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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC TRANSIT INVESTMENT

Introduced By: Representatives O'Grady, Tanzi, Handy, Blazejewski, and Valencia

Date Introduced: February 15, 2012

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-18.1-2, 39-18.1-3, 39-18.1-4 and 39-18.1-5 of the General
2 Laws in Chapter 39-18.1 entitled "Transportation Investment and Debt Reduction Act of 2011"
3 are hereby amended to read as follows:

4 **39-18.1-2. Legislative findings.** -- The general assembly finds that:

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

7 (2) Rhode Island now funds, and for some years has funded, the local twenty percent
8 (20%) match required to bring federal transportation dollars into the state by means of selling
9 bonds. This has proven unsustainable and creates unaffordable debt-service obligations for future
10 generations of Rhode Island taxpayers.

11 (3) 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 (4) 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 (5) 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
19 volatility of gasoline prices with a resulting volatility in both the level of gasoline sales and the

1 [amount of gasoline tax proceeds from such sales.](#)

2 [\(6\) Availability of convenient, affordable public transit is critically important to Rhode](#)
3 [Island's economic health and security because many Rhode Islanders depend on public transit in](#)
4 [order to get to their places of employment, medical appointments, schools, and to carry on their](#)
5 [daily activities.](#)

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

9 ~~(5)~~(8) Rhode Island must consider all potential sustainable sources as a vehicle for
10 maintaining and improving the transportation infrastructure of the state, [including public transit.](#)

11 ~~(6)~~(9) Additional stable and secure funding sources are absolutely necessary in order for
12 the state to carry out its essential functions, including the upkeep, maintenance and repair of the
13 state's highways, roads, and bridges, and providing for the continued functioning and reliability of
14 public transit. In order to avoid to the full extent possible the creation of enormous and
15 unaffordable debt-service obligations for future generations of Rhode Islanders, these funding
16 sources should be created on a pay-as-you-go basis, and bonding should be reduced to the fullest
17 extent practicable.

18 **39-18.1-3. Definitions.** -- When used in this chapter:

19 (1) "Department of Transportation" means the department created by chapter 13 of title
20 42 of the general laws of Rhode Island.

21 (2) "Director" means the director of the Rhode Island department of transportation.

22 (3) "Highway maintenance" means the upkeep, maintenance, and repair of the state's
23 highways, roads, and bridges, including repaving or resurfacing the same.

24 (4) "State Planning Council" means the state planning council within the division of
25 planning of the department of administration, as established by Rhode Island general laws section
26 42-11-10.

27 (5) "Transportation Improvement Program" means the transportation improvement
28 program that is created and amended from time to time by the state planning council.

29 [\(6\) "Authority" means the Rhode Island public transit authority, established by chapter](#)
30 [18 of title 39 of the general laws of Rhode Island.](#)

31 ~~**39-18.1-4. Rhode Island highway maintenance trust fund created Rhode Island**~~
32 ~~**highway maintenance and public transit trust fund created.**~~ -- (a) There is hereby created a
33 special account in the general fund to be known as the Rhode Island Highway Maintenance [and](#)
34 [Public Transit](#) Trust Fund.

1 (b) The fund shall consist of all those moneys which the state may from time to time
2 direct to the fund, including, but not necessarily limited to, moneys derived from the following
3 sources:

4 (1) There is imposed a surcharge of thirty dollars (\$30.00) per passenger car and light
5 truck to be paid by each car and light truck owner in order to register that owner's vehicle and
6 upon each subsequent biennial registration. This surcharge will be effective ~~shall be phased in at~~
7 ~~the rate of ten dollars (\$10.00) each year. The total surcharge will be ten dollars (\$10.00) from~~
8 ~~July 1, 2013 through June 30, 2014, twenty dollars (\$20.00) from July 1, 2014 through June 30,~~
9 ~~2015, and thirty dollars (\$30.00) from July 1, 2015~~ 2012 through June 30, 2016 2013 and each
10 year thereafter.

11 (2) There is imposed a surcharge of fifteen dollars (\$15.00) per car and truck, for those
12 cars and trucks subject to annual registration, to be paid annually by each car and truck owner in
13 order to register that owner's vehicle and upon each subsequent annual registration. This
14 surcharge will be effective ~~phased in at the rate of five dollars (\$5.00) each year. The total~~
15 ~~surcharge will be five dollars (\$5.00) from July 1, 2013 through June 30, 2014, ten dollars~~
16 ~~(\$10.00) from July 1, 2014 through June 30, 2015, and fifteen dollars (\$15.00) from July 1, 2015~~
17 2012 through June 30, 2016 2013 and each year thereafter.

