



### **Testimony in Support of LD 1549:**

**“RESOLUTION, Proposing an Amendment to the Constitution of Maine Regarding the Use and Oversight of Transportation-related Revenues”**

Senator Nangle, Representative Crafts, and the distinguished members of the Committee on Transportation, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in support of LD 1549.

LD 1549 takes a significant step toward restoring fiscal responsibility, transparency, and integrity to Maine’s transportation funding. By constitutionally dedicating at least 60% of sales and use tax revenue collected from motor vehicle dealers and the Bureau of Motor Vehicles to the Highway Fund and ensuring those funds are spent solely on transportation infrastructure, this proposal directly addresses long-standing problems of fund diversion and systemic underinvestment in our roads, bridges, and transportation systems.

Maine’s transportation funding shortfall has been a perennial issue. As outlined by Maine Policy Institute, relying heavily on bonding year after year has put Maine taxpayers in an unsustainable position, saddling future generations with debt instead of creating a self-sustaining model.<sup>1</sup> Redirecting existing transportation-related revenues to the Highway Fund, rather than increasing taxes or issuing more debt, is the prudent and fiscally responsible course of action. It ensures that the users of our transportation systems are the ones funding their maintenance and improvement — a fair and equitable principle widely adopted in successful infrastructure funding models nationwide.

Furthermore, LD 1549 reinforces public trust by constitutionally protecting these funds from being diverted for unrelated spending priorities. Maine taxpayers deserve assurance that taxes paid on vehicle-related transactions will be used to maintain the very infrastructure they depend on. Constitutional protections are necessary because statutory promises alone have repeatedly proven insufficient to safeguard these revenues over the long term.

Additionally, placing the Highway Fund’s financial matters under the jurisdiction of the Joint Standing Committee on Transportation, beginning in 2027, ensures that those with subject-matter expertise will oversee critical funding decisions. Specialized

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<https://mainepolicy.org/heres-how-maine-can-permanently-close-its-transportation-funding-shortfall/#:~:text=Janet%20Mills%20signed%20a%20bill,way%20to%20close%20this%20shortfall>.



oversight will promote more strategic, transparent, and effective investments in Maine's multimodal transportation network, including highways and bridges, ferries, railroads, and pedestrian infrastructure. It would also safeguard against future attempts to adopt a unified budget model for Maine, as was attempted in previous legislative sessions.

Passing LD 1549 is not just about better roads and bridges — it is about restoring accountability in government, responsibly stewarding taxpayer dollars, and securing Maine's economic future. Modern, well-maintained transportation infrastructure is vital for financial competitiveness, small business growth, rural connectivity, and public safety.

For these reasons, Maine Policy Institute urges the Committee to vote "Ought to Pass" on LD 1549. Thank you for your time and consideration.