

2010 -- H 7734

LC01603

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - RHODE ISLAND HIGHWAY
MAINTENANCE AND PUBLIC TRANSIT TRUST FUND ACT

Introduced By: Representatives Handy, Ajello, M Rice, and Sullivan

Date Introduced: February 25, 2010

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND
2 CARRIERS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 18.1

4 RHODE ISLAND HIGHWAY MAINTENANCE AND PUBLIC TRANSIT TRUST FUND

5 ACT

6 **39-18.1-1. Short title.** – This chapter shall be known and may be cited as the “Rhode
7 Island Highway Maintenance and Public Transit Trust Fund Act.”

8 **39-18.1-2. Legislative Findings.** – The general assembly finds that:

9 (1) Rhode Island has a serious shortfall of funds available for the upkeep, maintenance
10 and repair of the state’s highways, roads, and bridges.

11 (2) The health, safety, and convenience of Rhode Island’s citizens are seriously and
12 adversely affected when the state’s highways, roads, and bridges are not kept in a proper state of
13 upkeep, maintenance and repair.

14 (3) A critically important function of the state in maintaining the health, safety, and
15 welfare of all the people of Rhode Island is to ensure the proper upkeep, maintenance and repair
16 of the state’s highways, roads, and bridges.

17 (4) The Rhode Island Public Transit Authority, which depends heavily on proceeds of the
18 gasoline tax for its operating budget, has suffered significantly in recent years due to high

1 volatility of gasoline prices with a resulting volatility in both the level of gasoline sales and the
2 amount of gasoline tax proceeds from such sales.

3 (5) Availability of convenient, affordable public transit is critically important to Rhode
4 Island’s economic health and security because many Rhode Islanders depend on public transit in
5 order to get their places of employment, medical appointments, schools, and to carry on their
6 daily activities.

7 (6) A critically important function of the state in maintaining the health, safety, and
8 welfare of all the people of Rhode Island is to ensure the continued functioning and reliability of
9 public transit in Rhode Island.

10 (7) Additional stable and secure funding is absolutely necessary in order for the state to
11 carry out its necessary functions, including the upkeep, maintenance and repair of the state’s
12 highways, roads, and bridges, and providing for the continued functioning and reliability of
13 public transit.

14 **39-18.1-3. Definitions. – When used in this chapter:**

15 (1) “Department of Transportation” means the department created by chapter 13 of title
16 42 of the General Laws of Rhode Island.

17 (2) “Director” means the director of the Rhode Island department of transportation.

18 (3) “Highway maintenance” means the upkeep, maintenance, and repair of the state’s
19 highways, roads, and bridges, including repaving or resurfacing the same; but does not mean the
20 planning or construction of new highways, roads or bridges.

21 (4) “Authority” means the Rhode Island public transit authority, established by chapter
22 18 of title 39 of the General Laws of Rhode Island.

23 (5) “State Planning Council” means the state planning council within the Division of
24 Planning of the Department of Administration, as established by Rhode Island General Laws
25 section 42-11-10.

26 (6) “Transportation Advisory Committee” means the transportation advisory committee
27 that exists within the state planning council.

28 (7) “Transportation Improvement Plan” means the transportation improvement plan that
29 is created and amended from time to time by the Transportation Advisory Committee.

30 **39-18.1-4. Rhode Island Highway Maintenance and Public Transit Trust Fund**
31 **Created. – (a) There is hereby created a special account in the general fund to be known as the**
32 **“Rhode Island Highway Maintenance and Public Transit Fund.”**

33 (b) The fund shall consist of all those moneys which the state may, from time to time,
34 direct to the fund, including, but not necessarily limited to, moneys derived from the following

1 three sources:

2 (1) There is imposed a surcharge of forty dollars (\$40.00) per passenger car and light
3 truck to be paid by each car and light truck owner in order to register that owner's vehicle and
4 receive license plates.

5 (2) There is imposed on each company that is engaged in the refining or distribution, or
6 both, of petroleum products and that distributes such products in this state a tax at the rate of three
7 percent (3%) of its gross receipts derived from the first sale of petroleum products within this
8 state; provided, however, that the applicable tax rate for fuel oils, aviation fuels, and motor fuels
9 subject to tax shall be converted to a cents-per-gallon rate and adjusted semi-annually by the
10 director, on January 1 and July 1 of every year, to reflect the average retail price per gallon rate
11 shall be rounded upward or downward to the nearest tenth of a cent. The adjusted rate shall be
12 effective for tax due for months ending after that date.