18 (3) There is imposed a surcharge of thirty dollars (\$30.00) per operator's license to be
19 paid every five (5) years by each licensed operator of motor vehicles. This surcharge will be
20 phased in at the rate of ten dollars (\$10.00) each year. The total surcharge will be effective ~~ten~~
21 ~~dollars (\$10.00) from July 1, 2013 through June 30, 2014, twenty dollars (\$20.00) from July 1,~~
22 ~~2014 through June 30, 2015, and thirty dollars (\$30.00) from July 1, 2015~~ 2012 through June 30,
23 2016 2013 and each year thereafter.

24 (4) Notwithstanding any other provision of law to the contrary, all fees paid to the general
25 treasury for biennial passenger car and light truck registration and for annual car and truck
26 registrations according to the following schedule:

27 (i) Beginning in fiscal year 2013, twenty percent (20%) of the fees described in this
28 subsection which are collected by the division of motor vehicles shall be transferred to the Rhode
29 Island highway maintenance and public transit trust fund and the remainder shall be deposited to
30 the general fund.

31 (ii) Beginning in fiscal year 2014, forty percent (40%) of the fees described in this
32 subsection which are collected by the division of motor vehicles shall be transferred to Rhode
33 Island highway maintenance and public transit trust fund and the remainder shall be deposited to
34 the general fund.

1 (iii) Beginning in fiscal year 2015, sixty percent (60%) of the fees described in this
2 subsection which are collected by the division of motor vehicles shall be transferred to Rhode
3 Island highway maintenance and public transit trust fund and the remainder shall be deposited to
4 the general fund.

5 (iv) Beginning in fiscal year 2016, eighty percent (80%) of the fees described in this
6 subsection which are collected by the division of motor vehicles shall be transferred to Rhode
7 Island highway maintenance and public transit trust fund and the remainder shall be deposited to
8 the general fund.

9 (v) Beginning in fiscal year 2017, and continuing thereafter in perpetuity, one hundred
10 percent (100%) of the fees described in this subsection which are collected by the division of
11 motor vehicles shall be transferred to Rhode Island highway maintenance and public transit trust
12 fund and the remainder shall be deposited to the general fund.

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

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

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

23 **39-18.1-5. Allocation of funds.** -- (a) The monies in the Rhode Island highway
24 maintenance and public transit trust fund ~~to be directed to the department of transportation~~
25 ~~pursuant to subdivision (a)(1) of this section shall be allocated through the transportation~~
26 ~~improvement program process to provide the state match for federal transportation funds, in place~~
27 ~~of borrowing, as approved by the state planning council.~~ shall be apportioned as follows:

28 (1) Sixty-five percent (65%) to the department of transportation to be used for highway
29 maintenance, to offset borrowing in accordance with subsection (c) of this section.

30 (2) Thirty-five percent (35%) to the authority to be used in maintaining, enhancing,
31 and/or expanding services. These funds may be used by the authority for capital expenditures
32 according to the restrictions contained in subdivision (b)(2) of this section, or for routine
33 operations and maintenance, or any combination of those.

34 (b)(1) The expenditure of moneys in the Rhode Island highway maintenance and public

1 transit trust fund by the department of transportation shall only be authorized for projects that
2 appear in the state's transportation improvement program plan as the same has been approved by
3 the transportation advisory committee.

4 (2) To the extent that moneys in the Rhode Island highway maintenance and public
5 transit trust fund are expended by the authority for capital expenditure, all such expenditures must
6 first be approved by the state planning council, which shall only authorize expenditures for such
7 capital projects that appear in the state's transportation improvement plan as the same has been
8 approved by the transportation advisory committee.

9 (c) Moneys received by the department of transportation pursuant to subdivision (a)(1) of
10 this section shall be used to provide the state match for federal transportation funds, in place of
11 borrowing.

12 SECTION 2. This act shall take effect on July 1, 2012.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

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1 This act would include public transit in the Rhode Island highway maintenance fund and
2 accelerate the surcharges that support the fund.

3 This act would take effect on July 1, 2012.

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