

Maine transportation funding panel deadlocks on gas tax as it nears December deadline

By [Caitlin Andrews](#), BDN Staff · November 25, 2019 6:00 pm

AUGUSTA, Maine — A commission charged by Gov. Janet Mills and lawmakers with fixing Maine's transportation funding gap bogged down on Monday, deadlocking on the thorny issue of raising the tax that makes up the lion's share of the state highway budget.

A blue-ribbon commission has one more meeting scheduled before the Legislature reconvenes to propose solutions to bridge a shortfall for road and bridge maintenance that Department of Transportation Commissioner Bruce Van Note said now sits at \$232 million, a 46 percent increase from a March estimate mostly attributed to rising construction costs.

The commission cited increasing the gas tax and reallocating resources as possible ways to raise additional funds during a Monday meeting. But Republican members of the committee made it clear that raising the gas tax isn't on the table for them as the panel closes in on a December deadline to make recommendations to the Legislature.

Sen. Matthew Pouliot, R-Augusta, said members of his party "are interested in finding a solution," but he said a tax increase "is not "something we will get support for" in the election year of 2020 and that an increase in more fuel-efficient vehicles could impact its effectiveness.

Bridging the shortfall without raising the gas tax is likely to be difficult. Though the rise of more fuel-efficient vehicles has made it a less reliable revenue source, it made up 69 percent of the highway budget in 2017 while vehicle registrations and other fees made up most of the rest.

The fund had more money in it in 2006 than it did two years ago. The gas tax hasn't been raised in Maine since 2011 and not since 1993 on the federal level.

Barry Pottle, the CEO of Hermon-based Pottle's Transportation and a representative of trucking interests on the commission, said boosting the tax would be the easiest way to increase revenue and could be carried by his industry. He suggested an increase of 15 to 20 cents.

That would generate between \$112 million and \$150 million, given a department estimate that a 1-cent increase in the tax would generate \$7.5 million. But previous efforts to raise the gas tax and other fees have proven unsuccessful, and a large increase could be politically unpopular.

Instead, Pouliot and other Republicans on the commission suggested moving money from the state's General Fund to the highway budget or using some of a nearly \$30 million budget surplus to pay for projects. Other members of the commission suggested diverting some of the sales tax revenue raised through vehicle related purchase as a way to help fix the shortfall.

But Andrew McLean, D-Gorham, who co-chairs the commission, said the shortfall is "too substantial" to pursue just one solution and the group would need to compromise to adequately fix the problem. The commission agreed to form a subcommittee that will meet during the next few weeks to see if other solutions may be possible.

If not, the commission risks adjourning "without any sort of success," he said.

Van Note said the possibility of not having a solution by year's end and continuing the status quo was "unsettling" but would be "nothing new" to his department. He said reallocating revenues and raising new ones have worked in other states facing similar funding issues, and have worked — if both parties are willing to work together.

"By the end of today, we can't say they were ready to make that grand bargain," Van Note said.

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