CHAPTER 19

FISCAL MATTERS

SUBCHAPTER 1

GENERAL PROVISIONS

§1501. Matching federal funds

Upon application of the municipal officers of any municipality, the Department of Transportation may permit, subject to the statutes governing the allocation of highway funds to municipalities and the expenditure of same, such municipality to expend highway funds made available by the State to such municipality to match federal funds in the sponsoring of work projects for the improvement and construction of ways and bridges in such municipality. Nothing in this section shall be construed as authorizing the department or the municipal officers of any municipality to ignore or disregard an express authorization from the Legislature in regard to the use of any funds for any expressly designated purpose. [PL 1971, c. 593, §22 (AMD).]

SECTION HISTORY

PL 1971, c. 593, §22 (AMD).

§1502. Anticipation of expenditure by towns

(REPEALED)

SECTION HISTORY

PL 1971, c. 593, §22 (AMD). PL 1981, c. 492, §C22 (RP).

§1503. -- approval of bills by controller

(REPEALED)

SECTION HISTORY

PL 1981, c. 492, §C23 (RP).

SUBCHAPTER 2

ECONOMIC ADVISORY BOARD

(REPEALED)

§1551. Establishment; membership; compensation

(REPEALED)

SECTION HISTORY

PL 1971, c. 593, §11 (RP).

§1552. Issuance of bonds; duty of board

(REPEALED)

SECTION HISTORY

PL 1971, c. 593, §11 (RP).

SUBCHAPTER 2-A

BOND ISSUANCE

(REPEALED)

§1553. Issuance of bonds

(REPEALED)

SECTION HISTORY

PL 1971, c. 593, §§11-A (NEW). PL 1973, c. 537, §27 (RP). PL 1973, c. 625, §133 (RP).

SUBCHAPTER 3

BONDS

§1601. Expenditure of proceeds; appropriation

The Treasurer of State by direction of the Governor shall negotiate the sale of all state highway bonds and state highway and bridge bonds. None of such bonds shall be sold for less than par value, nor shall any such bond be loaned, pledged or hypothecated in behalf of the State. The proceeds of the sales of such bonds shall be held by the Treasurer of State and paid by him upon proper warrants drawn for the purposes of chapters 1 to 19. The department shall apportion the money raised from the sale of state highway and state highway and bridge bonds in such manner as will carry into effect the several Acts authorizing such bond issues and conform to the Constitution and chapters 1 to 19. [PL 1975, c. 771, §255 (AMD).]

SECTION HISTORY

PL 1971, c. 593, §22 (AMD). PL 1975, c. 771, §255 (AMD).

§1602. Appeal to Governor and Council on disagreement of commission

(REPEALED)

SECTION HISTORY

PL 1973, c. 537, §28 (RP).

§1603. Bond proceeds not for compact parts of town; exception

No funds for construction derived from any bond issue shall be expended on any highway within compact portions of any town, except in towns of less than 5,000 inhabitants, such compact portions to be determined by the department. This section shall not apply when funds derived from any bond issue are used to match federal funds for highway and bridge projects constructed within such compact sections. [PL 1971, c. 593, §22 (AMD).]

SECTION HISTORY

PL 1971, c. 593, §22 (AMD).

§1604. Transportation debt policy for capital planning purposes

Due to the capital intensive nature of transportation investment and the dedicated nature of transportation revenue streams, the Department of Transportation shall plan its capital transportation

program based upon the following assumed debt policies. Neither this section nor planning undertaken pursuant to this section authorizes the issuance of any debt. Debt may be issued only in accordance with applicable authorizing law. [PL 2007, c. 470, Pt. C, §1 (NEW).]

1. Highway Fund general obligation bonding. The rolling, 3-year average ratio of Highway Fund general obligation debt service payments to Highway Fund revenue must be assumed to be not more than 10%. Highway Fund general obligation bond terms must be assumed to be 10 years.
[PL 2007, c. 470, Pt. C, §1 (NEW).]

2. GARVEE bonding. The rolling, 3-year average ratio of GARVEE bond debt service payments to funds received from the Federal Highway Administration must be assumed to be not more than 15%, except that sufficient debt service capacity must be assumed to be reserved under the 15% level for a $25,000,000 GARVEE bond issuance for extraordinary, unprogrammed needs. GARVEE bonds must be assumed to have terms of not more than 15 years and to be available only for capital projects that have an anticipated useful life of at least 20 years. GARVEE bonds must be authorized by the Legislature as provided in section 1612. For purposes of this section, "GARVEE bond" has the same meaning as in section 1611.
[PL 2007, c. 470, Pt. C, §1 (NEW).]

3. TransCap revenue bonding. The level of TransCap revenue bonding as authorized by Title 30-A, section 6006-G is limited by the level of revenue authorized and exclusively dedicated to the Maine Municipal Bond Bank for debt service for such bonds and by bond issuer requirements. TransCap bonds must be assumed to have terms of not more than 15 years and to be available only for capital projects that have an anticipated useful life of at least as long as the bond term. TransCap bonds must be authorized by the Legislature as provided in Title 30-A, section 6006-G.
[PL 2009, c. 413, Pt. Q, §1 (AMD).]

SECTION HISTORY

PL 2007, c. 470, Pt. C, §1 (NEW). PL 2009, c. 413, Pt. Q, §1 (AMD).

