

2014 -- S 2335 SUBSTITUTE A

LC004371/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

RELATING TO PUBLIC FINANCE -- RHODE ISLAND TRANSPORTATION
INFRASTRUCTURE FUND -- CREATION -- ALLOCATIONS TO FUND

Introduced By: Senators DiPalma, Felag, Ottiano, Miller, and DaPonte

Date Introduced: February 12, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 35-4 of the General Laws entitled "State Funds" is hereby amended
2 by adding thereto the following sections:

3 **35-4-11.1. Rhode Island transportation infrastructure fund -- Creation --**
4 **Allocations to fund. -- (a) There is hereby created a restricted receipt account within the Rhode**
5 **Island intermodal surface transportation fund established in § 35-4-11, to be known as the Rhode**
6 **Island transportation infrastructure fund or transportation infrastructure fund. All funds deposited**
7 **into the Rhode Island transportation infrastructure fund shall not be subject to the indirect cost**
8 **recoveries of ten percent (10%) as set forth in § 35-4-27.**

9 **(b) Commencing with the start of FY 2016, and continuing for five (5) additional**
10 **consecutive fiscal years thereafter until FY 2021, pursuant to the ninety-seven percent (97%)**
11 **limitation on state spending contained in Article IX, Section 16 of the constitution of the state of**
12 **Rhode Island, one quarter of one percent (0.25%) of the state's annual appropriation shall be**
13 **allocated and deposited into the transportation infrastructure fund every fiscal year, until the total**
14 **amount of the annual allocation is equal to one and one-half percent (1.5%) of the state's total**
15 **appropriation, at which point the one and one-half percent (1.5%) rate shall remain in place until**
16 **further action of the general assembly. Such deposit shall be deemed to be in compliance with the**
17 **ninety-seven percent (97%) limitation within said Article IX, Section 16.**

18 **(c) From FY 2016 through to and including FY 2018, an amount equivalent to the value**

1 of all Rhode Island department of transportation debt, which is being assumed by the state and
2 covered through appropriations from the general fund, shall be subtracted from the motor fuel tax
3 provided for in chapter 36 of title 31 and deposited into the Rhode Island transportation
4 infrastructure fund. Beginning in FY 2019, and annually thereafter, forty-five million dollars
5 (\$45,000,000) of the Rhode Island department of transportation's motor fuel tax allocation which
6 was previously used for debt service, shall be deposited into the Rhode Island transportation
7 infrastructure fund. This amount shall be in addition to the amount appropriated pursuant to
8 subsection (b).

9 (d) Commencing with the start of FY 2016, the Rhode Island public transit authority shall
10 receive an allocation from the Rhode Island transportation infrastructure fund equivalent to one
11 tenth of one percent (.1%) of general revenues.

12 **35-4-11.2. Appropriations to support fund – Use of bonds to initially support fund. -**

13 -(a) The general assembly shall annually make appropriations from the general fund to the Rhode
14 Island transportation infrastructure fund to address any shortfalls in revenue from the reduction or
15 elimination of any tolls on any of the four (4) bridges in the East Bay Bridge system, specifically
16 the Mt. Hope Bridge, the Newport or Newport-Pell Bridge, the Jamestown Verrazzano Bridge,
17 and the Sakonnet River Bridge, as appropriate. Such appropriations shall be in addition to the
18 amount appropriated pursuant to § 35-4-11.1.

19 (b) Upon its inception, and up until the Rhode Island transportation infrastructure fund is
20 appropriately funded as determined by the general assembly, general obligation bonds may be
21 proposed to the voters to support the fund in accomplishing its objectives.

