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Legislative Document

No. 1034

H.P. 764

House of Representatives, February 28, 2019

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

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative McLEAN of Gorham.

Cosponsored by Representatives: MARTIN of Greene, PEOPLES of Westbrook, TEPLER of Topsham, WARREN of Hallowell.

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

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

4 **§1651. Definition**

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

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

21 **2. Payment of fee for temporary registration plate.** The fee for a temporary
22 registration plate is ~~\$4~~ \$5 per plate. A purchaser may operate the motor vehicle or trailer
23 with a temporary registration plate for a period of 14 consecutive days without payment
24 of a regular fee. If the purchaser is a nonresident member of the Armed Services, the
25 purchaser may operate a motor vehicle or trailer for a period of 20 consecutive days
26 without payment of a regular fee. At the end of this initial period, a resident who is
27 unable to comply with the requirements of chapter 7 or a nonresident who has applied for
28 but has not yet received a registration certificate from a home state may request the
29 Secretary of State to extend this period without charge for an additional 20 days.

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

32 **1. Transferring registration.** A person who transfers the ownership or discontinues
33 the use of a registered motor vehicle, trailer or semitrailer and applies for registration of
34 another motor vehicle, trailer or semitrailer in the same registration year may use the
35 same number plates on payment of a transfer fee of ~~\$8~~ \$13, as long as the registration fee
36 is the same as that of the former vehicle. If the fee for the vehicle to be registered is
37 greater than the fee for the vehicle first registered, that person must also pay the
38 difference. If application is made for a trailer with a gross weight of 2,000 pounds or
39 less, the transfer fee is \$5 \$10.

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

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

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

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

11 A. A report of a search of the records of the Bureau of Motor Vehicles for each name
12 or identification number;

13 B. Filing an application for a first certificate of title, including security interest;

14 C. Filing notice of a security interest after the first certificate of title has been issued;

15 D. A certificate of title after a transfer;

16 E. A certificate of salvage;

17 F. A corrected certificate of title or salvage;

18 G. A duplicate certificate;

19 H. Assignment of a new vehicle identification number;

20 I. A 2nd or subsequent security interest noted on an application for certificate of title;

21 J. Filing an assignment of a security interest; or

22 K. An ordinary certificate of title issued on surrender of a distinctive certificate.

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

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

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

29 **§1307. Examination fees**

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

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

1 **2. Class C noncommercial license.** The examination fee for a Class C
2 noncommercial license is ~~\$35~~ \$40, which includes the first road test. A reexamination is
3 ~~\$35~~ \$40.

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

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

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

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

19 **3-A. Fee.** The fee for a duplicate registration certificate is ~~\$2~~ \$5. The fee for a
20 duplicate learner's permit, duplicate license or duplicate nondriver identification card is
21 ~~\$5~~ \$10. The fee for a duplicate license or duplicate nondriver identification card under
22 section 1260 is \$30. The fee for the expedited issuance of a duplicate license or
23 nondriver identification card, including the expedited issuance of a duplicate license or
24 nondriver identification card under section 1260, is an additional \$10. The reason for the
25 expedited issuance must be provided, and the Secretary of State shall determine if
26 expedited issuance is warranted.

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

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

- 37 A. The applicant's photograph or digital image;
- 38 B. The applicant's name and address;
- 39 C. The applicant's date of birth; and

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

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

5 A tax is imposed on the value of all tangible personal property, products transferred
6 electronically and taxable services sold at retail in this State. The rate of tax is 7% on the
7 value of liquor sold in licensed establishments as defined in Title 28-A, section 2,
8 subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of
9 living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of
10 rental for a period of less than one year of an automobile, of a pickup truck or van with a
11 gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged
12 in the business of renting automobiles or of a loaner vehicle that is provided other than to
13 a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's
14 warranty; 7% on the value of prepared food; and 5% on the value of all other tangible
15 personal property and taxable services and products transferred electronically.
16 Notwithstanding the other provisions of this section, from October 1, 2013 to December
17 31, 2015, the rate of tax is 8% on the value of rental of living quarters in any hotel,
18 rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% on the
19 value of liquor sold in licensed establishments as defined in Title 28-A, section 2,
20 subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all
21 other tangible personal property and taxable services and products transferred
22 electronically. Notwithstanding the other provisions of this section, beginning January 1,
23 2016, the rate of tax is 9% on the value of rental of living quarters in any hotel, rooming
24 house or tourist or trailer camp; 8% on the value of prepared food; 8% on the value of
25 liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15,
26 in accordance with Title 28-A, chapter 43; and 5.5% on the value of all other tangible
27 personal property and taxable services and products transferred electronically.
28 Notwithstanding the other provisions of this section, beginning on the first day of the
29 calendar month in which adult use marijuana and adult use marijuana products may be
30 sold in the State by a marijuana establishment licensed to conduct retail sales pursuant to
31 Title 28-B, chapter 1, the rate of tax is 10% on the value of adult use marijuana and adult
32 use marijuana products. Notwithstanding the other provisions of this section, beginning
33 November 1, 2019, the rate of tax is 12% on the value of rental for a period of less than
34 one year of an automobile, of a pickup truck or van with a gross vehicle weight of less
35 than 26,000 pounds rented from a person primarily engaged in the business of renting
36 automobiles or of a loaner vehicle that is provided other than to a motor vehicle dealer's
37 service customers pursuant to a manufacturer's or dealer's warranty. Value is measured
38 by the sale price, except as otherwise provided. The value of rental for a period of less
39 than one year of an automobile or of a pickup truck or van with a gross vehicle weight of
40 less than 26,000 pounds rented from a person primarily engaged in the business of renting
41 automobiles is the total rental charged to the lessee and includes, but is not limited to,
42 maintenance and service contracts, drop-off or pick-up fees, airport surcharges, mileage
43 fees and any separately itemized charges on the rental agreement to recover the owner's
44 estimated costs of the charges imposed by government authority for title fees, inspection
45 fees, local excise tax and agent fees on all vehicles in its rental fleet registered in the
46 State. All fees must be disclosed when an estimated quote is provided to the lessee.