SUBCHAPTER 3-A

GARVEE BONDING

§1611. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2007, c. 329, Pt. P, §1 (NEW).]

1. Bank. "Bank" means the Maine Municipal Bond Bank, established under Title 30-A, chapter 225.
[PL 2007, c. 329, Pt. P, §1 (NEW).]

2. GARVEE bond. "GARVEE bond" means a grant anticipation revenue vehicle debt financing instrument repaid with federal highway funds as authorized by 23 United States Code, Section 122.
[PL 2007, c. 329, Pt. P, §1 (NEW).]

3. Qualified transportation project. "Qualified transportation project" means a project to reconstruct, rehabilitate or replace existing bridges and existing arterial highways that:

A. Will forward applicable transportation capital improvement planning and delivery goals established by the Legislature for the Department of Transportation; [PL 2007, c. 329, Pt. P, §1 (NEW).]

B. Has a useful life of 20 years or more; and [PL 2007, c. 329, Pt. P, §1 (NEW).]

C. Meets eligibility requirements of the United States Department of Transportation, Federal Highway Administration. [PL 2007, c. 329, Pt. P, §1 (NEW).]

"Qualified transportation project" does not include a project that predominantly consists of a new highway on a new location or a new bridge on a new location, other than a replacement bridge located in close proximity to the bridge it is replacing, unless specifically approved by the Legislature. [PL 2007, c. 329, Pt. P, §1 (NEW).]

4. Qualified transportation project costs. "Qualified transportation project costs" includes, without limitation:

A. The purchase price or acquisition of any properties or interest in those properties or other rights necessary or convenient for the project; [PL 2007, c. 329, Pt. P, §1 (NEW).]

B. The costs of the study, permitting and engineering of the project, including the preparation of plans and specifications, surveys and estimates of cost; [PL 2007, c. 329, Pt. P, §1 (NEW).]

C. The costs of construction, reconstruction, paving, repaving, building, alteration, repair, restoration, environmental review or remediation, enlargement or other improvement, including all labor, materials, machinery, fixtures and equipment, including rolling stock or vehicles; [PL 2007, c. 329, Pt. P, §1 (NEW).]

D. The costs of engineering, architectural, legal and other professional services; [PL 2007, c. 329, Pt. P, §1 (NEW).]

E. The costs of reserves, insurance, letters of credit or other financial guarantees for payment of future debt service on bonds or notes; and [PL 2007, c. 329, Pt. P, §1 (NEW).]

F. All other costs or expenses necessary or convenient to the project, including financing or refinancing costs. [PL 2007, c. 329, Pt. P, §1 (NEW).]

[PL 2007, c. 329, Pt. P, §1 (NEW).]

5. Revenue. "Revenue" means, in the case of bonds or notes issued by the bank to finance the qualified transportation projects, payment of funds derived from the United States Department of Transportation, Federal Highway Administration and any other investment, gift, grant, contribution, appropriation and income and any other amount pledged to secure payment of such bonds or notes. [PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW).

§1612. GARVEE bonding authorized

Notwithstanding any other provision of law, upon certification, the bank may issue from time to time GARVEE bonds for qualified transportation projects and qualified transportation project costs in such amounts as are authorized by the Legislature by a 2/3 vote in each House of the Legislature, as long as the rolling, 3-year average ratio of GARVEE bond debt service payments to federal funds received from the United States Department of Transportation, Federal Highway Administration does not exceed 15%, less the amount of capacity necessary to issue a $25,000,000 GARVEE bond for extraordinary, unprogrammed needs. Authorization by the Legislature is not required for GARVEE bonds issued to refund previously issued GARVEE bonds that have been issued with the authorization of the Legislature, if the issuance of those refunding bonds results in net present value savings and those refunding bonds have a final maturity date that is not later than the date that is 15 years after the date of issuance of the GARVEE bonds being refunded. [PL 2015, c. 268, Pt. K, §1 (AMD).]

Beginning with the budget presented for the fiscal year beginning July 1, 2009, the Department of Transportation shall present for review and approval by the Legislature as part of the Highway Fund

budget the level of programmed biennial GARVEE bond financing. [PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW). PL 2011, c. 391, §1 (AMD). PL 2015, c. 268, Pt. K, §1 (AMD).

§1613. Bank resolution; pledge; bond terms

1. Issuance. The bank shall issue GARVEE bonds from time to time pursuant to a resolution adopted by the bank. The GARVEE bonds issued must be secured pursuant to a pledge and certificate issued by the Department of Transportation and approved by the State Budget Officer. The pledge and certificate must contain provisions that dedicate and pledge receipt of future federal transportation funds to secure the payment of the GARVEE bonds, including principal, interest and issuance costs. The terms of the GARVEE bonds, their repayment schedule and other provisions to facilitate their creditworthiness are determined by the bank in consultation with the Department of Transportation and the State Budget Officer. The pledge and certificate are a part of the contract with the holders of the GARVEE bonds to be authorized.
[PL 2007, c. 329, Pt. P, §1 (NEW).]

2. Form and term. The GARVEE bonds must be in the form, bear the date or dates, mature at the time or times and have such other terms as determined by the bank and approved by the Department of Transportation and the State Budget Officer, except that a GARVEE bond may not mature more than 15 years from the date of its issue.
[PL 2007, c. 329, Pt. P, §1 (NEW).]