22 SECTION 2. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
23 is hereby amended to read as follows:

24 **35-4-27. Indirect cost recoveries on restricted receipt accounts. --** Indirect cost
25 recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt
26 accounts, to be recorded as general revenues in the general fund. However, there shall be no
27 transfer from cash receipts with restrictions received exclusively: (1) from contributions from
28 non-profit charitable organizations; (2) from the assessment of indirect cost recovery rates on
29 federal grant funds; or (3) through transfers from state agencies to the department of
30 administration for the payment of debt service. These indirect cost recoveries shall be applied to
31 all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
32 following restricted receipt accounts shall not be subject to the provisions of this section:

33 Department of Human Services

34 Veterans' home -- Restricted account

1 Veterans' home -- Resident benefits
2 Pharmaceutical Rebates Account
3 Demand Side Management Grants
4 Organ transplant fund
5 Veteran's Cemetery Memorial Fund
6 Department of Health
7 Providence Water Lead Grant
8 Pandemic medications and equipment account
9 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
10 Eleanor Slater non-Medicaid third-party payor account
11 Hospital Medicare Part D Receipts
12 RICLAS Group Home Operations
13 Commission on the Deaf and Hard of Hearing
14 Emergency and public communication access account
15 Department of Environmental Management
16 National heritage revolving fund
17 Environmental response fund II
18 Underground storage tanks registration fees
19 Rhode Island Historical Preservation and Heritage Commission
20 Historic preservation revolving loan fund
21 Historic Preservation loan fund -- Interest revenue
22 Department of Public Safety
23 Forfeited property -- Retained
24 Forfeitures -- Federal
25 Forfeited property -- Gambling
26 Donation -- Polygraph and Law Enforcement Training
27 Rhode Island State Firefighter's League Training Account
28 Fire Academy Training Fees Account
29 Attorney General
30 Forfeiture of property
31 Federal forfeitures
32 Attorney General multi-state account
33 Forfeited property -- Gambling
34 Department of Administration

1 Office of Management and Budget
2 Information Technology Investment Fund
3 Restore and replacement -- Insurance coverage
4 Convention Center Authority rental payments
5 Investment Receipts -- TANS
6 Car Rental Tax/Surcharge-Warwick Share
7 Legislature
8 Audit of federal assisted programs
9 Department of Children, Youth and Families
10 Children's Trust Accounts -- SSI
11 Military Staff
12 RI Military Family Relief Fund
13 RI National Guard Counterdrug Program
14 Treasury
15 Admin. Expenses -- State Retirement System
16 Retirement -- Treasury Investment Options
17 Violent Crimes Compensation -- Refunds
18 Treasury Research Fellowship
19 Business Regulation
20 Banking Division Reimbursement Account
21 Office of the Health Insurance Commissioner Reimbursement Account
22 Securities Division Reimbursement Account
23 Commercial Licensing and Racing and Athletics Division Reimbursement Account
24 Insurance Division Reimbursement Account
25 Historic Preservation Tax Credit Account.
26 Judiciary
27 Arbitration Fund Restricted Receipt Account
28 Third Party Grants
29 Department of Elementary and Secondary Education
30 Statewide Student Transportation Services Account
31 School for the Deaf Fee for Service Account
32 Davies Career and Technical School Local Education Aid Account
33 Department of Labor and Training
34 Job Development Fund -- Title XII loans principal and interest

1 Department of Transportation
2 Rhode Island Highway Maintenance Account
3 [Rhode Island Transportation Infrastructure Fund](#)

4 SECTION 3. Section 35-3-20.1 of the General Laws in Chapter 35-3 entitled "State
5 Budget" is hereby amended to read as follows:

