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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - TRANSPORTATION FUND

Introduced By: Senator Louis P. DiPalma

Date Introduced: February 03, 2011

Referred To: Senate 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 39-18.1

4 TRANSPORTATION INVESTMENT AND DEBT REDUCTION ACT OF 2011

5 **39-18.1-1. Short title.** -- This chapter shall be known and may be cited as the
6 "Transportation and Debt Reduction Act of 2011."

7 **39-18.1-1-2. Legislative findings.** -- The general assembly finds that:

8 (1) Rhode Island now has, and for some years has had, a serious shortfall of funds
9 available for the upkeep, maintenance and repair of the state's highways, roads, and bridges.

10 (2) Rhode Island now funds, and for some years has funded, the local twenty percent
11 (20%) match required to bring federal transportation dollars into the state by means of selling
12 bonds. This has proven unsustainable and creates unaffordable debt-service obligations for future
13 generations of Rhode Island taxpayers.

14 (3) The health, safety, and convenience of Rhode Island's citizens are seriously and
15 adversely affected when the state's highways, roads, and bridges are not kept in a proper state of
16 upkeep, maintenance and repair.

17 (4) A critically important function of the state in maintaining the health, safety, and
18 welfare of all the people of Rhode Island is to ensure the proper upkeep, maintenance and repair
19 of the state's highways, roads, and bridges.

1 (5) The Rhode Island public transit authority, which depends heavily on the proceeds of
2 the gasoline tax for its operating budget, has suffered significantly in recent years due to the high
3 volatility of gasoline prices with a resulting volatility in both the level of gasoline sales and the
4 amount of gasoline tax proceeds from such sales.

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

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

12 (8) Additional stable and secure funding sources are absolutely necessary in order for the
13 state to carry out its essential functions, including the upkeep, maintenance and repair of the
14 state's highways, roads, and bridges, and providing for the continued functioning and reliability of
15 public transit. In order to avoid to the full extent possible the creation of enormous and
16 unaffordable debt-service obligations for future generations of Rhode Islanders, these funding
17 sources should be created on a pay-as-you-go basis, and bonding should be reduced to the full
18 extent practicable.

19 **39-18.1-1-3. Definitions. --** When used in this chapter:

20 (1) "Base amount" means the base amount of the biennial bond issue for the department
21 of transportation, which amount is eighty million dollars (\$80,000,000).

22 (2) "Department of Transportation" means the department created by chapter 13 of title
23 423 of the general laws of Rhode Island.

24 (3) "Director" means the director of the Rhode Island department of transportation.

25 (4) "Highway maintenance" means the upkeep, maintenance, and repair of the state's
26 highways, roads, and bridges, including repaving or resurfacing the same, but does not mean the
27 planning or construction of new highways, roads or bridges.

28 (5) "Authority" means the Rhode Island public transit authority, established by chapter 18
29 of title 39 of the general laws of Rhode Island.

30 (6) "State Planning Council" means the state planning council within the division of
31 planning of the department of administration, as established by Rhode Island general laws section
32 42-11-10.

33 (7) "Transportation Advisory Committee" means the transportation advisory committee
34 that exists within the state planning council.

1 (8) "Transportation Improvement Plan" means the transportation improvement plan that
2 is created and amended from time to time by the transportation advisory committee.

3 **39-18.1-1-4. Rhode Island highway maintenance and public transit trust fund**
4 **created.** -- (a) There is hereby created a special account in the general fund to be known as the
5 Rhode Island Highway Maintenance and Public Transit Trust Fund.

6 (b) The fund shall consist of all those moneys which the state may from time to time
7 direct to the fund, including, but not necessarily limited to, moneys derived from the following
8 source:

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

12 (c) All funds collected pursuant to this section shall be deposited in the highway
13 maintenance and public transit fund and shall be used only for the purposes set forth in this
14 chapter.

15 (d) Unexpended balances and any earnings thereon shall not revert to the general fund but
16 shall remain in the highway maintenance and public transit fund. There shall be no requirement
17 that moneys received into the highway maintenance and public transit fund during any given
18 calendar year or fiscal year be expended during the same calendar year or fiscal year.

19 (e) The highway maintenance and public transit fund shall be administered by the
20 director, which shall allocate and spend moneys from the fund only in accordance with the
21 purposes and procedures set forth in this chapter.

22 **39-18.1-1-5. Allocation of funds.** -- (a) All moneys received into the highway
23 maintenance and public transit fund shall be apportioned as follows:

24 (1) Fifty percent (50%) to the department of transportation to be used for highway
25 maintenance or commuter rail operations or both.

26 (2) Thirty-five percent (35%) to the authority to be used in maintaining, enhancing,
27 and/or expanding existing services.

28 (3) Fifteen percent (15%) to the department of transportation to be used for upkeep,
29 maintenance, and repair of local roads and streets. The department of transportation shall, after
30 establishing appropriate rules pursuant to chapter 35 of title 42 of the general laws, allocate these
31 fund to the cities and towns of the state on a pro rata basis according to the miles of local roads
32 and streets within the respective city or town.

33 (b) The moneys in the highway maintenance and public transit fund to be directed to the
34 department of transportation pursuant to subdivision (a)(1) of this section shall be allocated by the

1 state planning council. The state planning council shall only authorize the expenditure of moneys
2 in the highway maintenance and public transit fund for projects that appear in the state's
3 transportation improvement plan as the same has been approved by the transportation advisory
4 committee.

5 (1) The moneys in the highway maintenance and public transit fund to be directed to the
6 authority pursuant to subdivision (a)(2) of this section may be used either for capital expenditures
7 or for routine operations and maintenance, or any combination of those.

8 (2) To the extent that the moneys in the highway maintenance and public transit fund to
9 be directed to the authority pursuant to subdivision (a)(2) of this section are used by the authority
10 for capital expenditures, all such expenditures must first be approved by the state planning
11 council, which shall only authorize expenditures for such capital projects that appear in the state's
12 transportation improvement plan as the same has been approved by the transportation advisory
13 committee.

14 (3) To the extent that the moneys in the highway maintenance and public transit fund to
15 be directed to the authority pursuant to subdivision (a)(2) of this section are used by the authority
16 for routine operations and maintenance, such expenditures shall be made in accordance with a
17 multi-year plan submitted by the authority to the state planning council and approved by the state
18 planning council in advance. Such multi-year plan may designate spending for routine operations
19 and maintenance by the authority for a period of up to ten (10) years; and, once such multi-year
20 plan has been approved by the state planning council, the authority shall not be required to seek
21 further or additional approvals from the state planning council for future years contained within
22 such multi-year plan.

23 **39-18.1-1-6. Bonding cap. --** During every two (2) year period between department of
24 transportation bond issues, for every ten million dollars (\$10,000,000) directed to and received by
25 the department of transportation pursuant to the provisions of subdivision 39-18.1-6-5 (a)(3) of
26 this chapter, the amount of the department of transportation's next biannual bond issue shall be
27 reduced by five million dollars (\$5,000,000) from the base amount.

28 **39-18.1-1-7. Severability. --** If any of the provisions of this chapter or the applicability
29 thereof is held invalid by any court of competent jurisdiction, the remainder of the provisions of
30 this chapter shall not be affected thereby.

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

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PUBLIC UTILITIES AND CARRIERS - TRANSPORTATION FUND

1 This act would create a separate fund to be used for transportation maintenance and
2 expansion. The fund would consist of monies generated by a forty dollar (\$40.00) surcharge on
3 vehicle registrations.

4 This act would take effect upon passage.

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