3. Not a state liability. GARVEE bonds issued under this section do not constitute a debt or liability of the State or of any political subdivision of the State, or a pledge of the full faith and credit of the State or of any political subdivision of the State, but are payable solely from the funds and revenues pledged for that purpose.
[PL 2007, c. 329, Pt. P, §1 (NEW).]

4. Proceeds. The proceeds from the sale of the GARVEE bonds must be deposited into the appropriate highway fund capital account or other appropriate dedicated revenue account.
[PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW).

§1614. Power and duty of the bank

The powers and duties of the bank provided under Title 30-A, chapter 225 are modified and supplemented as set out in this section. [PL 2007, c. 329, Pt. P, §1 (NEW).]

1. Qualified transportation projects. The bank may assist the State by borrowing money to finance or refinance from time to time all or a portion of the costs of qualified transportation projects and make the proceeds of such borrowing available to the Department of Transportation at terms agreed upon by the bank, the State Budget Officer and the Department of Transportation. The principal of and interest on any bonds or notes issued by the bank to finance or refinance the qualified transportation projects must be secured by a pledge of funds paid by the United States Department of Transportation, Federal Highway Administration and may further be secured by a pledge of any rights, grants, reserves, contracts, agreements or other revenues or property as may be determined by resolution of the bank. Bonds, notes, leases, agreements or other forms of debt or liability entered into or issued by the bank under this section are not in any way a debt or liability of the State and do not constitute a loan of the credit of the State or create any debt or liability on behalf of the State or constitute a pledge of the faith and credit of the State. Each bond, note, lease, agreement or other evidence of debt or liability entered

into by the bank must contain a statement to the effect that the bank is obligated to pay the principal, interest, redemption premium, if any, and other amounts payable solely from the sources pledged for that purpose by the bank and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal, interest, premium, charge, fee or other amount on the bond, note, lease, agreement or other form of indebtedness.
[PL 2007, c. 329, Pt. P, §1 (NEW).]

2. Additional powers. In addition to all other powers elsewhere granted to the bank, the bank may, with respect to qualified transportation projects:

A. Acquire title to or an interest in the qualified transportation projects; [PL 2007, c. 329, Pt. P, §1 (NEW).]

B. Make, enter into and enforce contracts and all other instruments, including any amendments or modifications to the extent permitted under its contract with holders of its bonds or notes, with the State, the United States Department of Transportation, Federal Highway Administration or any other legal entity in furtherance of the purposes of this section; [PL 2007, c. 329, Pt. P, §1 (NEW).]

C. Invest any funds or money of the bank not then required for funding costs of the qualified transportation projects in the same manner as permitted for the investment of funds belonging to the State or held by the Treasurer of State, except as otherwise permitted or provided by this section; [PL 2007, c. 329, Pt. P, §1 (NEW).]

D. Fix and prescribe any form of application or procedure to be required of the State or of any agency or department of the State with respect to the qualified transportation projects and fix the terms and conditions of the qualified transportation projects and enter into agreements with the State or any agency or department of the State in connection with the qualified transportation projects; and [PL 2007, c. 329, Pt. P, §1 (NEW).]

E. Lease the qualified transportation projects to the State or any agency or department of the State to further the purposes of this section, as long as the obligation of the State or of any such agency or department to make any rental or other payments is considered executory only to the extent of funds paid by the United States Department of Transportation. [PL 2007, c. 329, Pt. P, §1 (NEW).]

[PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW).

§1615. Pledge of federal highway funds

The Department of Transportation may transfer, assign or pledge any or all of the funds paid to it, directly or indirectly, by the United States Department of Transportation, Federal Highway Administration with respect to the qualified transportation projects. Any such pledge does not constitute a debt or liability on behalf of, a loan of the credit of or a pledge of the faith and credit of the State or of any political subdivision of the State. A decision by the Department of Transportation not to allocate such federal transportation funds for the payment of such bonds or notes or related costs and expenses may not be construed to constitute an action impairing any contract entered into by the bank under this section. [PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW).

§1616. Contracts are subject to continuing federal appropriations of federal transportation funds

Every contract relating to the issuance of bonds or notes to finance all or a part of the costs of qualified transportation projects must provide that all financial obligations of the State or of any agency or department of the State in regard to the portion of the principal of and interest on the bonds or notes and the related costs and expenses that may be paid from federal transportation funds pursuant to federal law and any agreement between the United States Department of Transportation, Federal Highway Administration or any agency of the Federal Highway Administration and the Department of Transportation that is or will be the initial recipient of such federal transportation funds are subject to continuing federal appropriations of federal transportation funds at a level equal to or greater than the amount needed to pay the federal share of principal, interest and costs and expenses on any such bonds or notes. [PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW).

§1617. State agency powers

1. Transportation projects. The Department of Transportation, and all other agencies or departments of the State working in conjunction with the Department of Transportation, for the purpose of aiding and cooperating in the financing, construction, operation or maintenance of qualified transportation projects, may:

A. Sell, lease, loan, donate, grant, convey, pledge, assign or otherwise transfer to the bank any real or personal property or interests in any real or personal property; and [PL 2007, c. 329, Pt. P, §1 (NEW).]