6 **35-3-20.1. Limitation on state spending.** -- (a) For the fiscal year ending June 30, 2009,
7 no appropriation, supplemental appropriation, or budget act shall cause the aggregate state
8 general revenue appropriations enacted for the fiscal year to exceed ninety-seven and eight tenths
9 of one percent (97.8%) of the estimated state general revenues for the fiscal year from all sources,
10 including estimated unencumbered general revenues not continued or reappropriated to the new
11 fiscal year remaining at the end of the previous fiscal year. Estimated unencumbered general
12 revenues are calculated by taking the estimated general revenue cash balance at the end of the
13 fiscal year less estimated revenue anticipation bonds or notes, estimated general revenue
14 encumbrances, estimated continuing general revenue appropriations, and the amount of the
15 budget reserve and cash stabilization account at the end of the fiscal year. The amount of the
16 general revenue estimate and estimated unencumbered general revenue remaining shall be
17 determined by the state controller and approved by the auditor general in conformance with
18 accounting procedures currently in use. The excess of any unencumbered general revenue shall be
19 determined by subtracting from the actual unencumbered general revenues at the end of any fiscal
20 year an amount which together with the latest estimated general revenues is necessary to fund the
21 ensuing fiscal year's general revenue budget, including the required estimated general revenue
22 supplemental and annual appropriations. Provided further, the applicable percentage shall
23 decrease by two-tenths of one percent (.2%) for the succeeding four (4) fiscal years as follows:

24 Fiscal year ending June 30, 2010	97.6%
25 Fiscal year ending June 30, 2011	97.4%
26 Fiscal year ending June 30, 2012	97.2%
27 Fiscal years ending June 30, 2013 and thereafter	97.0%

28 (b) The amount between the applicable percentage in subsection (a) and one hundred
29 percent (100%) of the estimated state general fund revenue for any fiscal year as estimated in
30 accordance with subsection (a) shall be appropriated in any given fiscal year into the budget
31 reserve and cash stabilization account; provided, that for the fiscal year ending June 30, 2009, no
32 payment will be made which would increase the total of the budget reserve and cash stabilization
33 account to more than three and four-tenths of one percent (3.4%) of only the estimated state
34 general fund revenues as set by subsection (a). In the event that the payment to be made into the

1 budget reserve and cash stabilization account would increase the amount in the account to more
2 than three and four-tenths of one percent (3.4%) of estimated state general revenues, the amount
3 shall be transferred to the Rhode Island Capital Plan fund, to be used solely for capital projects.
4 Provided further the applicable percentage shall increase by four-tenths of one percent (.4%) for
5 the four (4) succeeding fiscal years as follows:

6	Fiscal year ending June 30, 2010	3.8%
7	Fiscal year ending June 30, 2011	4.2%
8	Fiscal year ending June 30, 2012	4.6%
9	Fiscal years ending June 30, 2013 and thereafter	5.0%

10 However, there shall be no expenditures of money under this section without passage of a
11 specific appropriation by the general assembly. (c) Within forty-five (45) days after the close of
12 any fiscal year, all unencumbered general revenue in the year end surplus account from the fiscal
13 year shall be transferred to the general fund.

14 (d) Commencing with the start of FY 2016, the general assembly shall reallocate the
15 equivalent of one tenth of one percent (.1%) of general revenues from the Rhode Island capital
16 plan fund to the Rhode Island transportation infrastructure fund. In each successive fiscal year
17 after FY 2016 and continuing up to and including FY 2020, the amount of this reallocation shall
18 be increased by one tenth of one percent (.1%) annually until it reaches the amount of one-half of
19 one percent (.5%) in FY 2020 and continue at this rate each year thereafter.

20 SECTION 4. Sections 24-12-5, 24-12-40.A, 24-12-40.F and 24-12-40.G of the General
21 Laws in Chapter 24-12 entitled "Rhode Island Turnpike and Bridge Authority" are hereby
22 amended to read as follows:

23 **24-12-5. Power to construct, reconstruct, renovate, acquire, maintain, repair,**
24 **operate or manage projects or additional facilities and to issue bonds. --** In order to facilitate
25 vehicular traffic, remove many of the present handicaps and hazards on the congested highways
26 in the state, alleviate the barriers caused by large bodies of water, and promote the agricultural
27 and industrial development of the state, the Rhode Island turnpike and bridge authority is hereby
28 authorized and empowered: to construct the Newport Bridge, the turnpike, any portion thereof or
29 any additional facility hereafter authorized to be constructed; to acquire the Mount Hope Bridge,
30 to acquire the Sakonnet River Bridge, to acquire the Jamestown Verrazzano Bridge and any
31 additional facility hereafter authorized to be acquired; to maintain, construct, reconstruct,
32 renovate, acquire, repair, operate or manage any project or projects; and to issue bonds of the
33 authority as provided in this chapter to finance any project or projects; provided, however, that
34 the Mount Hope Bridge shall only be acquired as provided for by section 24-12-40A. Provided

