

Two gas tax increases, new toll booths across Maine could drive up costs for drivers in 2020

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Senator Bill Diamond (D-Cumberland) poses for a picture with Governor Janet Mills.

AUGUSTA – Efforts to purportedly boost funding for Maine’s roads after Gov. Janet Mills canceled road projects last year and then avoided any new road funding in the state budget may leave Maine drivers footing a higher bill for driving in the coming year. The news comes as a Blue Ribbon Commission on Maine’s transportation funding tries to negotiate an agreement on a long-term plan for funding Maine’s roads.

On two fronts, Maine drivers face increases in the gas tax. One of those, Gov. Janet Mills’ participation in the multi-state (TCI) Transportation and Climate Initiative, would not direct money to road repair and construction. Instead the TCI would distribute those funds to states to spend on more “green” initiatives, such as mass transit and electric vehicles.

While potentially beneficial to a segment of the population in Maine’s more densely populated southern Maine cities, Mainers who live in rural areas and northern Maine are not likely to see much benefit. That puts rural and northern Mainers in the position of paying higher gas prices to essentially fund projects for urban Mainers to their south.

On the second gas tax front, a Blue Ribbon Transportation Commission assembled to study funding sources for Maine's roads after the last legislative session has so far been divided on a solution. Democrats continue to advocate for a higher tax on gasoline, while Republicans push to allocate existing resources and make Maine's roads a higher priority in the state budget.

If Governor Mills pushes forward with the TCI agreement, which some say would raise the gas tax by 13 to 20 cents per gallon, and an increase to the state gas tax passes along party lines in Augusta, Maine drivers would be hit with two gas tax increases in the same year.

Along with that prospect, reports now indicate that Senator Bill Diamond, a member of the Blue Ribbon Transportation Commission, is floating the idea of adding a number of new toll booths across Maine. Evidence of that push is available in Diamond's appearance on the Augusta-based TV show "The Maine Event." Diamond was asked about a rumor of a proposal that the group may want to "sort of" turn the "rest of the interstate system into a turnpike type authority" and use tolls to extract revenue from drivers. In response, Diamond raised the issue of tolling Interstate 295, which he called the "free" highway, along with tolling the seven miles of the Maine Turnpike that are not currently subject to tolls. Diamond also suggested that currently that most of Maine's highways are not subject to tolls and "tolling other parts" of Maine's highways was something that needed to be looked at.

The steady fixation of Democrats looking to raise gas taxes and other costs on drivers is not new. In the most recent legislative session, multiple bills were brought forward in efforts to raise the tax. None of the bills passed, despite some receiving support from a majority of Democrats in the legislature.

One proposal, brought forward by Rep. Deane Rykerson with the support of Speaker Sara Gideon and cosponsored by more than half of Democrat legislators, would have imposed a 40 cent per gallon tax on gas and heating oil. None of the revenue for that tax hike was dedicated to fixing roads, however. Rep. Rykerson instead chose to propose a byzantine government-run rebate system to filter the money through. The proposal never got off the ground as Mainers marched into the State House during public hearings in a show of force to oppose the bill.



Maine would see 40 cent per gallon increase in gas & heating oil with carbon tax

Rep. Andrew McLean also proposed higher gas taxes. One of McLean's proposals would have raised the gas tax by 25% and raised numerous fees associated with driving and automobile ownership as well. Another proposal from McLean would have raised the gas tax by 7.5 cents from June 1 through October 31, then reducing the gas tax by 2.5 cents the rest of the year. A specific point Republicans are making in opposition to efforts to raise the gas tax is that existing resources have not been properly allocated and road funding should be a higher priority.

They point to the fact that Governor Mills' recent state budget failed to provide any increased funding for Maine's roads and bridges, despite a more than 10% increase in spending overall. Republican lawmakers have hammered that point home repeatedly, pointing out that Gov. Mills and Democrats increased spending on welfare for non-citizens, hiring hundreds of new state workers, taxpayer funded abortions and many other things, but did not provide increased funding for roads.

The place Republicans point to when the conversation around funding for Maine's roads arises is a resource Democrats have so far chosen to continue spending elsewhere. That resource is tied directly to Maine's roads.

The state of Maine collects more than \$230 million annually in sales taxes on new and used vehicles each year in Maine. Republicans argue that some of this revenue, tied to Maine's roads in a similar way as the gas tax, should be put into the state's highway fund and not sent out into the general fund where lawmakers can spend it on anything they wish.

With the state of Maine currently experiencing revenue surpluses but roads and bridges languishing or deteriorating due after not receiving the same funding boost, many say the problem is not a lack of money, but where that money is spent.

Several published estimates of the current shortfall suggest that the entire \$230 million from vehicle sales taxes would be more than enough to close the current funding gap. The state's revenue forecasting commission just announced another \$70 million revenue surplus for the general fund last week. If there is a time to redirect the vehicle sales tax to Maine's Highway Fund, it is now, supporters of that approach say.

Whether opponents of the gas tax can steer their liberal counterparts away from both gas tax increases and a new array of toll booths across Maine remains to be seen. Maine drivers currently face the 21st highest gas tax in the nation. Just a 3 cent per gallon gas tax increase would move Maine to 13th highest and a 6 cent increase would move Maine into the top 10.

Mainers spoke out strongly against Governor Mills' participation the TCI agreement, with 68% of Maine people who sent in official public comment saying they oppose Maine entering the agreement.



On Janet Mills' gas tax, records show many more Mainers spoke out against agreement than for it

Any action by the Blue Ribbon Commission on a gas tax increase or tolling Maine's highways will require action by the Maine Legislature. It is unclear how Governor Mills' participation in the twelve-state TCI agreement will move forward.