B. Enter into agreements, including loan and pledge agreements, with any person for the joint financing, construction, operation or maintenance of the qualified transportation projects and agree to make payments, without limitation as to amount except as set forth in the agreements, from revenues received in one or more fiscal years by the Department of Transportation or with any person to defray the costs of the financing, construction, operation or maintenance of the qualified transportation projects. [PL 2007, c. 329, Pt. P, §1 (NEW).]

[PL 2007, c. 329, Pt. P, §1 (NEW).]

2. Federal transportation funds. To assist in the financing, construction, operation or maintenance of the qualified transportation project, a state agency or department may by contract or pledge assign or otherwise transfer to the Department of Transportation or otherwise or directed by the bank all or a portion of federal transportation funds paid to the state agency or department or the revenues from any other legally available source.

[PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW).

§1618. Exception to prohibited acts and limitation of powers

Notwithstanding Title 30-A, section 5958, the bank may make loans to the State or any agency or department of the State in connection with the financing of qualified transportation projects. Notwithstanding Title 30-A, section 6003, the bank may issue its bonds from time to time in any principal amounts that it considers necessary to provide funds for any of the purposes authorized by this section, including the financing or refinancing of all or a portion of the costs of qualified transportation projects. Notwithstanding Title 30-A, section 6019, the bank may enter into any agreements or contracts with any commercial banks, trust companies or banking or other financial institutions within or outside the State that are necessary, desirable or convenient in the opinion of the bank to provide any other services to the bank to assist the bank in effectuating the purposes of this section. [PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW).

§1619. Receipt of federal appropriation money

The Treasurer of State may receive from the Federal Government any amount of money as appropriated, allocated, granted, turned over or in any way provided for the purposes of this subchapter. In connection with the financing of qualified transportation projects, these amounts must be credited to and deposited in the Federal Expenditures Fund and are available to the bank. [PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW).

§1620. Remedies of holders of bonds and notes

In addition to all other rights or remedies set forth in Title 30-A, section 6023, subsection 2, the trustee appointed pursuant to Title 30-A, section 6023 may, and upon written request of the holders of 25% in principal amount of all bonds then outstanding that have been issued to finance or refinance all or a portion of the costs of qualified transportation projects shall, in the trustee's or the bank's own name, by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the bondholders, including the right to require the bank to collect payments and other amounts and to collect interest and amortization payments under agreements payable to the bank and pledged to payment of the bonds adequate to carry out any agreement as to, or pledge of, those payments and other amounts and of such interest and amortization payments and to require the bank to carry out any other agreements with the bondholders and to perform its duties under this section. [PL 2007, c. 329, Pt. P, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 329, Pt. P, §1 (NEW).

SUBCHAPTER 4

GENERAL HIGHWAY FUND

§1651. Definition

To provide funds for the construction of state, state aid and town ways, for the maintenance of state and state aid highways, and interstate, intrastate and international bridges, and for other items of expenditure specified, there is established a fund to be known as the General Highway Fund. This fund shall include all fees received from the registration of motor vehicles and licensing of operators thereof, all fees accruing to the Treasurer of State under Title 25, section 1502, the receipts from the tax on internal combustion engine fuels, and all sums received on account of the department for permits to open highways, or from other sources, the disposition of which is not otherwise designated by law. After payment from said General Highway Fund of such sums for interest and retirement as are necessary to meet the provisions of bond issues for state highway and bridge construction, the remainder of said fund shall be segregated, apportioned and expended as provided by the Legislature. [PL 1971, c. 593, §22 (AMD).]

SECTION HISTORY

PL 1971, c. 593, §22 (AMD).

§1652. Unexpended balances nonlapsing, nontransferable

Unexpended balances of the Highway Fund that have been set up for general construction and maintenance of highways and bridges and for purchasing, operating, maintaining, improving, repairing, constructing and managing the assets of multimodal forms of transportation, including, but not limited to, transit, aeronautics, marine and rail, are deemed nonlapsing carrying accounts. All other unexpended balances lapse into the Highway Fund at the end of each fiscal year, but may not lapse or be transferred to the General Fund in the State Treasury. [PL 2025, c. 9, Pt. G, §1 (AMD).]

Any balance of any allocation or subdivision of an allocation from the Highway Fund made by the Legislature for any department or agency that at any time is not required for the purposes named in that allocation or subdivision may be transferred at any time prior to the closing of the books to any other allocation or subdivision of an allocation from the Highway Fund made by the Legislature for the same fiscal year subject to review by the joint standing committee of the Legislature having jurisdiction over transportation matters. In addition to transfers of Highway Fund allocations and subdivisions of allocations from the Highway Fund, the joint standing committee of the Legislature having jurisdiction over transportation matters shall review all other allocations or subdivisions of allocations to the Department of Transportation. Financial orders describing these transfers must be submitted by the Department of Administrative and Financial Services, Bureau of the Budget to the Office of Fiscal and Program Review 30 days before the transfer is to be implemented. In the case of extraordinary emergency transfers, the 30-day prior submission requirement may be waived by vote of the joint standing committee of the Legislature having jurisdiction over transportation matters. [PL 2025, c. 720, Pt. D, §1 (AMD).]