1 further, that effective July 1, 2014, the authority of the Rhode Island turnpike and bridge authority
2 to issue bonds shall be modified so that all such bonding shall be accomplished by the state only
3 through the issuance of general obligation bonds. Debt service on bonds shall be paid for by the
4 Rhode Island turnpike and bridge authority through revenue generated from tolls on the Newport
5 Pell bridge, and other sources, including annual appropriations from the general fund as needed.

6 ~~24-12-40.A. Title to Mount Hope Bridge vested in Rhode Island turnpike and bridge~~
7 ~~authority -- Continuation of tolls.~~ **Title to Mount Hope Bridge vested in Rhode Island**
8 **turnpike and bridge authority -- Continuation of tolls [effective until July 1, 2014] 24-12-**
9 **40.A. Title to Mount Hope Bridge vested in Rhode Island department of transportation**

10 **[effective July 1, 2014]. – (a)** All powers, control, and jurisdiction of and title to the Mount Hope
11 Bridge is hereby affirmed as having vested in the Rhode Island turnpike and bridge authority as
12 of June 1, 1964, and the transfer of funds to the authority by the trustee under the trust indenture
13 securing the Mount Hope Bridge revenue bonds is hereby ratified and affirmed. ~~The authority~~
14 ~~shall continue to charge and collect tolls for the use of the Mount Hope Bridge to provide funds~~
15 ~~sufficient with any other monies available therefor for paying the costs of maintaining, repairing,~~
16 ~~and operating the bridge, and in any event tolls for the use of the Mount Hope Bridge shall~~
17 ~~continue until a fund shall be provided for the payment of engineering, financing, and legal~~
18 ~~services in connection with the financing and construction of the Newport Bridge. The power and~~
19 ~~right of the authority to collect and to use tolls collected for the use of the Mount Hope Bridge~~
20 ~~subsequent to June 1, 1964 for the purpose of payment of engineering, financial, and legal~~
21 ~~services in connection with the financing and construction of the Newport Bridge in an amount~~
22 ~~heretofore expended not in excess of six hundred thousand dollars (\$600,000) is hereby ratified~~
23 ~~and affirmed.~~

24 (b) Provided, that effective July 1, 2014, title to the Mount Hope Bridge shall be
25 transferred to the department of transportation. Provided further, that effective July 1, 2014, any
26 authority to collect tolls on said bridge shall be deemed revoked and voided, and no tolls shall be
27 collected on said bridge without express authorization by the general assembly. Additionally, the
28 general assembly may appropriate funds to reimburse the Rhode Island turnpike and bridge
29 authority for capital improvements to the Mount Hope Bridge.

30 ~~24-12-40.F. Title to Sakonnet River Bridge vested in Rhode Island turnpike and~~
31 ~~bridge authority -- Institution of tolls.~~ **Title to Sakonnet River Bridge vested in Rhode Island**
32 **turnpike and bridge authority -- Institution of tolls [effective until July 1, 2014] 24-12-40.F.**
33 **Title to Sakonnet River Bridge vested in Rhode Island department of transportation**

34 **[effective July 1, 2014]. – (a)** All powers, control, and jurisdiction of and title to the Sakonnet

1 River Bridge is authorized to be transferred to the Rhode Island turnpike and bridge authority.
2 Beginning February 1, 2014, the authority may charge and collect tolls for the use of the
3 Sakonnet River Bridge to provide funds sufficient with any other monies available therefor for
4 paying the costs of acquiring, leasing, maintaining, repairing and operating, the Jamestown
5 Verrazzano Bridge, the Mount Hope Bridge, the Newport Bridge, and the Sakonnet River Bridge,
6 the turnpike and additional facilities. Until February 1, 2014, the Authority shall not charge and
7 collect tolls in excess of those in place on the Newport Bridge on June 1, 2013. Should any part
8 of this section contravene or be inconsistent with any term or provision of the general laws, the
9 provisions of this section shall control.

