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Testimony of Rep. Dan Ankeles presenting

## LD 1809, An Act to Further Stabilize Highway Fund Revenue

Before the Joint Standing Committee on Transportation

Senator Nangle, Representative Crafts and honorable members of the Transportation Committee, thank you for the opportunity to share testimony with you. I am still Dan Ankeles, and I still represent House District 100, a central portion of Brunswick. It's my masochistic pleasure to present LD 1809, An Act to Further Stabilize Highway Fund Revenue.

So, to this point in the session, it's been my good Republican colleagues on this committee having all the fun when it comes to taking criticism from their own side for the high crime of trying to fix a problem and keep people safe and able to get where they are going.

Well, now the shoe is on the other foot as I watch the reaction of environmental groups to a certain component of this bill. LD 1809 offers a very uncomfortable answer to a problem that no Transportation Committee — even the one from the 131<sup>st</sup> — has yet been able to solve. With the power of our gas tax revenue dwindling and a bipartisan distaste for wasting road, bridge, culvert and multimodal funding on debt service, what does stabilizing the Highway Fund look like in 2025 and beyond?

This bill proposes a new \$1 toll for out-of-state passenger cars, a delivery service charge in the style of what Minnesota uses and of course a new annual fee on hybrids and electric vehicles. As a package, the legislation could bring in roughly \$50 million per year. It's not exactly visionary, but it's not nothing either.

My sense so far is that this bill is being received poorly, and I'm not at all surprised. But here's the problem: I have yet to hear any solution that doesn't a) get us stuck in a politically toxic gas tax debate, b) deal with the fact that Maine's demographics and geography don't lend themselves very easily to Vehicle Miles Traveled legislation and c) — and this is the most important one — use money that is already spoken for.

Part of having me as a colleague means you're sometimes stuck hearing me speak my mind. Please bear with me here and know how much I respect the work we do together and how much I value each of you as committee-mates.

I assume you all remember the spring of 2024. In case you don't, I'll point out that we've had stakeholders this year come before us reminding us that "some people on the Appropriations Committee tried to take away our Highway Fund." We even had some folks using cute but somewhat vexing phrases like "highway robbery" and "in the dead of night," though I think we all know it was a lot more complicated than that.

Well, this is a good time for the "some people" in question to speak up for themselves. So here I am.

I own my part in what happened last year, but if we're going to get anywhere on this issue as a Legislature, we need to get at the true source of why there was such a deep and acrimonious split. The Highway Fund compromise we arrived at in the 131<sup>st</sup> and all voted for unanimously on the floor originally started as a divided report here in Transportation. We took 40% of sales tax revenue on autos from the general fund, and we replaced that revenue source with exactly nothing.

That's \$100M per year. Should I be cheeky and call it reverse highway robbery? But this is actually a serious point: a highway funding bill should not be a de facto cut to or denial of services in other policy areas. This is what pushed some of my former AFA colleagues toward a critical look at the liquor fund and even budget unification last spring. I — and most of my caucus — will not be truly happy until we fix this. And to be clear, the word "fix" here means that we both find replacement revenue for the general fund AND find new stable highway fund revenue sources that keep us from ever having to fight over the same sources of revenue ever again.

The entire committee seems to agree that transportation revenue should come from transportation-related sources. We just don't all agree as individuals on how to get there yet, but we have this bill and Senator Farrin's bills as great jumping off points.

I would love a grand bargain, and I'm willing to put in the work now, over the summer, in the second regular session or all of the above to make it happen. If you don't like the sources of revenue in LD 1809, let's use this vehicle or another vehicle to get us all in a room and find something else before we come back in January. If anyone is capable of solving this puzzle, it's this dedicated group of people sitting around this horseshoe, particularly the four committee leaders on both sides of the aisle.

Thank you for the opportunity to present this bill and continue this conversation with the committee. I look forward to discussing this together alongside the other funding-related bills and would be happy to try and answer questions, do 25 Hail Mary's or whatever is needed.