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

2 **§1966. Transfer to Highway Fund**

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

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

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

15 **1. Excise tax imposed.** Beginning July 1, 2008 and ending June 30, 2009, an excise
16 tax is imposed on internal combustion engine fuel used or sold in this State, including
17 sales to the State or a political subdivision of the State, at the rate of 28.4¢ per gallon,
18 except that the rate is 3.4¢ per gallon on internal combustion engine fuel bought or used
19 for the purpose of propelling jet or turbojet engine aircraft. Beginning July 1, 2009 and
20 ending September 30, 2019, an excise tax is imposed on internal combustion engine fuel
21 used or sold in this State, including sales to the State or a political subdivision of the
22 State, at the rate of 29.5¢ per gallon, except that the rate is 3.4¢ per gallon on internal
23 combustion engine fuel bought or used for the purpose of propelling jet engine aircraft.
24 ~~The tax rate provided by this subsection except the rate of tax imposed on fuel bought or~~
25 ~~used for the purpose of propelling jet engine aircraft is subject to an annual inflation~~
26 ~~adjustment pursuant to section 3321.~~ Beginning October 1, 2019, an excise tax is imposed
27 on internal combustion engine fuel used or sold in this State, including sales to the State
28 or a political subdivision of the State, at the rate of 36.5¢ per gallon, except that the rate is
29 3.4¢ per gallon on internal combustion engine fuel bought or used for the purpose of
30 propelling jet engine aircraft. Any fuel containing at least 10% internal combustion
31 engine fuel is subject to the tax imposed by this section.

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

34 **1-B. Generally; rates.** Except as provided in section 3204-A, beginning July 1,
35 2008 and ending June 30, 2009, an excise tax is levied and imposed on all suppliers of
36 distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel
37 used in this State for each gallon of distillate at the rate of 29.6¢ per gallon. Beginning
38 July 1, 2009 and ending September 30, 2019, an excise tax is levied and imposed on all
39 suppliers of distillates sold, on all retailers of low-energy fuel sold and on all users of
40 special fuel used in this State for each gallon of distillate at the rate of 30.7¢ per gallon.
41 Beginning October 1, 2019, an excise tax is levied and imposed on all suppliers of
42 distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel

1 used in the State for each gallon of distillate at the rate of 37.7¢ per gallon. Tax rates for
 2 each gallon of low-energy fuel are based on the British Thermal Unit, referred to in this
 3 subsection as "BTU," energy content for each fuel as based on gasoline gallon
 4 equivalents or the comparable measure for distillates. The gasoline gallon equivalent is
 5 the amount of alternative fuel that equals the BTU energy content of one gallon of
 6 gasoline. ~~In the case of distillates, the tax rate provided by this section is subject to~~
 7 ~~annual inflation adjustment pursuant to section 3321.~~ For purposes of this subsection,
 8 "base rate" means the rate in effect for gasoline or diesel on July 1st of each year as
 9 ~~indexed under section 3321.~~ A biodiesel blend containing less than 90% biodiesel fuel is
 10 subject to the rate of tax imposed on diesel.

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

13 Fuel type based on gasoline	14 BTU content per gallon or gasoline gallon equivalent	15 Tax rate formula (BTU value fuel/BTU value gasoline) x base rate gasoline
17 Gasoline	115,000	100% x base rate
18 Propane	84,500	73% x base rate
19 Compressed Natural Gas (CNG)	115,000	100% x base rate
21 Methanol	56,800	49% x base rate
22 Ethanol	76,000	66% x base rate
23 Hydrogen	115,000	100% x base rate
24 Hydrogen Compressed 25 Natural Gas	115,000	100% x base rate

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

28 Fuel type based on diesel	29 BTU content per gallon or gallon equivalent	30 Tax rate formula (BTU value fuel/BTU value diesel) x base rate diesel
32 Diesel	128,400	100% x base rate
33 Liquefied Natural Gas (LNG)	73,500	57% x base rate
35 Biodiesel	118,300	92% x base rate

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

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

40 (2) For hydrogen, BTUs per 100 standard cubic feet is 27,000, and there are
 41 425.93 standard cubic feet per gasoline gallon equivalent.

42 (3) For hydrogen compressed natural gas, BTUs per 100 standard cubic feet is
 43 79,800, and there are 144.11 standard cubic feet per gasoline gallon equivalent.

1 **SUMMARY**

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

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

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

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

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