10 (b) Provided, that effective July 1, 2014, title to the Sakonnet River Bridge shall be
11 transferred to the department of transportation. Provided further, that effective July 1, 2014, any
12 authority to collect tolls on said bridge shall be deemed revoked and voided, and no tolls shall be
13 collected on said bridge without express authorization by the general assembly.

14 **24-12-40.G. Title to Jamestown Verrazzano Bridge vested in Rhode Island turnpike**
15 **and bridge authority.** – (a) All powers, control, and jurisdiction of and title to the Jamestown
16 Verrazzano Bridge is authorized to be transferred to the Rhode Island turnpike and bridge
17 authority.

18 (b) Provided further, that effective July 1, 2014, any authority to collect tolls on said
19 bridge shall be deemed revoked and voided, and no tolls shall be collected on said bridge without
20 express authorization by the general assembly.

21 SECTION 5. Chapter 31-36 of the General Laws entitled "Motor Fuel Tax" is hereby
22 amended by adding thereto the following section:

23 **31-36-24. Joint commission to study motor fuel tax.** -- (a) There is hereby created a
24 joint legislative commission to monitor, study, report and make recommendations on all areas of
25 the motor fuel tax and to seek out ways to replace such tax.

26 (b) The commission consists of twelve (12) members of the general assembly: six (6) of
27 whom shall be members of the house of representatives, to include the chair or deputy chair of the
28 committee on finance, and five (5) other members, one of whom shall be from the minority party,
29 all to be appointed by, and to serve at the discretion of, the speaker of the house of
30 representatives; and six (6) of whom shall be from the senate, to include the chair or vice chair of
31 the committee on finance, and five (5) other members, one of whom from the minority party, all
32 to be appointed by, and to serve at the discretion of, the president of the senate.

33 (c) The commission shall have co-chairpersons, one appointed by the speaker of the
34 house of representatives and one by the president of the senate.

1 (d) The commission may review or study any matter related to the motor vehicle fuel tax
2 and shall seek ways to devise and implement a replacement for the motor vehicle fuel tax. The
3 commission may request and shall receive from any instrumentality of the state. The commission
4 shall make recommendations to the speaker of the house and the president of the senate on or
5 before March 1, 2015.

6 (e) The commission shall have the power to hold hearings, shall meet at least quarterly,
7 may make recommendations to the general assembly, state agencies, private industry or any other
8 entity, and shall report to the general assembly on its findings and recommendations as it
9 determines appropriate, in addition to the recommendations required pursuant to subsection (d).

10 SECTION 6. Chapter 31-47.4 of the General Laws entitled "Uninsured Motorist
11 Identification Database Procedure" is hereby amended by adding thereto the following section:

12 **31-47.4-11. Funds to be deposited into transportation infrastructure fund. –**
13 Beginning in fiscal year 2016, all funds and revenue generated as a result of the establishment of
14 the uninsured motorist identification database pursuant to this chapter shall be deposited into the
15 Rhode Island transportation infrastructure fund established pursuant to § 35-4-11.1. This amount
16 shall be in addition to the amount appropriated pursuant to § 35-4-11.1.

17 SECTION 7. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC FINANCE -- RHODE ISLAND TRANSPORTATION
INFRASTRUCTURE FUND -- CREATION -- ALLOCATIONS TO FUND

1 This act would provide a new method to fund transportation and bridge costs in Rhode
2 Island. The act would establish the Rhode Island transportation infrastructure fund as a restricted
3 receipt account within the Rhode Island intermodal surface transportation fund. The act would
4 provide further annual allocations to the transportation infrastructure fund from various sources.

5 This act would take effect upon passage.

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