Maine Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

• Counties do not have the authority to levy property taxes, sales and use taxes, franchise taxes, excise taxes, license taxes or other fees by themselves. Municipalities are responsible for collecting the local taxes and the state administers the process of assessment and taxation in the remaining territory, which is known as the Unorganized Territory Tax District. Each county may annually request an assessment based on detailed estimates of the costs of its services.

• The county may make assessments on municipalities and individuals for the provision of services; however, increases in these assessments are subject to a cap based on previously collected assessments.

• Commissioners may make appropriations, borrow money, and make expenditures for any purpose related to economic or community development, including development of sites for manufacturing, financing construction of new industrial buildings, matching funds on state or federal transport projects, or creating and funding an office of county economic development to provide a unified plan for the development of the county.

• Counties may borrow money in anticipation of tax revenue, though they may not borrow more than 80% of the previous fiscal year’s total budget. Moreover, they may sell notes and securities in anticipation of revenue to generate funds immediately.

• County governments provide residents of unorganized territories with services such as road and bridge maintenance, solid waste disposal and public safety.

## **Funding Sources for County Transportation Projects:**

Counties Receive:

• Payments from state excise taxes on any aircraft based at an airport owned by a county.

• A portion of the revenues from state excise taxes on motor vehicles, mobile homes, camp trailers and watercraft that are collected from owners of such vehicles who reside within the county.

## **Challenges in Funding and Financing Transportation Projects:**

• The rural nature of many counties in Maine doesn’t make bus and taxi services efficient and profitable.

## **Innovative Solutions to Funding and Financing Challenges**

• Two percent of the revenue from the operation of slot machines at the casino in Oxford County has been dedicated to the State Transit, Aviation and Rail Transportation Fund for the purpose of developing passenger rail service between points within the state and Oxford County.