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## **An Act To Provide Revenue To Fix and Rebuild Maine's Transportation Infrastructure**

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

**Sec. 1. 23 MRSA §1651**, as amended by PL 1971, c. 593, §22, is further amended to read:

### **§ 1651. Definition**

To provide funds for the construction of state, state aid and town ways, for the maintenance of state and state aid highways, and interstate, intrastate and international bridges, and for other items of expenditure specified, there is established a fund to be known as the ~~General~~ Highway Fund. This fund ~~shall~~must include all fees received from the registration of motor vehicles and licensing of operators thereof; all fees accruing to the Treasurer of State under Title 25, section 1502; the receipts from the tax on internal combustion engine fuels; 5% of the receipts from the sales and use tax imposed on transportation-related items pursuant to Title 36, section 1966; and all sums received on account of the department for permits to open highways, or from other sources, the disposition of which is not otherwise designated by law. After payment from ~~said~~the Highway Fund of such sums for interest and retirement as are necessary to meet the provisions of bond issues for state highway and bridge construction, the remainder of ~~said~~the fund ~~shall~~must be segregated, apportioned and expended as provided by the Legislature.

**Sec. 2. 29-A MRSA §462, sub-§2**, as enacted by PL 1993, c. 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

**2. Payment of fee for temporary registration plate.** The fee for a temporary registration plate is ~~\$15~~ per plate. A purchaser may operate the motor vehicle or trailer with a temporary registration plate for a period of 14 consecutive days without payment of a regular fee. If the purchaser is a nonresident member of the Armed Services, the purchaser may operate a motor vehicle or trailer for a period of 20 consecutive days without payment of a regular fee. At the end of this initial period, a resident who is unable to comply with the requirements of chapter 7 or a nonresident who has applied for but has not yet received a registration certificate from a home state may request the Secretary of State to extend this period without charge for an additional 20 days.

**Sec. 3. 29-A MRSA §502, sub-§1**, as amended by PL 2017, c. 67, §3, is further amended to read:

**1. Transferring registration.** A person who transfers the ownership or discontinues the use of a registered motor vehicle, trailer or semitrailer and applies for registration of another motor vehicle, trailer or semitrailer in the same registration year may use the same number plates on payment of a transfer fee of ~~\$8~~\$13, as long as the registration fee is the same as that of the former vehicle. If the fee for the

vehicle to be registered is greater than the fee for the vehicle first registered, that person must also pay the difference. If application is made for a trailer with a gross weight of 2,000 pounds or less, the transfer fee is ~~\$5~~\$10.

**Sec. 4. 29-A MRSA §511, sub-§4**, as enacted by PL 1995, c. 513, §1, is amended to read:

**4. Duplicate registrations for trailers and semitrailers.** At the time of registration, a person registering a trailer or semitrailer that exceeds 2,000 pounds, in accordance with this section or section 512, may apply for and receive a duplicate registration for an additional ~~\$2~~\$5 fee. This subsection does not apply to camp trailers.

**Sec. 5. 29-A MRSA §603, sub-§1**, as amended by PL 2007, c. 647, §4 and affected by §8 and amended by c. 703, §§16 to 20, is further amended to read:

**1. Fee of \$43.** A fee of ~~\$33~~\$43 must be paid to the Secretary of State for the following:

- A. A report of a search of the records of the Bureau of Motor Vehicles for each name or identification number;
- B. Filing an application for a first certificate of title, including security interest;
- C. Filing notice of a security interest after the first certificate of title has been issued;
- D. A certificate of title after a transfer;
- E. A certificate of salvage;
- F. A corrected certificate of title or salvage;
- G. A duplicate certificate;
- H. Assignment of a new vehicle identification number;
- I. A 2nd or subsequent security interest noted on an application for certificate of title;
- J. Filing an assignment of a security interest; or
- K. An ordinary certificate of title issued on surrender of a distinctive certificate.

Beginning July 1, 2009, \$10 of the fee must be transferred on a quarterly basis by the Treasurer of State to the TransCap Trust Fund established by Title 30-A, section 6006-G.

For a person who possesses a trailer or semitrailer registration pursuant to section 512, subsection 3, the fee is ~~\$18~~\$28.

**Sec. 6. 29-A MRSA §1307**, as amended by PL 2017, c. 283, Pt. C, §§2 and 3 and affected by §6, is further amended to read:

**§ 1307. Examination fees**

An applicant required to take an examination shall pay an examination fee to the Secretary of State prior to administration of the examination as follows.

**1. Class A, Class B or Class C commercial driver's license.** The examination fee for a Class A, Class B or Class C commercial driver's license is ~~\$70~~\$75, which includes the first road test. A reexamination is ~~\$70~~\$75.

**2. Class C noncommercial license.** The examination fee for a Class C noncommercial license is ~~\$35~~\$40, which includes the first road test. A reexamination is ~~\$35~~\$40.

