

Maine needs more money for roads. Drivers should be the first to pay more.



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March 6, 2020 1:55 pm

There's no disagreement in Augusta that Maine needs to spend more money to maintain and repair its roads. There is, however, little agreement on where that money should come from.

A guiding principle in this debate should be that funds devoted to transportation infrastructure should come primarily from the users of that infrastructure.

That's the idea behind the state's highway fund, a pot of money that is meant, under language in the state Constitution, to be used for highway needs. So, logically, if the state does not have enough money to pay for needed road repairs and improvements, it needs to first put more money into the highway fund. The most direct way to do this is to raise more revenue from the major sources of highway fund money — fuel taxes and vehicle registration fees.

Alternatively, lawmakers can use general fund money to pay for road and bridge work. Gov. Janet Mills proposed allocating \$10 million in general fund money toward road work.

A commission, created last year, to recommend ways to fill the state's \$232 annual transportation repair and improvement shortfall, has called for a mix of the two — although it largely punted on how to raise more highway fund revenue. In addition, transportation work is funded by borrowed money, with Maine voters approving bonds of roughly \$100 million each year in recent years.

The commission called for lawmakers to immediately put between \$20 million and \$60 million of general fund money toward plugging some of the transportation shortfall. At a time when the state has many critical needs — such as reducing, or better, eliminating the waitlists for services that enable children, adults and seniors need for their daily lives — this is backward.

The logical first step to ensuring Maine has more money for transportation needs is to increase the amount of money in the highway fund. Yes, this means raising taxes or fees, but tying the revenue collection (from highway users) to its use (improving Maine's highways) simply makes sense.

More than two-thirds of the revenue in the highway fund comes from fuel taxes. These tax rates — 30 cents per gallon of gasoline and 31 cents on a gallon of diesel — were frozen in 2011 by the Republican-controlled Legislature. Previously, they were indexed to the rate of inflation. If the gas tax had kept pace with inflation, it would have raised tens of millions of dollars in additional revenue for road and bridge work.

According to the Department of Transportation, a 1 cent increase to the gas tax would generate \$7.5 million in annual revenue. So, a 10 cent per gallon increase would generate \$75 million a year. The trucking industry, which would bear much of the cost of a higher fuel tax, has said it supports a 15- to 20-cent increase. This additional revenue, which would come at a time when fuel prices are relatively low, would go a long way to closing the transportation funding gap.

Fuel taxes aren't the only solution. As people drive more fuel efficient vehicles and the state invests in electric vehicle infrastructure, gas tax collections will shrink.

This highlights the need for other revenue sources, some of which the commission on transportation funding discussed, but it failed to make solid recommendations about them. These include raising the tax on rental cars in Maine, a reasonable idea that was part of a tax reform package rejected by lawmakers in 2013, and a surcharge on hybrid and electric vehicles, another idea rejected by lawmakers in recent years.

The funding commission failed Maine residents by not making solid recommendations on funding sources, other than a diversion of general fund money to transportation work. Lawmakers can remedy this by taking the politically unpopular, but necessary, step of approving a plan to increase fuel taxes as the first step in raising the revenue needed to maintain Maine's transportation infrastructure.