

2026 -- S 2668

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- MOTOR FUEL TAX

Introduced By: Senators Zurier, Bissailon, McKenney, DiMario, Acosta, and Britto

Date Introduced: February 27, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 31-36-20 of the General Laws in Chapter 31-36 entitled "Motor Fuel
2 Tax" is hereby amended to read as follows:

3 **31-36-20. Disposition of proceeds. [Effective January 1, 2026.]**

4 (a) **Disposition of proceeds.**

5 (1) Notwithstanding any other provision of law to the contrary, all moneys paid into the
6 general treasury under the provisions of this chapter or chapter 37 of this title, and title 46 shall be
7 applied to and held in a separate fund and be deposited in any depositories that may be selected by
8 the general treasurer to the credit of the fund, which fund shall be known as the Intermodal Surface
9 Transportation Fund; provided, that in fiscal year 2004 for the months of July through April six and
10 eighty-five hundredth cents (\$0.0685) per gallon of the tax imposed and accruing for the liability
11 under the provisions of § 31-36-7, less refunds and credits, shall be transferred to the Rhode Island
12 public transit authority as provided under § 39-18-21. For the months of May and June in fiscal
13 year 2004, the allocation shall be five and five hundredth cents (\$0.0505). Thereafter, until fiscal
14 year 2006, the allocation shall be six and twenty-five hundredth cents (\$0.0625). For fiscal years
15 2006 through FY 2008, the allocation shall be seven and twenty-five hundredth cents (\$0.0725);
16 provided, that expenditures shall include the costs of a market survey of non-transit users and a
17 management study of the agency to include the feasibility of moving the authority into the
18 department of transportation, both to be conducted under the auspices of the state budget officer.
19 The state budget officer shall hire necessary consultants to perform the studies, and shall direct

1 payment by the authority. Both studies shall be transmitted by the budget officer to the 2006 session
2 of the general assembly, with comments from the authority. For fiscal year 2009, the allocation
3 shall be seven and seventy-five hundredth cents (\$0.0775), of which one-half cent (\$0.005) shall
4 be derived from the one cent (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-
5 11. For fiscal years 2010 through fiscal year 2025, the allocation shall be nine and seventy-five
6 hundredth cents (\$0.0975), of which one-half cent (\$0.005) shall be derived from the one cent
7 (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-11. For fiscal ~~years~~ year 2026
8 ~~and thereafter~~, the allocation shall be eleven and seventy-five hundredths cents (\$0.1175) of which
9 one-half cent (\$0.005) shall be derived from the one cent (\$0.01) per gallon environmental
10 protection fee pursuant to § 46-12.9-11. For fiscal years 2027 and thereafter, the allocation shall be
11 eleven and seventy-five hundredths cents (\$0.1175) or 29.375% of the total proceeds, whichever is
12 greater, of which one-half cent (\$0.005) per gallon shall be derived from the one cent (\$0.01) per
13 gallon environmental protection fee pursuant to § 46-12.9-11. One cent (\$0.01) per gallon shall be
14 transferred to the elderly/disabled transportation program of the department of human services, and
15 the remaining cents per gallon shall be available for general revenue as determined by the following
16 schedule:

17 (i) For the fiscal year 2000, three and one-fourth cents (\$0.0325) shall be available for
18 general revenue.

19 (ii) For the fiscal year 2001, one and three-fourth cents (\$0.0175) shall be available for
20 general revenue.

21 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general
22 revenue.

23 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for
24 general revenue.

25 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents
26 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year
27 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,
28 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year 2006
29 through fiscal year 2009 one cent (\$0.01) shall be available for general revenue.

30 (2) All deposits and transfers of funds made by the tax administrator under this section,
31 including those to the Rhode Island public transit authority, the department of human services, the
32 Rhode Island turnpike and bridge authority, and the general fund, shall be made monthly and
33 credited and paid by the general treasurer to the designated fund in accordance with this section.

34 (3) Commencing in fiscal year 2004, the director of the Rhode Island department of

1 transportation is authorized to remit, on a monthly or less frequent basis as shall be determined by
2 the director of the Rhode Island department of transportation, or the director's designee, or at the
3 election of the director of the Rhode Island department of transportation, with the approval of the
4 director of the department of administration, to an indenture trustee, administrator, or other third-
5 party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax imposed, in
6 order to satisfy debt service payments on aggregate bonds issued pursuant to a joint resolution and
7 enactment approving the financing of various department of transportation projects adopted during
8 the 2003 session of the general assembly, and approved by the governor.

9 (4) Commencing in fiscal year 2015, three and one-half cents (\$0.035) shall be transferred
10 to the Rhode Island turnpike and bridge authority to be used for maintenance, operations, capital
11 expenditures, and debt service on any of its projects as defined in chapter 12 of title 24 in lieu of a
12 toll on the Sakonnet River Bridge. The Rhode Island turnpike and bridge authority is authorized to
13 remit to an indenture trustee, administrator, or other third-party fiduciary any or all of the foregoing
14 transfers in order to satisfy and/or secure its revenue bonds and notes and/or debt service payments
15 thereon, including, but not limited to, the bonds and notes issued pursuant to the Joint Resolution
16 set forth in Section 3 of Article 6 of Chapter 23 of the Public Laws of 2010. Notwithstanding any
17 other provision of said joint resolution, the Rhode Island turnpike and bridge authority is expressly
18 authorized to issue bonds and notes previously authorized under said joint resolution for the
19 purpose of financing all expenses incurred by it for the formerly authorized tolling of the Sakonnet
20 River Bridge and the termination thereof.

21 (b) Notwithstanding any other provision of law to the contrary, all other funds in the fund
22 shall be dedicated to the department of transportation, subject to annual appropriation by the general
23 assembly. The director of transportation shall submit to the general assembly, budget office, and
24 office of the governor annually an accounting of all amounts deposited in and credited to the fund
25 together with a budget for proposed expenditures for the succeeding fiscal year in compliance with
26 §§ 35-3-1 and 35-3-4. On order of the director of transportation, the state controller is authorized
27 and directed to draw their orders upon the general treasurer for the payments of any sum or portion
28 of the sum that may be required from time to time upon receipt of properly authenticated vouchers.

29 (c) At any time the amount of the fund is insufficient to fund the expenditures of the
30 department of transportation, not to exceed the amount authorized by the general assembly, the
31 general treasurer is authorized, with the approval of the governor and the director of administration,
32 in anticipation of the receipts of monies enumerated in this section to advance sums to the fund, for
33 the purposes specified in this section, any funds of the state not specifically held for any particular
34 purpose. However, all the advances made to the fund shall be returned to the general fund

1 immediately upon the receipt by the fund of proceeds resulting from the receipt of monies to the
2 extent of the advances.

3 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 MOTOR AND OTHER VEHICLES -- MOTOR FUEL TAX

1 This act would set the allocation rate to be transferred to the Rhode Island public transit
2 authority for 2027 and thereafter at eleven and seventy-five hundredths cents (\$0.1175) or 29.375%
3 of the total proceeds, whichever is greater, of which one-half cent (\$0.005) per gallon shall be
4 derived from the one cent (\$0.01) per gallon environmental protection fee.

5 This act would take effect upon passage.

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