

Maine Republicans target vehicle tax shift as transportation funding negotiations drag on



Troy R. Bennett | BDN

Rep. Brad Farrin, R-Norridgewock, watches a vote tally in the Maine State House in Augusta on May 2, 2018. The senator sits on a blue-ribbon commission dedicated to fixing the state's annual transportation funding shortfall. He and other Republicans announced Thursday that they will ask the state to take money from vehicles sales and put it towards roads and bridges.

By [Caitlin Andrews](#), BDN Staff • February 6, 2020

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AUGUSTA, Maine — Republicans in the Maine Legislature on Thursday revived the idea of diverting a large portion of vehicle sales tax revenue to roads and bridges in a move that could further complicate negotiations around solving a similarly sized transportation shortfall.

It came in response to Gov. Janet Mills' \$127 million supplemental budget proposal, which was released this week and [dedicated a one-time sum of \\$10 million](#) to the Maine Department of Transportation. Mills and fellow Democrats are unlikely to favor such a large transfer from the state budget to the separately funded transportation system.

It's an idea that Republicans floated under former Gov. Paul LePage in 2018, when the Legislature's fiscal office estimated that dedicating all vehicle sales tax revenue to transportation would amount to [a \\$230 million annual transfer](#). That equals about 6 percent of the state's annual budget.

The department is facing a \$232 million annual shortfall in maintaining Maine's road and bridge system, assuming annual borrowing of \$100 million. The proposal from Republicans comes as a blue-ribbon commission [aims to](#)

[negotiate a consensus solution](#) to fill the gap. It has considered increasing the gas tax, using state budget or surplus revenue and increasing other fees.

Sen. Brad Farrin, R-Norridgewock, who sits on the commission, said Mills undercut his party by not allocating more surplus money to transportation, saying Republicans have been willing to broach the topic of a gas tax increase only if [state budget money comes with it](#).

“It would go a long way toward solving the problem,” he said of the proposed shift.

For perspective, Mills’ proposed transfer of \$10 million could pay for most of the replacement of the [Detective Benjamin Campbell Bridge in Millinocket](#), improvements to the [Falls Bridge](#) in Blue Hill, or build a new ferry from Portland to Peaks Island.

Republicans and Democrats on the commission studying the transportation shortfall have agreed the state should decrease its reliance on bonding for transportation. However, the minority party felt Mills made a bigger promise when she urged lawmakers to find a creative solution and “fix the damn roads” during her [State of the State address](#).

While Mills said during her address that she was open to shifting some state budget money to roads and bridges, moving all or a large portion of the vehicle sales tax revenue out of the general fund is unlikely to succeed in the Democratic-led Legislature.

On Thursday, Mills spokesperson Lindsay Crete said if Republicans want a fix, “they should stop holding press conferences and do the hard work of negotiating with their Democratic counterparts” on the blue-ribbon commission.

“I think \$230 million is a massive amount of money,” said Rep. Drew Gattine, D-Westbrook, the co-chair of the Legislature’s budget committee. “Certainly if their proposal is to divert \$230 million, my first question is: What are you going to cut in order to find that money?”

The gas tax is the dominant source of funding in Maine’s highway budget, making up more than two-thirds of the state money that goes toward roads and bridges. The shortfall has been exacerbated as construction costs have

continued to rise. [The state canceled \\$45 million](#) in projects last year after receiving higher than expected bids and included 142 fewer projects in the [three-year funding plan](#) released last month.

Farrin said that details of Republicans' proposal, such as how much of the revenue to divert, will have to be worked out at a commission meeting next week. He said smaller suggestions, such as upping the sales tax on electric vehicles and other vehicle-related purchases or charging more for registrations aren't off the table yet for his party.