



## Department of the Secretary of State Bureau of Motor Vehicles

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### JOINT STANDING COMMITTEE ON TRANSPORTATION

#### **L.D. 807 "An Act to Limit the Number of Free Motor Vehicle Registration that May Be Provided to a Disabled Veteran and Reimburse Municipalities for the Loss of Excise Taxes."**

Testimony of Shenna Bellows, Secretary of State and  
Cathie Curtis, Deputy Secretary for the Bureau of Motor Vehicles,  
Department of the Secretary of State

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Senator Nangle, Representative Crafts, and Members of the Joint Standing Committee on Transportation, I am providing testimony neither for nor against L.D. 807 "An Act to Limit the Number of Free Motor Vehicle Registration that May Be Provided to a Disabled Veteran and Reimburse Municipalities for the Loss of Excise Taxes."

This bill specifies that only 3 registered motor vehicles may be exempt from excise taxes for a disabled veteran. It also requires the State Controller to fully reimburse municipalities for the excise tax revenue lost from this exemption based on a report from the Secretary of State.

The Secretary of State's Office does not have any opinion regarding the limitation on the number of vehicles that a disabled veteran may be exempted from excise tax.

However, we do see a couple of issues with this bill as written, related to the reimbursement of excise tax revenue to the municipalities.

First, excise tax is a municipal tax and is retained by the municipality. Payment of excise tax is simply a prerequisite to a motor vehicle registration. The Secretary of State's office does not have authority over excise tax nor does excise tax from Maine residents go to the Highway fund. Therefore, the Secretary of State's Office respectfully asks to not be put in the middle of this excise tax matter. Municipalities should provide a report directly to another more appropriate state agency for excise tax reimbursement.

Second, this bill doesn't indicate from what account any lost excise tax revenue is reimbursed. We believe the lost revenue should not be paid out of the Highway Fund.

I would like to suggest that prior to the work session, we work with the Representative Drinkwater and Maine Municipal Association to draft an amendment that would solve this problem from a different approach and bring it back with to you.

Thank you for your time today and I will be happy to answer any questions.