S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC TRANSIT INVESTMENT

Introduced By: Representatives O`Grady, Tanzi, Handy, Tomasso, and Keable
Date Introduced: January 15, 2013
Referred To: House Finance

It is enacted by the General Assembly as follows:


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

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

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

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

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

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

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

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

Rhode Island must consider all potential sustainable sources as a vehicle for maintaining and improving the transportation infrastructure of the state, including public transit.

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

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

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

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

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

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

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

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

39-18.1-4. Rhode Island highway maintenance and public transit trust fund created. -- (a) There is hereby created a special account in the general fund to be known as the Rhode Island Highway Maintenance and Public Transit Trust Fund.
(b) The fund shall consist of all those moneys which the state may from time to time direct to the fund, including, but not necessarily limited to, moneys derived from the following sources:

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

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

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

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

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

(ii) Beginning in fiscal year 2014, forty percent (40%) of the fees described in this subsection which are collected by the division of motor vehicles shall be transferred to Rhode Island highway maintenance and public transit trust fund and the remainder shall be deposited to the general fund.
(iii) Beginning in fiscal year 2015, sixty percent (60%) of the fees described in this subsection which are collected by the division of motor vehicles shall be transferred to Rhode Island highway maintenance and public transit trust fund and the remainder shall be deposited to the general fund.

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

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

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

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

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

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

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

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

(b)(1) The expenditure of moneys in the Rhode Island highway maintenance and public transit trust fund shall be administered and controlled by the division of motor vehicles. The division shall not use any such moneys for any purpose other than to offset borrowing, pursuant to subsection (c) of this section.
transit trust fund by the department of transportation shall only be authorized for projects that
appear in the state's transportation improvement program plan as the same has been approved by
the transportation advisory committee.

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

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

SECTION 2. This act shall take effect on July 1, 2013.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC TRANSIT INVESTMENT

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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, 2013.

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