13 (3) There is an imposed on each company that imports or causes to be imported, other
14 than by a company subject to and having paid the tax on those imported petroleum products that
15 have generated gross receipts taxable under subdivision (b)(2) of this section, petroleum products
16 for use or consumption by it within the state a tax at the rate of three percent (3%) of the
17 consideration given or contracted to be given for such petroleum products if the consideration
18 given or contracted to be given for such deliveries made during a quarterly period exceeds three
19 thousand dollars (\$3,000), provided, however, that the applicable tax rate for fuel oils, aviation
20 fuels, and motor fuels subject to tax shall be converted to a cents-per-gallon rate and adjusted
21 semi-annually by the director, on January 1 and July 1 of every year, to reflect the average retail
22 price per gallon of unleaded regular gasoline in the state. Any change in the cents-per-gallon rate
23 shall be rounded upward or downward to the nearest tenth of a cent. The adjusted rate shall be
24 effective for tax due for months ending after that date.

25 (c) All funds collected pursuant to this section shall be deposited in the Highway
26 Maintenance and Public Transit Fund and shall be used only for the purposes set forth in this
27 chapter.

28 (d) Unexpected balances and any earnings thereon shall not revert to the general fund but
29 shall remain in the Highway Maintenance and Public Transit Fund. There shall be no requirement
30 that moneys received into the Highway Maintenance and Public Transit Fund during any given
31 calendar year or fiscal year be expended during the same calendar year or fiscal year.

32 (e) The Highway Maintenance and Public Transit Fund shall be administered by the
33 director, which shall allocate and spend moneys from the fund only in accordance with the
34 purposes and procedures set forth in this chapter.

1 **39-18.1-5. Allocation of funds. –**

2 (a) All moneys received into the Highway Maintenance and Public Transit Fund shall be
3 apportioned as follows:

4 (1) Fifty percent (50%) to the Department of Transportation to be used for highway
5 maintenance or commuter rail operations, or both.

6 (2) Thirty-five percent (35%) to the Authority to be used for maintaining, enhancing,
7 and/or expanding existing services.

8 (3) Fifteen percent (15%) to the Department of Transportation to be used for upkeep,
9 maintenance, and repair of local roads and streets. The Department of Transportation shall, after
10 establishing appropriate rules pursuant to chapter 35 of title 42 of the General Laws, allocate
11 these funds to the cities and towns of the state on a pro rata basis according to the miles and local
12 roads and streets within the respective city or town.

13 (b) The moneys in the Highway Maintenance and Public Transit Fund to be directed to
14 the Department of Transportation pursuant to subdivision (a)(1) of this section shall be allocated
15 by the State Planning Council. The State Planning Council shall only authorize the expenditure of
16 moneys in the Highway Maintenance and Public Transit Fund for projects that appear in the
17 state’s Transportation Improvement Plan as the same has been approved by the Transportation
18 Advisory Committee.

19 (c) (1) The moneys in the Highway Maintenance and Public Transit Fund to be directed
20 to the Authority pursuant to subdivision (a)(2) of this section are used by the Authority for capital
21 expenditures, or for routine operations and maintenance, or any combination of those.

22 (2) To the extent that the moneys in the Highway Maintenance and Public Transit Fund
23 to be directed to the Authority pursuant to subdivision (a)(2) of this section are used by the
24 Authority for capital expenditures, all such expenditures must first be approved by the State
25 Planning Council, which shall only authorize expenditures for such capital projects that appear in
26 the state’s Transportation Improvement Plan as the same has been approved by the Transportation
27 Advisory Committee.

28 (3) To the extent that the moneys in the Highway Maintenance and Public Transit Fund
29 to be directed to the Authority pursuant to subdivision (a)(2) of this section are used by the
30 Authority for routine operations and maintenance, such expenditures shall be made in accordance
31 with a multi-year plan submitted by the Authority to the State Planning Council and approved by
32 the State Planning Council in advance. Such multi-year plan may designate spending for routine
33 operations and maintenance by the Authority for a period of up to ten (10) years; and, once such
34 multi-year plan has been approved by the State Planning Council, the Authority shall not be

1 [required to seek further or additional approvals from the State Planning Council for future years](#)
2 [contained within such multi-year plan.](#)

3 **39-18.1-6. Severability.** – If any of the provisions of this chapter or the applicability
4 thereof is held invalid by any court of competent jurisdiction, the remainder of the provisions of
5 this chapter shall not be affected thereby.

6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - RHODE ISLAND HIGHWAY
MAINTENANCE AND PUBLIC TRANSIT TRUST FUND ACT

1 This act would create the Rhode Island Highway Maintenance and Public Transit Trust
2 Fund which would impose a forty dollar (\$40.00) surcharge on passenger car and light truck
3 registrations to fund highway maintenance and commuter rail operations, the maintenance,
4 enhancing and or expansion of existing transportation services, and for the upkeep, maintenance
5 and repair of local roads and streets.

6 This act would take effect upon passage.

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