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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- MOTOR FUEL TAX

Introduced By: Representatives Amore, Melo, and Malik

Date Introduced: April 17, 2015

Referred To: House Finance

(by request)

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
2 Fuel Tax" is hereby amended to read as follows:

3 **31-36-20. Disposition of proceeds.** -- (a) Notwithstanding any other provision of law to
4 the contrary, all moneys paid into the general treasury under the provisions of this chapter or
5 chapter 37 of this title, and title 46 shall be applied to and held in a separate fund and be
6 deposited in any depositories that may be selected by the general treasurer to the credit of the
7 fund, which fund shall be known as the Intermodal Surface Transportation Fund; provided, that in
8 fiscal year 2004 for the months of July through April six and eighty-five hundredth cents
9 (\$0.0685) per gallon of the tax imposed and accruing for the liability under the provisions of §
10 31-36-7, less refunds and credits, shall be transferred to the Rhode Island public transit authority
11 as provided under § 39-18-21. For the months of May and June in fiscal year 2004, the allocation
12 shall be five and five hundredth cents (\$0.0505). Thereafter, until fiscal year 2006, the allocation
13 shall be six and twenty-five hundredth cents (\$0.0625). For fiscal years 2006 through FY 2008,
14 the allocation shall be seven and twenty-five hundredth cents (\$0.0725); provided, that
15 expenditures shall include the costs of a market survey of non-transit users and a management
16 study of the agency to include the feasibility of moving the Authority into the Department of
17 Transportation, both to be conducted under the auspices of the state budget officer. The state
18 budget officer shall hire necessary consultants to perform the studies, and shall direct payment by
19 the Authority. Both studies shall be transmitted by the Budget Officer to the 2006 session of the

1 General Assembly, with comments from the Authority. For fiscal year 2009, the allocation shall
2 be seven and seventy-five hundredth cents (\$0.0775), of which one-half cent (\$0.005) shall be
3 derived from the one cent (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-
4 11. For fiscal years 2010 and thereafter, the allocation shall be nine and seventy-five hundredth
5 cents (\$0.0975), of which of one-half cent (\$0.005) shall be derived from the one cent (\$0.01) per
6 gallon environmental protection fee pursuant to § 46-12.9-11. One cent (\$0.01) per gallon shall
7 be ~~transferred to~~ allocated for the Elderly/Disabled Transportation Program of the department of
8 human services; from that one cent (\$0.01), twenty-one one hundredths of one cent (\$0.0021)
9 shall be directly transferred to the department of human services, and the remaining seventy-nine
10 one hundredths of one cent (\$0.0079) shall be transferred to the Rhode Island public transit
11 authority as payment, in part, for the program's expense. Funds transferred to the authority
12 pursuant to this provision shall not extinguish any obligation the department of human services
13 and/or the state has in making additional payments to the Rhode Island public transit authority in
14 support of said program. ~~and the~~ The remaining cents per gallon shall be available for general
15 revenue as determined by the following schedule:

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

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

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

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

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

29 (2) All deposits and transfers of funds made by the tax administrator under this section,
30 including those to the Rhode Island public transit authority, the department of human services, the
31 Rhode Island turnpike and bridge authority, and the general fund, shall be made within twenty-
32 four (24) hours of receipt or previous deposit of the funds in question.

33 (3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of
34 Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined

1 by the Director of the Rhode Island Department of Transportation, or his or her designee, or at the
2 election of the Director of the Rhode Island Department of Transportation, with the approval of
3 the Director of the Department of Administration, to an indenture trustee, administrator, or other
4 third party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax
5 imposed, in order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint
6 Resolution and Enactment Approving the Financing of Various Department of Transportation
7 Projects adopted during the 2003 session of the General Assembly, and approved by the
8 Governor.

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

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

30 (c) At any time the amount of the fund is insufficient to fund the expenditures of the
31 department of transportation, not to exceed the amount authorized by the general assembly, the
32 general treasurer is authorized, with the approval of the governor and the director of
33 administration, in anticipation of the receipts of monies enumerated in § 31-36-20 to advance
34 sums to the fund, for the purposes specified in § 31-36-20, any funds of the state not specifically

1 held for any particular purpose. However, all the advances made to the fund shall be returned to
2 the general fund immediately upon the receipt by the fund of proceeds resulting from the receipt
3 of monies to the extent of the advances.

