It increases the resident snowmobile registration fee from \$40 to \$60.
2. It increases the nonresident seasonal snowmobile registration fee from \$88 to \$108.
3. It provides that a person who buys an annual registration for that person's snowmobile before January 1st of each year receives a \$10 deduction in the registration fee.
4. It increases the 3-day nonresident snowmobile registration fee from \$43 to \$50.
5. It directs that all revenue raised from registration increases proposed in this bill be deposited in the Snowmobile Trail Fund of the Department of Agriculture, Conservation and Forestry, Division of Parks and Public Lands, Off-road Recreational Vehicle Office.
6. It creates a 7-day nonresident snowmobile registration with a fee of \$75.
7. It removes the 5% sales tax on diesel fuel used in off-road trail-grooming equipment.
8. It removes the sales tax on the purchase of trail-grooming equipment and parts.

9. It provides that the sales tax on the purchase of snowmobiles be transferred to the Snowmobile Trail Fund.

10. It creates a snowmobile vanity license plate with a portion of the revenue going into the Snowmobile Trail Fund.

11. It repeals the language that provided the municipality where the owner of trail-grooming equipment or a snowmobile resides with 26% of the trail-grooming equipment or snowmobile registration fee.