**3. Examination fee for endorsements.** The examination fee for a double or triple trailer, bus, tank vehicle, hazardous materials endorsement or the renewal of a hazardous materials endorsement is ~~\$20~~\$25. A reexamination is ~~\$20~~\$25.

**4. Cancellation of examination appointment.** If an examination requires an appointment and the applicant does not keep that appointment, the Secretary of State shall assess an additional ~~\$70~~\$75 fee for a Class A, Class B or Class C commercial examination and ~~\$35~~\$40 for a bus, school bus or Class C noncommercial examination at the time of reappointment for examination. If the applicant notifies the Department of the Secretary of State, Bureau of Motor Vehicles, Driver Examination Section of cancellation at least 48 hours prior to the examination, the Secretary of State shall waive the additional fee.

**5. Exception.** A person required to take an examination pursuant to section 1309, subsection 1 is not required to pay an examination or cancellation fee.

**Sec. 7. 29-A MRSA §1405, sub-§3-A,** as enacted by PL 2017, c. 475, Pt. A, §48 and affected by §49, is amended to read:

**3-A. Fee.** The fee for a duplicate registration certificate is ~~\$2~~\$5. The fee for a duplicate learner's permit, duplicate license or duplicate nondriver identification card is ~~\$5~~\$10. The fee for a duplicate license or duplicate nondriver identification card under section 1260 is \$30. The fee for the expedited issuance of a duplicate license or nondriver identification card, including the expedited issuance of a duplicate license or nondriver identification card under section 1260, is an additional \$10. The reason for the expedited issuance must be provided, and the Secretary of State shall determine if expedited issuance is warranted.

**Sec. 8. 29-A MRSA §1410, sub-§2,** as amended by PL 2013, c. 51, §6, is further amended to read:

**2. Issuance of card; contents.** Except as provided by section 1255, upon receipt of a completed application and payment of a fee of ~~\$5~~\$15, the Secretary of State shall issue a nondriver identification card to the applicant. If an applicant is the holder of a motor vehicle driver's license bearing a photograph or digital image of the individual and issued under this chapter, the Secretary of State or the Secretary of State's representative may refuse to issue a nondriver identification card. The Secretary of State shall provide that a nondriver identification card issued to a person less than 21 years of age has a distinctive color code. Each nondriver identification card must contain:

A. The applicant's photograph or digital image;

B. The applicant's name and address;

C. The applicant's date of birth; and

E. Any other information and identification that the Secretary of State by rule requires.

**Sec. 9. 36 MRSA §1811, first ¶**, as amended by PL 2017, c. 409, Pt. D, §2, is further amended to read:

A tax is imposed on the value of all tangible personal property, products transferred electronically and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile, of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles or of a loaner vehicle that is provided other than to a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's warranty; 7% on the value of prepared food; and 5% on the value of all other tangible personal property and taxable services and products transferred electronically. Notwithstanding the other provisions of this section, from October 1, 2013 to December 31, 2015, the rate of tax is 8% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all other tangible personal property and taxable services and products transferred electronically. Notwithstanding the other provisions of this section, beginning January 1, 2016, the rate of tax is 9% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all other tangible personal property and taxable services and products transferred electronically. Notwithstanding the other provisions of this section, beginning on the first day of the calendar month in which adult use marijuana and adult use marijuana products may be sold in the State by a marijuana establishment licensed to conduct retail sales pursuant to Title 28-B, chapter 1, the rate of tax is 10% on the value of adult use marijuana and adult use marijuana products. Notwithstanding the other provisions of this section, beginning November 1, 2019, the rate of tax is 12% on the value of rental for a period of less than one year of an automobile, of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles or of a loaner vehicle that is provided other than to a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's warranty. Value is measured by the sale price, except as otherwise provided. The value of rental for a period of less than one year of an automobile or of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles is the total rental charged to the lessee and includes, but is not limited to, maintenance and service contracts, drop-off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges on the rental agreement to recover the owner's estimated costs of the charges imposed by government authority for title fees, inspection fees, local excise tax and agent fees on all vehicles in its rental fleet registered in the State. All fees must be disclosed when an estimated quote is provided to the lessee.

**Sec. 10. 36 MRSA §1966** is enacted to read:

**§ 1966. Transfer to Highway Fund**

By the 20th day of each month, the assessor shall notify the State Controller and the Treasurer of State of the amount of revenue attributable to the tax collected under this Part in the previous month on sales of transportation-related items, reduced by the transfer to the Local Government Fund required by Title 30-A, section 5681. When notified by the assessor, the State Controller shall transfer 5% of that amount to the Highway Fund. As used in this section, "transportation-related items" means motor vehicles and products for the repair and maintenance of motor vehicles, including, but not limited to, tires, batteries and motor oil.

The assessor shall adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A to implement this section.