4 SECTION 2. Sections 39-18-4 and 39-18-22 of the General Laws in Chapter 39-18
5 entitled "Rhode Island Public Transit Authority" are hereby amended to read as follows:

6 **39-18-4. Powers and duties of the authority.** -- (a) The authority is hereby authorized
7 and empowered:

8 (1) To adopt bylaws for the regulation of its affairs and the conduct of its business;

9 (2) To adopt an official seal and alter the seal at pleasure;

10 (3) To maintain an office at such place or places within the state as it may designate;

11 (4) To sue and be sued in its own name, plead and to be implead; provided, however,
12 that any and all actions against the authority shall be brought only in the county in which the
13 principal office of the authority shall be located;

14 (5) To acquire, purchase, hold, use, and dispose of any property, real, personal, or mixed,
15 tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes
16 of the authority, and, to lease as lessee or lessor any property, real, personal or mixed, or any
17 interest therein for such term and at such rental as the authority may deem fair and reasonable,
18 and to sell, transfer, convey, mortgage, or give a security interest in any property, real, personal,
19 or mixed, tangible or intangible, or any interest therein, at any time acquired by the authority;

20 (6) To employ, in its discretion, planning, architectural, and engineering consultants,
21 attorneys, accountants, construction, financial, transportation, and traffic experts and consultants,
22 superintendents, managers, and such other officers, employees, and agents as may be necessary in
23 its judgment, and to fix their compensation;

24 (7) (i) To fix from time to time, subject to the provisions of this chapter, schedules and
25 such rates of fare and charges for service furnished or operated as in its judgment are best adopted
26 to insure sufficient income to meet the cost of service; provided, however, the authority is not
27 empowered to operate a passenger vehicle under its control in competition with passenger
28 vehicles of a private carrier over routes which the private carrier operates pursuant to a certificate
29 of public convenience and necessity issued to the private carrier by the division of public utilities
30 and carriers; and provided further that [in consideration of payments made through the](#)
31 [elderly/disabled transportation program established by the department of human services pursuant](#)
32 [to § 31-36-20](#), the authority shall not require any person who meets the means test criteria as
33 defined by the Rhode Island Department of Elderly Affairs and who is either sixty-five (65) years
34 of age, or over, or who is disabled to pay any fare or charge for bus rides during [off-peak hours](#).

1 nor pay more than one-half (1/2) of any fare or charge for bus rides during peak hours; provided,
2 however, that ~~such exclusion for~~ under no circumstances shall fares or charges ~~shall not apply:~~
3 ~~(A) to~~ for special service routes be discounted ~~and (B) during periods and routes of overcrowded~~
4 ~~conditions~~. Any person who is either sixty-five (65) years of age, or over, or who is disabled, ~~and~~
5 ~~who meets the means test criteria as heretofore provided, shall not be required to pay any fare or~~
6 ~~charge for bus rides during off-peak hours, and any person who is either sixty-five (65) years of~~
7 ~~age, or over, or who is disabled, and~~ who does not satisfy the means test criteria as heretofore
8 provided, shall only be required to pay one-half (1/2) of the fare or charge for bus rides during
9 off-peak hours, but shall not be eligible for a reduction during peak hours. For the purposes of
10 this chapter, ~~"overcrowded conditions,"~~ "peak hours," "off-peak hours" and "special service
11 routes" shall be determined annually by the authority. The authority, in conjunction with the
12 department of human services, shall establish an advisory committee comprised of
13 seniors/persons with disabilities constituent users of the authority's services to assist in the
14 implementation of this section within the financial framework of the program's funding
15 mechanism;

16 (ii) Any person who accompanies and is assisting a person with a disability when the
17 person with a disability uses a wheelchair shall be eligible for the same price exemptions
18 extended to a person with a disability by subsection (7)(i). ~~The cost to the authority for providing~~
19 ~~the service to the elderly shall be paid by the state;~~

20 (iii) Any person who accompanies and is assisting a passenger who is blind or visually
21 impaired shall be eligible for the same price exemptions extended to the passenger who is blind or
22 visually impaired by subsection (7)(i). ~~The cost to the authority for providing the service to the~~
23 ~~elderly shall be paid by the state;~~

24 (iv) The cost to the authority for providing the services to the elderly/disabled provided
25 for within this subsection that exceeds the seventy-nine one hundredths of one cent (\$0.0079)
26 provided for in § 31-36-20 shall be paid by the state in addition to those monies already allocated
27 in the state budget for the authority's operating expenses.

28 ~~(iv)~~(v) The authority shall be authorized and empowered to charge a fare for any
29 paratransit services required by the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq., in
30 accordance with 49 C.F.R. Part 37.

31 (8) To borrow money and to issue bonds of the authority for any of its purposes
32 including, without limitation, the borrowing of money in anticipation of the issuance of bonds or
33 the receipt of any operating revenues or other funds or property to be received by the authority,
34 and the financing of property to be owned by others and used, in whole or substantial part, by the

1 authority for any of its purposes, all as may from time to time, be authorized by resolution of the
2 authority; the bonds to contain on their face a statement to the effect that neither the state nor any
3 municipality or other political subdivision of the state shall be obligated to pay the same or the
4 interest thereon;

5 (9) To enter into management contracts for the operation, management, and supervision
6 of any or all transit properties under the jurisdiction of the authority, and to make and enter into
7 all contracts and agreements necessary or incidental to the performance of its duties and the
8 execution of its powers under this chapter;