SECTION HISTORY

PL 1975, c. 771, §256 (AMD). PL 1983, c. 457, §2 (AMD). PL 1985, c. 737, §B20 (AMD). PL 2011, c. 392, Pt. L, §2 (AMD). PL 2025, c. 9, Pt. G, §1 (AMD). PL 2025, c. 720, Pt. D, §1 (AMD).

§1653. Limitation on use of fund

All revenue received by the State from the registration of motor vehicles and the licensing of operators thereof, from the tax imposed on internal combustion engine fuel, from fines, forfeitures and costs accruing to the State under Title 29-A, section 2602, and from permits granted by the department to open highways must be segregated, allocated to and become part of the General Highway Fund created and existing by statute, and after payment and deduction from such fund of such sums as are necessary to meet all provisions of bond issues for state highway and bridge construction, the remainder of such fund must be apportioned and expended solely: [PL 1995, c. 65, Pt. A, §62 (AMD); PL 1995, c. 65, Pt. A, §153 (AFF); PL 1995, c. 65, Pt. C, §15 (AFF).]

1. Registration and licensing. For the cost of registering motor vehicles and licensing the operators thereof;

2. State police. For maintenance of the State Police;

3. Administration of office. For administration of the office and duties of the department; [PL 1971, c. 593, §22 (AMD).]

4. Administration of fuel tax. For administration of the tax on internal combustion engine fuel;

5. Rebates. For payment of rebates on said tax;

6. Highways and bridges. For the improvement, construction and maintenance of highways and bridges;

7. Snow guards. For snow guards or removal as provided by statute.

Neither the General Highway Fund, nor any fund derived from direct taxation imposed for highway construction, bridge construction or the improvement and maintenance thereof, shall be diverted or expended, permanently, for any other purpose than set forth in this section, except that funds so

segregated may be used for other appropriations but only those for which anticipated income has not been received and for which financial provision has been made by the Legislature and is forthcoming. The Treasurer of State is directed and authorized to reimburse the General Highway Fund by a deposit of the funds received from such aforesaid appropriations, the receipt of which has been anticipated, to the extent of the amounts temporarily diverted therefrom. Such deposits shall be made as soon as such revenues are collected. [PL 1971, c. 593, §22 (AMD).]

SECTION HISTORY

PL 1971, c. 593, §22 (AMD). PL 1995, c. 65, §A62 (AMD). PL 1995, c. 65, §§A153,C15 (AFF).

§1654. Transfers from unallocated highway fund surplus

(REPEALED)

SECTION HISTORY

PL 1983, c. 457, §3 (NEW). PL 1985, c. 737, §B21 (AMD). PL 2011, c. 652, §3 (RP). PL 2011, c. 652, §14 (AFF).

§1654-A. Transfers from Highway Fund unallocated surplus

At the close of each fiscal year, the State Controller shall transfer amounts exceeding $100,000 from the unallocated balance in the Highway Fund to the Department of Transportation Highway and Bridge Capital; Highway Light Capital; Maintenance and Operations; and Multimodal Transportation Fund programs, for capital and all other needs. The Commissioner of Transportation may allot these funds by financial order upon the recommendation of the State Budget Officer and the approval of the Governor. The transferred amounts are considered adjustments to allocations. Within 30 days after approval of the financial order, the Commissioner of Transportation shall provide to the joint standing committee of the Legislature having jurisdiction over transportation matters a report detailing the financial status of the Department of Transportation, Highway and Bridge Capital program. [PL 2025, c. 66, §1 (AMD).]

For the purposes of this section, "unallocated balance in the Highway Fund" means the amount remaining in the account at the close of the fiscal year after the deduction of all allocations, budgeted financial commitments and any other transfers authorized by statute. [PL 2025, c. 66, §1 (AMD).]

The State Controller shall include in the State Controller's official annual financial report at the close of each fiscal year a statement showing all transfers made from the unallocated balance in the Highway Fund for the fiscal period. [PL 2025, c. 66, §1 (AMD).]

SECTION HISTORY

PL 2011, c. 652, §4 (NEW). PL 2011, c. 652, §14 (AFF). PL 2025, c. 66, §1 (AMD).

§1655. Building Renovations Account

(REPEALED)

SECTION HISTORY

PL 2001, c. 83, §D1 (NEW). PL 2013, c. 36, §8 (RP).

SUBCHAPTER 5

TOWN ROAD IMPROVEMENT FUND

(REPEALED)

§1701. Purpose

(REPEALED)

SECTION HISTORY

PL 1981, c. 492, §C24 (RP).

§1702. Definitions

(REPEALED)

SECTION HISTORY

PL 1981, c. 492, §C24 (RP).

§1703. Establishment of fund

(REPEALED)

SECTION HISTORY

PL 1981, c. 492, §C24 (RP).

§1704. Receipt of funds by towns

(REPEALED)

SECTION HISTORY

PL 1971, c. 593, §22 (AMD). PL 1981, c. 492, §C24 (RP).

§1705. Expenditures

(REPEALED)

SECTION HISTORY

PL 1965, c. 35 (AMD). PL 1973, c. 168 (AMD). PL 1975, c. 149 (AMD). PL 1977, c. 242 (AMD). PL 1981, c. 492, §C24 (RP).

§1706. Limitation on use

(REPEALED)

SECTION HISTORY

PL 1981, c. 492, §C24 (RP).