**Sec. 11. 36 MRSA §2903, sub-§1**, as amended by PL 2011, c. 240, §24, is further amended to read:

**1. Excise tax imposed.** Beginning July 1, 2008 and ending June 30, 2009, an excise tax is imposed on internal combustion engine fuel used or sold in this State, including sales to the State or a political subdivision of the State, at the rate of 28.4¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel bought or used for the purpose of propelling jet or turbojet engine aircraft. Beginning July 1, 2009 and ending September 30, 2019, an excise tax is imposed on internal combustion engine fuel used or sold in this State, including sales to the State or a political subdivision of the State, at the rate of 29.5¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel bought or used for the purpose of propelling jet engine aircraft. ~~The tax rate provided by this subsection except the rate of tax imposed on fuel bought or used for the purpose of propelling jet engine aircraft is subject to an annual inflation adjustment pursuant to section 3321.~~ Beginning October 1, 2019, an excise tax is imposed on internal combustion engine fuel used or sold in this State, including sales to the State or a political subdivision of the State, at the rate of 36.5¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel bought or used for the purpose of propelling jet engine aircraft. Any fuel containing at least 10% internal combustion engine fuel is subject to the tax imposed by this section.[PL 2011, c. 240, § 24 (AMD).]

**Sec. 12. 36 MRSA §3203, sub-§1-B**, as amended by PL 2011, c. 240, §25, is further amended to read:

**1-B. Generally; rates.** Except as provided in section 3204-A, beginning July 1, 2008 and ending June 30, 2009, an excise tax is levied and imposed on all suppliers of distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel used in this State for each gallon of distillate at the rate of 29.6¢ per gallon. Beginning July 1, 2009 and ending September 30, 2019, an excise tax is levied and imposed on all suppliers of distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel used in this State for each gallon of distillate at the rate of 30.7¢ per gallon. Beginning October 1, 2019, an excise tax is levied and imposed on all suppliers of distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel used in the State for each gallon of distillate at the rate of 37.7¢ per gallon. Tax rates for each gallon of low-energy fuel are based on the British Thermal

Unit, referred to in this subsection as "BTU," energy content for each fuel as based on gasoline gallon equivalents or the comparable measure for distillates. The gasoline gallon equivalent is the amount of alternative fuel that equals the BTU energy content of one gallon of gasoline. ~~In the case of distillates, the tax rate provided by this section is subject to annual inflation adjustment pursuant to section 3321.~~ For purposes of this subsection, "base rate" means the rate in effect for gasoline or diesel on July 1st of each year as ~~indexed under section 3321.~~ A biodiesel blend containing less than 90% biodiesel fuel is subject to the rate of tax imposed on diesel.

A. This paragraph establishes the applicable BTU values and tax rates based on gasoline gallon equivalents.

Fuel type based on gasoline	BTU content per gallon or gasoline gallon equivalent	Tax rate formula (BTU value fuel/BTU value gasoline) x base rate gasoline
Gasoline	115,000	100% x base rate
Propane	84,500	73% x base rate
Compressed Natural Gas (CNG)	115,000	100% x base rate
Methanol	56,800	49% x base rate
Ethanol	76,000	66% x base rate
Hydrogen	115,000	100% x base rate
Hydrogen Compressed Natural Gas	115,000	100% x base rate

B. This paragraph establishes the applicable BTU values and tax rates based on distillate gallon equivalents.

Fuel type based on diesel	BTU content per gallon or gallon equivalent	Tax rate formula (BTU value fuel/BTU value diesel) x base rate diesel
Diesel	128,400	100% x base rate
Liquefied Natural Gas (LNG)	73,500	57% x base rate
Biodiesel	118,300	92% x base rate

C. The conversion factors established in this paragraph must be used in converting to gasoline gallon equivalents.

(1) For compressed natural gas, BTUs per 100 standard cubic feet is 93,000, and there are 123.66 standard cubic feet per gasoline gallon equivalent.

(2) For hydrogen, BTUs per 100 standard cubic feet is 27,000, and there are 425.93 standard cubic feet per gasoline gallon equivalent.

(3) For hydrogen compressed natural gas, BTUs per 100 standard cubic feet is 79,800, and there are 144.11 standard cubic feet per gasoline gallon equivalent.

## **SUMMARY**

This bill does the following for the purpose of increasing revenue to the Highway Fund and for other transportation purposes.

1. It increases certain fees charged by the Secretary of State for driver's license examinations, temporary license plates, nondriver identification cards, duplicate registrations, titles, driver's licenses, nondriver identification cards and transfers of registrations.

2. It increases the sales tax on the short-term rental of automobiles and certain pickup trucks and vans from 10% to 12%.

3. It requires 5% of the sales tax imposed on transportation-related items, such as motor vehicles and products for the repair and maintenance of motor vehicles, such as motor oil, batteries and tires, to be transferred to the Highway Fund on a monthly basis.

4. Beginning October 1, 2019, it increases the tax imposed on gasoline to 36.5¢ per gallon and the tax imposed on special fuel to 37.7¢ per gallon.