

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Sustain Island Communities

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 23 MRSA §4408 is enacted to read:

§ 4408. Private ferry service payment program

The Department of Transportation shall establish a private ferry service payment program for the purpose of providing financial assistance to private ferry services. For purposes of this section, “private ferry service” means a privately contracted vessel or company that provides year-round service to islands with year-round residents, referred to in this section as “year-round island communities,” not otherwise served by the Maine State Ferry Service. The private ferry service payment program is governed by the provisions of this section.

1. Application. A private ferry service may apply to the Department of Transportation for financial assistance if:

A. At least 50% of the private ferry service’s operating budget is supported by passenger fares, freight or mail revenues or a combination thereof;

B. The year-round island community served has supported at least 10% of the private ferry service’s operating budget through tax dollars; and

C. When more than one private ferry service serves an island, the year-round island community designates one private ferry service to be eligible for the Department of Transportation's private ferry service payment program.

2. Use of funds. Funds received pursuant to this section may be applied to the private ferry service’s operating budget only and are limited to costs for labor, insurance, taxes, fuel, supplies, repairs and maintenance, interest only on debt service for capital expenditures and employee retirement benefits.

3. Program funding cap. The annual private ferry service payment for each private ferry service may not exceed \$1,000 times the total year-round population of the year-round island community as certified by the year-round island community based on the previous year’s census or 30% of the private ferry service’s operating budget, whichever is greater.

4. Distribution of funds. A private ferry service must apply to the Department of Transportation to be eligible to receive funds under this section.

5. Rules. The Commissioner of Transportation shall adopt rules to implement this section. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

SUMMARY

This bill provides that privately contracted vessels or companies that provide scheduled year-round ferry service to year-round island communities and that have been designated by the communities they serve may be eligible for Department of Transportation financial assistance based on certain conditions and terms.