§1707. Combined use of state aid and Town Road Improvement Funds

(REPEALED)

SECTION HISTORY

PL 1971, c. 593, §22 (AMD). PL 1975, c. 745, §§3,4 (AMD). PL 1981, c. 492, §C24 (RP).

SUBCHAPTER 5-A

COLLECTOR ROAD IMPROVEMENT FUND

§1710. Establishment and administration

(REPEALED)

SECTION HISTORY

PL 1995, c. 498, §B1 (NEW). PL 1995, c. 498, §B3 (AFF). PL 2005, c. 405, §C1 (RP).

SUBCHAPTER 6

LOCAL ROAD ASSISTANCE PROGRAM

§1801. Findings and purpose

Municipal transportation assistance funds must be targeted to the needs of rural local roads, bridges and minor spans and must also reflect urban compact maintenance responsibilities on state and state aid roadways. [PL 2025, c. 66, §2 (AMD).]

Municipal transportation assistance funds must be adjusted according to increases or decreases in Highway Fund resources available for transportation. [PL 1999, c. 473, Pt. D, §1 (RPR).]

Responsibility for decisions regarding maintenance and improvement of roads must follow the principle that roads that primarily serve regional or statewide needs must be the State's responsibility, roads that primarily serve local needs must be a local responsibility and roads that primarily serve as minor collector routes and major collector routes may be improved through a partnership between municipalities or counties and the State. [PL 2025, c. 66, §3 (AMD).]

The Legislature recognizes that without municipal participation the State has few resources to make necessary capital improvements to state aid minor collector highways and state aid major collector highways. [PL 2011, c. 652, §5 (AMD); PL 2011, c. 652, §14 (AFF).]

The purpose of the Local Road Assistance Program established in this subchapter is to provide equitable financial assistance to communities for their use in improving local roads and maintaining state roads in urban compact areas. [PL 2025, c. 66, §4 (AMD).]

In order to meet the purposes set out in this section, the Local Road Assistance Program has rural road assistance and urban compact assistance funding as components. [PL 2011, c. 652, §5 (AMD); PL 2011, c. 652, §14 (AFF).]

SECTION HISTORY

PL 1981, c. 492, §C26 (NEW). PL 1999, c. 473, §D1 (RPR). PL 2011, c. 652, §5 (AMD). PL 2011, c. 652, §14 (AFF). PL 2025, c. 66, §§2-4 (AMD).

§1802. Definitions

(REPEALED)

SECTION HISTORY

PL 1981, c. 492, §C26 (NEW). PL 1987, c. 737, §§C68,C106 (AMD). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,C10 (AMD). PL 1989, c. 516, §1 (RP).

§1802-A. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1989, c. 516, §2 (NEW).]

1. Average lane miles maintained.

[PL 1999, c. 473, Pt. D, §2 (RP).]

1-A. Capital improvement. "Capital improvement" means any work on a road or bridge that has a life expectancy of at least 10 years or restores the load-carrying capacity.
[PL 1999, c. 473, Pt. D, §3 (NEW).]

2. Lane miles. "Lane miles" means a length of road measured in miles multiplied by the number of travel lanes for that length of road.
[PL 1995, c. 678, §2 (NEW); PL 1995, c. 678, §7 (AFF).]

SECTION HISTORY

PL 1989, c. 516, §2 (NEW). PL 1995, c. 678, §§1,2 (AMD). PL 1995, c. 678, §7 (AFF). PL 1999, c. 473, §§D2,3 (AMD).

§1803. Distribution

(REPEALED)

SECTION HISTORY

PL 1981, c. 492, §C26 (NEW). PL 1983, c. 800, §1 (AMD). PL 1985, c. 403, §C1 (AMD). PL 1989, c. 516, §3 (RP). MRSA T. 23 §1803, sub-§3 (RP).

§1803-A. One-time stipend

(REPEALED)

SECTION HISTORY

PL 1987, c. 793, §A3 (NEW). MRSA T. 23 §1803-A, sub-§3 (RP).

§1803-B. Local Road Assistance Program

1. Distribution and use of funds. Funds from the Local Road Assistance Program must be distributed to each eligible municipality, county or Indian reservation through rural road assistance and urban compact assistance funding as follows.

A. Rural road assistance funds must be distributed as follows.

(1) Funds are distributed at a rate of $600 per year per lane mile for all rural state aid roads and all public roads maintained by a municipality located outside urban compact areas as defined in section 754, except that funds are distributed at a rate of $300 per year per lane mile for all seasonal public roads.

(2) Funds must be used for maintenance or for capital improvements of roadway infrastructure, bridges and drainage structures. [PL 2025, c. 66, §5 (AMD).]

B. Urban compact assistance funds must be distributed as follows.

(1) Funds are distributed at a rate of $2,500 per year per lane mile for summer maintenance performed by municipalities on state and state aid highways in compact areas as defined in section 754. For each lane mile beyond the 2nd lane on a highway with more than 2 lanes, funds are reimbursed at a rate of $1,250 per lane mile for summer maintenance in compact areas. Funds are distributed at a rate of $1,700 per year per lane mile for winter maintenance performed by municipalities on state highways in compact areas as defined in sections 754 and 1001 regardless of the number of lanes. Funds are distributed at a rate of $600 per year per lane mile for all other public roads maintained by a municipality and located inside a compact area, except that funds are distributed at a rate of $300 per year per lane mile for all seasonal public roads.

