Governor announced new proposal last week designed to address the longer term state infrastructure needs through major long term investment:
- $300 million for statewide bridge repairs
- $400 million for 6/10 project

Proposal since modified somewhat to mitigate impact on local business.
Key Findings

- Legislation identifies key findings:
  - 764 bridges greater than 20 feet in RI
    - 23% or 177 are classified as structurally deficient
      - Federal Highway Administration’s 2015 National Bridge Inventory Data
  - 1 fully-loaded 5-axle tractor trailer has same impact on interstate as 9,600 cars
    - According to US General Accounting Office
Key Findings

- RI depends on 3 primary sources for funding all construction, maintenance, and operations
  - Federal funds, state bond funds, motor fuel taxes
- There is insufficient revenue available from existing sources to fund maintenance and improvement of RI transportation infrastructure
Still funding gap between revenue needed to maintain all bridges in structurally sound & good condition & annual amounts generated by current dedicated revenue sources

- 2011 Assembly created Highway Maintenance Account (HMA) from increase in license & registration fees & RICAP beginning FY 2014
- 2014 Assembly provided additional revenue to HMA
Proposed Article

- Authorizes collection of user fees/tolls on large commercial trucks
- Authorizes bonds to finance the work
- Reorganizes DOT structure
Federal law allows tolls for “reconstruction or replacement of a toll-free bridge or tunnel and conversion of the bridge or tunnel to a toll facility.”

Bridges are broadly defined:
- Include spans of 20 ft. or more.
Article: User Fees Tolls

- Article authorizes collection of user fees/tolls on large commercial trucks
  - Limited to Class 8 and above
  - