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An Act To Provide Funding for the Highway Fund Biennial Budget

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, certain obligations and expenses incident to the operation of the biennial Highway Fund are necessary concurrent with the commencement of the state fiscal years 2009-10 and 2010-11; and

Whereas, the continued operation and sustainability of the Highway Fund is dependent on adequate funding; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 36 MRSA §2903, sub-§7 is enacted to read:

7. Surcharge. Beginning July 1, 2009, a surcharge must be charged on internal combustion engine fuel at the rate of 5¢ per gallon, except that the surcharge does not apply to internal combustion engine fuel bought or used for the purpose of propelling jet engine aircraft. This surcharge accrues to the Highway Fund to provide funding to the Department of Transportation for highway and bridge capital purposes, except that the Treasurer of State shall deposit monthly into the TransCap Trust Fund established in Title 30-A, section 6006-G 7.5% of this surcharge.

This subsection is repealed July 1, 2011.

Sec. 2. 36 MRSA §3203, sub-§1, as amended by PL 2007, c. 650, §1, is repealed.

Sec. 3. 36 MRSA §3203, sub-§4, as amended by PL 2007, c. 538, Pt. L, §2, is further amended to read:

4. Highway Fund. All taxes and fines collected under this chapter must be credited to the Highway Fund, except that beginning July 1, 2009 the Treasurer of State shall deposit monthly into the TransCap Trust Fund established in Title 30-A, section 6006-G 7.5% of the excise tax imposed under subsection 11-B.

Sec. 4. 36 MRSA §3203, sub-§7 is enacted to read:

7. Surcharge. Beginning July 1, 2009, a surcharge must be charged on all suppliers of distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel used in this State for each gallon of special fuel at the rate of 5¢ per gallon. This surcharge accrues to the Highway Fund to provide

funding to the Department of Transportation for highway and bridge capital purposes, except that the Treasurer of State shall deposit monthly into the TransCap Trust Fund established in Title 30-A, section 6006-G 7.5% of this surcharge.

This subsection is repealed July 1, 2011.

Sec. 5. Appropriations and allocations. The following appropriations and allocations are made.

TRANSPORTATION, DEPARTMENT OF

Highway and Bridge Capital 0406

Initiative: Provides funding for Capital Expenditures projects.

HIGHWAY FUND	2009-10	2010-11
Capital Expenditures	\$12,561,894	\$5,307,482
HIGHWAY FUND TOTAL	\$12,561,894	\$5,307,482

Highway and Bridge Light Capital Z095

Initiative: Provides funding for Capital Expenditures projects.

HIGHWAY FUND	2009-10	2010-11
Capital Expenditures	\$21,050,000	\$22,925,000
HIGHWAY FUND TOTAL	\$21,050,000	\$22,925,000

Urban-Rural Initiative Program 0337

Initiative: Replaces funding to the Urban-Rural Initiative Program that was reduced in the Governor's proposed 2010-2011 Highway Fund biennial budget, LD 333.

HIGHWAY FUND	2009-10	2010-11
All Other	\$0	\$5,000,000
HIGHWAY FUND TOTAL	\$0	\$5,000,000

Urban-Rural Initiative Program 0337

Initiative: Adjusts funding for the Urban-Rural Initiative Program at the correct proportioned rate per the Maine Revised Statutes, Title 23, section 1803-B.

HIGHWAY FUND	2009-10	2010-11
All Other	\$3,582,356	\$3,009,018
HIGHWAY FUND TOTAL	\$3,582,356	\$3,009,018

TRANSPORTATION, DEPARTMENT OF	2009-10	2010-11
DEPARTMENT TOTALS		
HIGHWAY FUND	\$37,194,250	\$36,241,500
DEPARTMENT TOTAL - ALL FUNDS	\$37,194,250	\$36,241,500

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect July 1, 2009.

SUMMARY

This bill adds a surcharge of 5¢ per gallon on gasoline and special fuels, such as diesel, for a period of 2 years, beginning July 1, 2009 and ending July 1, 2011. The surcharge provides funding to the Department of Transportation for highway and bridge capital purposes. It also makes technical corrections to the Special Fuel Tax Act in the Maine Revised Statutes, Title 36.