(2) Funds must be used only for the maintenance or for capital improvement of public roads infrastructure, bridges and drainage structures. [PL 2025, c. 66, §5 (AMD).]

C. [PL 2013, c. 354, Pt. I, §1 (RP); PL 2013, c. 354, Pt. I, §4 (AFF).]

D. The annual funding dedicated for the Local Road Assistance Program must be 9% of the Highway Fund allocation to the Department of Transportation for general construction and maintenance of highways and bridges. Annually, by July 1st, the Commissioner of Transportation shall administratively adjust the base funding and the reimbursement rates per lane mile proportionately according to revenue available. [PL 2025, c. 9, Pt. B, §1 (AMD).]

[PL 2025, c. 66, §5 (AMD).]

2. Retention of allocation for Local Road Assistance Program. Prior to apportioning funds to each municipality, the Department of Transportation shall retain sufficient funds from the allocation for the Local Road Assistance Program to ensure equitable funds are provided for roads in unorganized areas and for administration.
[PL 2011, c. 652, §6 (AMD); PL 2011, c. 652, §14 (AFF).]

3. Payment of funds. The funds apportioned to each municipality must be paid by the State to the municipality before December 1st each year.
[PL 2013, c. 354, Pt. I, §3 (AMD); PL 2013, c. 354, Pt. I, §4 (AFF).]

4. Limitations.
[PL 1999, c. 473, Pt. D, §4 (RP).]

5. State aid minor collector capital projects.
[PL 2011, c. 652, §6 (RP); PL 2011, c. 652, §14 (AFF).]

6. Municipal, county or Indian reservation administration.
[PL 2011, c. 652, §6 (RP); PL 2011, c. 652, §14 (AFF).]

SECTION HISTORY

PL 1989, c. 516, §4 (NEW). PL 1995, c. 678, §3 (AMD). PL 1995, c. 678, §7 (AFF). PL 1999, c. 473, §D4 (RPR). PL 1999, c. 753, §3 (AMD). PL 2001, c. 471, §D22 (AMD). PL 2001, c. 471, §D23 (AFF). PL 2001, c. 565, §K1 (AMD). PL 2011, c. 652, §6 (AMD). PL 2011, c. 652, §14 (AFF). PL 2013, c. 354, Pt. I, §§1-3 (AMD). PL 2013, c. 354, Pt. I, §4 (AFF). PL 2025, c. 9, Pt. B, §1 (AMD). PL 2025, c. 66, §5 (AMD).

§1803-C. Secondary Road Program Fund

(REPEALED)

SECTION HISTORY

PL 2011, c. 652, §7 (NEW). PL 2011, c. 652, §14 (AFF). PL 2023, c. 646, Pt. A, §§30, 31 (AMD). PL 2025, c. 66, §6 (RP).

§1804. Municipal, county or Indian reservation requirements

To be eligible to receive funds from the Local Road Assistance Program, each municipality, county or Indian reservation shall, prior to November 1st each year, certify in a manner acceptable to the department that the funds are used in a manner consistent with this chapter. [PL 2019, c. 173, §1 (AMD).]

SECTION HISTORY

PL 1981, c. 492, §C26 (NEW). PL 1999, c. 473, §D5 (AMD). PL 2011, c. 652, §8 (AMD). PL 2011, c. 652, §14 (AFF). PL 2019, c. 173, §1 (AMD).

§1805. Permitted use of funds

(REPEALED)

SECTION HISTORY

PL 1981, c. 492, §C26 (NEW). PL 1999, c. 473, §D6 (RP).

§1806. State service contracts

The department may enter into service contracts with municipalities to perform at cost maintenance, reconstruction or construction functions on local service roads. To the extent state manpower and equipment permits, the department shall encourage municipalities to coordinate their work on local service roads with the department. [PL 1981, c. 492, Pt. C, §26 (NEW).]

SECTION HISTORY

PL 1981, c. 492, §C26 (NEW).

§1807. Transit bonus payment program

(REPEALED)

SECTION HISTORY

PL 2001, c. 681, §1 (NEW). PL 2011, c. 652, §9 (AMD). PL 2011, c. 652, §14 (AFF). PL 2013, c. 354, Pt. C, §1 (RP). PL 2013, c. 354, Pt. C, §2 (AFF).

SUBCHAPTER 6-A

TRANSPORTATION INVESTMENT PARTNERSHIPS

§1821. State aid for arterial and major collector highway capital projects

(REPEALED)

SECTION HISTORY

PL 2005, c. 643, §2 (NEW). PL 2013, c. 36, §9 (RP).

SUBCHAPTER 7

SALT AND SAND STORAGE FACILITIES

§1851. State cost-share program for salt and sand storage facilities

The Department of Transportation may administer funds for the construction of municipal or county salt and sand storage facilities in order to reduce salt pollution of ground and surface waters. In administering these funds, the department shall provide reimbursement to municipal and county governmental entities for approved: [PL 2013, c. 523, §1 (AMD).]

