

Governor's FY 2012 Budget: Articles



Staff Presentation to the House
Finance Committee

March 24, 2011

Introduction

- Three Articles
 - ◆ Article 21 – MBTA Indemnification
 - ◆ Article 22 – Transportation Fees
 - ◆ Article 34 – Tolling

Article 21 – MBTA Indemnification

- Provides for the full indemnification of the Massachusetts Bay Transit Authority (MBTA)
- Operator for rail service south of Providence
- Known as the South County Commuter Rail Project
- Extends commuter rail service to T.F. Green, eventually Wickford Junction

Article 21 – MBTA Indemnification

- The Rhode Island Public Rail Corporation currently indemnifies Amtrak
- Add the Authority to the existing policy
- Fully indemnify it against any claim
- Expected to reduce the total cost of federally funded insurance
- Projected savings of \$0.4 million

Article 22 – Transportation Fees

- Provides for a five-year phased transfer of certain transportation related fees
 - ◆ Registration and License
 - ◆ Commercial Drivers License
 - ◆ Registration Reinstatement
 - ◆ License Reinstatement
 - ◆ Motor Vehicle Title

Article 22 – Transportation Fees

- Fees would be transferred to Intermodal Surface Transportation Fund
- For use by the Department
- 20% transferred in FY 2012
- Percentage doubles until 100% in FY 2016

Article 22 – Transportation Fees

- Increased funding for the Department
- Less available for general revenue
 - ◆ FY 2012 - \$12.0 million
 - ◆ FY 2013 - \$24.4 million
 - ◆ FY 2014 - \$37.2 million
 - ◆ FY 2015 - \$50.5 million
 - ◆ FY 2016 - \$64.2 million

Article 22 – Transportation Fees

- Language does not dictate use of additional funds
- DOT typically uses G.O. bonds to match federal funds
- Governor's intention is to use fees as pay-go match
- Eliminate reliance on G.O. bond debt for state match

Article 22 – Transportation Fees

- Decreased borrowing would lower debt service
- Debt service paid with gasoline tax proceeds – also used for operating
- Increase available proceeds
- No new G.O. bond authorizations after FY 2015

Article 34 – Tolling

- Authorizes DOT to participate in the FHWA Interstate System Construction Toll Pilot Program
- States don't have the authority to place tolls on roads constructed with federal funds
- Also enables the Department to commission a study on instituting tolls on interstate and non-interstate highways and bridges

Article 34 - Tolling

- Examine regional impacts of tolls in conjunction with Massachusetts and Connecticut
- Authorizations are included because DOT's enabling legislation does not specifically allow it to apply for the pilot program or commission the study

Article 34 – Tolling

- Tolls collected would be used for projects in that region
- Designates Turnpike and Bridge Authority as toll collector
- Does not authorize tolls
- Actual tolls would require Assembly approval

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