

June 5, 2007

## **MBTA MEMO**

**RE: LD 1790 voted out of Transportation Committee with ‘ought to pass’**

Last Friday, the Legislature’s Transportation Committee reported out a “majority ought to pass as amended” report with an 11-2 vote on LD 1790, “An Act to Secure Maine’s Transportation Future.” Voting against 1790 were Sen. William Diamond (Cumberland) and Rep. Doug Thomas (Ripley). The MBTA is grateful for the hard work and time given to this legislation by the lead sponsor, Sen. Dennis Damon (Hancock County), and by the entire membership of the committee. LD 1790 has been a top priority for MBTA throughout the session.

LD 1790, as approved by the Transportation Committee, is a pioneering piece of legislation.

1. For the first time, the legislature is setting comprehensive, measurable goals to guide transportation capital investment.
2. Goals are to be supported by a new debt policy to govern highway fund general obligation bonds, federal GARVEE bonds and new TransCap revenue bonds.
3. Two new financing mechanisms for transportation capital investment created under the administration of the Maine Municipal Bond Bank are:
  - a. GARVEE bond authority, financed with FHWA receipts, is established to reconstruct, rehabilitate or replace bridges and arterials consistent with the capital investment goals.
  - b. TransCap Trust Fund grant and loan authority is established to advance the same goals but is capitalized with dedicated streams of both general fund and highway fund revenue.
4. The revenue dedicated to the TransCap Trust Fund includes:
  - a. Reallocated highway fund dollars gained through a gradual increase of general fund support for the Department of Public Safety. The OPEGA report issued early this year indicated an imbalance in the current ratio of highway fund/general fund support of Public Safety.
  - b. Transferred highway fund dollars equal to 7.5% of motor fuel tax revenues now supporting the highway and bridge capital improvement account.
  - c. Modest registration fee increases. Some fees have not been adjusted in nearly 20 years.

- d. A phased in set aside of general fund revenues equal to 20% of transportation related sales tax receipts. Of this amount, 90% would support highway and bridge investment.

Each of these revenue streams would be flowing to the TransCap Trust Fund as of July 1, 2009 and would eventually total about \$110 million per year.

5. New revenue is set aside in the STAR account to support alternate modes of transportation. This includes a set aside of existing auto rental tax receipts and 10% of the transportation-related sales tax set aside.
6. Extraordinary corridor investments are listed in the bill with direction given to MaineDOT to report back to the committee on January 15, 2008, with recommendations for each project on appropriate scope, a schedule for community consensus, relative priority and funding plans.

**MBTA members are encouraged to contact their Legislators as soon as possible and urge them to support the majority vote of the Transportation Committee and vote to enact LD 1790.** It is time for Maine to have a comprehensive, long-term transportation capital investment strategy backed by the financial resources necessary to make it happen.

**Let your legislators know how the transportation funding crisis has affected you. . .** We need all of our leaders in Augusta to know how important this is for our families, our businesses and for all of Maine. Below is a link to find your legislators, as well as the phone numbers at the State House. If you are a constituent, you should always feel free to contact your legislators at home, too: <http://janus.state.me.us/house/townlist.htm>

State House Phone Numbers:

Message line for House members: 1-800-423-2900

Message line for Senate members: 1-800-423-6900