1. Priority 1 projects.
[PL 2013, c. 523, §1 (RP).]

2. Priority 2 projects.
[PL 2013, c. 523, §1 (RP).]

3. Priority 3 projects. Priority 3 projects that were designated before April 1, 2000; and
[PL 2013, c. 523, §1 (AMD).]

4. Priority 4 projects.
[PL 2013, c. 523, §1 (RP).]

5. Priority changes.
[PL 2013, c. 523, §1 (RP).]

6. Priority 5 projects. Priority 5 projects that were constructed before November 1, 1999, with plans and financial information submitted to the Department of Transportation by November 1, 1999.
[PL 2013, c. 523, §1 (AMD).]

7. Other projects.
[PL 2013, c. 523, §1 (RP).]

Allocation of funds must be based upon the sum of 25% of the expenses permitted plus 1.25 times the ratio of miles of state and state aid roads maintained for winter maintenance, as described in sections

1001 and 1003, to all miles maintained for winter maintenance by the municipality, quasi-municipal agency or county. The Department of Transportation shall establish guidelines to reimburse eligible local government entities in a consistent and timely manner. [PL 1999, c. 387, §1 (RPR).]

The Department of Transportation shall review and approve municipal and county plans and specifications pursuant to established departmental guidelines for design, construction and size before a municipality or county constructs a facility. Municipal actions inconsistent with such guidelines are reimbursed at the sole discretion of the department. [PL 1999, c. 387, §1 (RPR).]

Reimbursable expenses under this section do not include land acquisition or debt service. [PL 1999, c. 387, §1 (RPR).]

SECTION HISTORY

PL 1987, c. 473 (NEW). PL 1987, c. 769, §A85 (AMD). PL 1987, c. 793, §A4 (AMD). PL 1989, c. 502, §A89 (AMD). PL 1999, c. 387, §1 (RPR). PL 1999, c. 387, §7 (AFF). PL 2013, c. 523, §1 (AMD).

§1852. Salt and sand storage facilities

(REPEALED)

SECTION HISTORY

PL 1987, c. 793, §A5 (NEW). PL 1993, c. 63, §1 (AMD). PL 1997, c. 551, §1 (AMD). PL 1999, c. 387, §2 (AMD). PL 2013, c. 523, §2 (RP).

SUBCHAPTER 8

STATE INFRASTRUCTURE BANK

§1853. State infrastructure bank; finding

The legislature finds that new financing mechanisms are necessary to provide greater flexibility and additional funds for needed transportation infrastructure projects in the State. The creation of a financing mechanism, in conformance with the National Highway System Designation Act of 1995, Public Law 104-59, Section 350, relating to a state infrastructure bank program will enable the State, counties and municipalities to use federal and state highway funds to construct transportation projects eligible for assistance under Section 350. These funds must be deposited into specific accounts in the department. From these accounts, loans may be made to counties and municipalities for eligible transportation projects. [PL 1997, c. 395, Pt. I, §1 (NEW).]

For purposes of this subchapter, a project is an "eligible transportation project" and is "eligible for assistance" when it complies with the eligibility criteria established in the National Highway System Designation Act of 1995, Public Law 104-59, Section 350. [PL 1997, c. 395, Pt. I, §1 (NEW).]

SECTION HISTORY

PL 1997, c. 395, §I1 (NEW).

§1854. State infrastructure bank created

The state infrastructure bank is created as a revolving fund in the department, to be administered by the department and used for the purposes described in this subchapter. The fund consists of certain federal highway funds and state highway funds and other funds eligible for deposit under applicable federal law; payments received by the department in connection with the state infrastructure bank; investment earnings on money in state infrastructure bank accounts; and other funds as may be provided by law. Separate accounts may be established within the state infrastructure bank if required for its proper administration. [PL 1997, c. 395, Pt. I, §1 (NEW).]

The fund is a nonlapsing fund. All monies accruing to the credit of the fund must be allocated by the Legislature and expended by the department to effectuate the purposes of this subchapter. Money available in the fund may not be used to hire staff for the department. [PL 1997, c. 395, Pt. I, §1 (NEW).]

SECTION HISTORY

PL 1997, c. 395, §I1 (NEW).

§1855. Loans

The Commissioner of Transportation shall use the state infrastructure bank to make loans to counties and municipalities, state agencies and quasi-state government agencies upon such terms as the commissioner shall determine, including secured and unsecured loans, and in connection with the secured and unsecured loans, to enter into loan agreements, subordination agreements and other agreements; accept notes and other forms of obligation to evidence the indebtedness, and mortgages, liens, pledges, assignments or other security interest to secure the indebtedness, which may be prior or subordinate to or on a parity with other indebtedness, obligations, mortgages, pledges, assignments, other security interests or liens or encumbrances, and take such actions as are appropriate to protect the security and safeguard against losses, including foreclosure and the bidding upon and purchase of property upon foreclosure or other sale. Repayments of a federal share loan may be obligated by the commissioner for any transportation purpose, including the reloaning of such repaid funds for other projects. Reloaned funds are considered state loans, not federal share loans. [PL 2013, c. 36, §10 (AMD).]

The commissioner may adopt policies and procedures for the implementation and exercise of the authority granted by this section, including policies and procedures for receiving, reviewing, evaluating and selecting projects for which financial assistance will be approved. [PL 1997, c. 395, Pt. I, §1 (NEW).]

SECTION HISTORY

PL 1997, c. 395, §I1 (NEW). PL 2005, c. 405, §G1 (AMD). PL 2013, c. 36, §10 (AMD).

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