9 (10) Without limitation of the foregoing, to borrow money from, to receive and accept
10 grants for or in aid of the purchase, leasing, improving, equipping, furnishing, maintaining,
11 repairing, constructing, and operating of transit property, and to enter into contracts, leases, or
12 other transactions with any federal agency; and to receive and accept from the state, from any
13 municipality, or other political subdivision thereof, and from any other source, aid or
14 contributions of either money, property, labor, or other things of value, to be held, used and
15 applied only for the purposes for which the grants and contributions may be made;

16 (11) To acquire in the name of the authority, by negotiated purchase or otherwise, on
17 such terms and conditions and in such manner as it may deem proper, or by the exercise of the
18 power of condemnation to the extent only and in the manner as provided in this chapter, such
19 public and private lands, including public parks, playgrounds or reservations, or parts thereof, or
20 rights therein, rights-of-way, property rights, easements, and interests as it may deem necessary
21 for carrying out the provisions of this chapter; provided, however, that all public property
22 damaged in carrying out the powers granted by this chapter shall be restored or repaired and
23 placed in its original condition as nearly as practicable;

24 (12) To contract with any municipality, public or private company or organization,
25 whereby the authority will receive a subsidy to avoid discontinuance of service, and each
26 municipality within the state is hereby authorized to make and enter into such contracts and to
27 make, grant, or give to the authority a subsidy in such amount and for such period of time as it
28 may deem advisable;

29 (13) To operate service to nearby Massachusetts and nearby Connecticut terminals for
30 the purpose of deboarding Rhode Island passengers at major traffic generating locations for the
31 benefit of passengers and to board Rhode Islanders for the return trip, provided, however, that the
32 authority operate closed door in Massachusetts and nearby Connecticut to and from its
33 destination; and

34 (14) To do all things necessary, convenient, or desirable to carry out the purpose of this

1 chapter.

2 (b) To effectuate the purposes of this chapter the authority shall have the following
3 duties:

4 (1) To participate in and contribute to transportation planning initiatives that are relevant
5 to the purposes of the authority;

6 (2) To plan, coordinate, develop, operate, maintain and manage a statewide public transit
7 system consistent with the purposes of the authority, including plans to meet demands for public
8 transit where such demand, current or prospective, exceeds supply and/or availability of public
9 transit services;

10 (3) To work with departments, agencies, authorities and corporations of federal, state and
11 local government, public and private institutions, businesses, non-profit organization, users of the
12 system and other entities and persons to coordinate public transit services and provide a seamless
13 network of mobility options.

14 **39-18-22. State appropriations.** -- The general assembly shall appropriate annually a
15 sum for the financial support of the operating expenses of the Rhode Island public transit
16 authority from certain proceeds of the motor fuel tax reserved for this purpose pursuant to § 31-
17 36-20. Monies directly transferred to the authority pursuant to the funding of the elderly/disabled
18 transportation program of the department of human services as provided for in § 31-36-20 are
19 payments in part for that program's cost to the authority and do not extinguish any obligation the
20 department of human services and/or state has under § 39-18-4(7) to make any additional
21 payments necessary to fund the program. The total amount of state subsidy disbursements in any
22 fiscal year shall not exceed the appropriation for that year. In the event that dedicated motor fuel
23 tax revenues received during a fiscal year are not sufficient to support the appropriation for that
24 year, the difference shall be transferred from the proceeds of the motor fuel tax imposed by
25 chapter 36 of title 31. Funds appropriated to the authority pursuant to this section shall be
26 administered by the department of transportation in accordance with procedures established
27 jointly by the departments of transportation and administration. The authority shall annually
28 submit to the department of transportation a comprehensive budget request for funds for the
29 ensuing fiscal year. Prior to the beginning of each fiscal year the authority shall enter into an
30 agreement with the departments of administration and transportation establishing the conditions
31 for payment of the available state and federal subsidies. The director of administration is
32 authorized from time to time to advance funds from the general fund to the Rhode Island public
33 transit authority to be used for the purpose of this section, in anticipation of transfers from the
34 revenues reserved pursuant to § 31-36-20, provided that, notwithstanding any payment made by

1 [the state to cover the remainder of the elderly/disabled transportation program not funded by §](#)
2 [31-36-20](#), the aggregate of all advances less transfers, at any one time, shall not exceed the total
3 amount of the annual appropriation.

4 SECTION 3. 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 change how the elderly/disabled transportation program of the department
2 of human services' one cent (\$0.01) per gallon allocation of the motor fuel tax is distributed, so
3 that twenty-one one hundredths of one cent (\$0.0021) shall be directly transferred to the
4 department of human services and the remaining seventy-nine one hundredths of one cent
5 (\$0.0079) shall be directly transferred to the Rhode Island public transportation authority to pay
6 for part of the program's expenses.

7 This act would take effect upon passage.

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