



STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
16 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0016

Janet T. Mills
GOVERNOR

Bruce A. Van Note
COMMISSIONER

April 8, 2025

**Testimony of Bruce A. Van Note
Maine Department of Transportation
Before the 132nd Legislature, Joint Standing Committee on Transportation**

In Opposition to

LD 1292

*An Act to Codify the Maine Turnpike Authority's Contributions to the Highway Fund
with Regard to the Sensible Transportation Policy Act*

Senator Nangle, Representative Crafts, and other distinguished members of the Joint Standing Committee on Transportation, I am Bruce Van Note, Commissioner of the Maine Department of Transportation (MaineDOT). I appear before you today in opposition to LD 1292 because the MTA contribution law is working well and repealing it would appear to violate the age-old maxim, *if it's not broke, don't fix it*. More specifically, this bill repeals a proven, simple MTA revenue-sharing provision in existing law, and replaces it with a complicated process that would be ripe with definitional debates, put the Legislature into the project production flow, create fiscal uncertainty, spook bond markets, and perhaps even undermine the ability of the MTA to exist.

LD 1292 repeals 23 MRSA §1961, sub-§7 and replaces it with a new and problematic MTA revenue-sharing arrangement. This statutory section, first passed as P.L. 2011, c. 476, §1, is a straightforward provision that requires the MTA to allocate 5% of annual operating revenues to MaineDOT projects in which both MaineDOT and the MTA mutually agree. This provision promotes predictability, accountability, and ongoing collaboration between the agencies. Mutual agreement is needed to ensure that the use of the funds supports the State's transportation priorities and is sufficiently related to the Turnpike so as to not violate requirements against toll revenue diversion to purposes unrelated to the Turnpike.

When passed, this provision replaced decades of annual payments of variable amounts from the MTA to MaineDOT regardless of MTA gross revenues, including an accelerated lump sum payment of ten years of projected annual payments to MaineDOT that required MTA bonding to provide a one-time solution to a MaineDOT capital funding shortfall in the mid-1990's. (Sound familiar?) This existing provision also provides potential growth over time, a significant enhancement over Highway Fund revenues that do not grow – or even shrink - over time like fuel taxes and set vehicle fees.

In my view, this new provision was a significant improvement from past practice at the time. Of course, I would think that, as I personally proposed and supported it as then MaineDOT Deputy Commissioner for Operations and Budget, along with Peter Mills, then MTA Executive Director. As long-time members of this Committee may recall, Mr. Mills frequently spoke in favor of it, and I understand existing MTA staff still find it straightforward, workable, and fair. In sum, the existing law on MTA contributions to MaineDOT is not broken. In fact, it works well.

Despite this, LD 1292 proposes to break it. It would plunge MaineDOT, MTA *and the Legislature* into a cumbersome, multi-step, labor-intensive process. A cursory scan of 23 MRSA §1961(7) and LD 1292 shows that the bill replaces a succinct, easy-to-understand provision with a page of statutory language that would likely spawn a myriad of rules, spreadsheets, flow charts, and meetings. This bill takes turnpike capital planning away from the MTA and gives it to MaineDOT and the Legislature, upending the long-established and successful balance of roles in which policymakers set transportation policy, reviews the MTA's operational budget, and sets bonding limits, and the MTA operates and plans capital work plans in accordance with such policy and limits. Having the Legislature directly involved in capital work planning would be akin to the Legislature picking projects in MaineDOT's Work Plan, which this Committee has long recognized would be unworkable.

I anticipate that MTA may testify more about the huge disruption LD 1292 would have on its operations, capital programs, financial health, and perhaps even its existence. Of course, I understand that it is possible that such disruption may be by design. Perhaps LD 1292 is designed to put an end to consideration of a Gorham Connector, or any future capital project like it. Perhaps it is designed to increase the contribution for MaineDOT projects provided by the MTA. Or perhaps it is designed to be a step toward the eventual end of the MTA's very existence. If so, I respectfully submit that there are other, more straightforward ways to provide the rigorous debate needed before adopting any such policy goals, including LD 1020, which removes the MTA's authority to consider a Gorham Connector, or the LR pending drafting that based on its title appears to seek to abolish the Maine Turnpike Authority.

In summary, because LD 1292 would break a law that is working well, would be disruptive and unduly burdensome, would insert the Legislature into the capital project planning and production flow, and is unnecessary, I respectfully request that you vote "Ought Not to Pass".

I will be happy to attempt to answer any questions you may have now or during the work session.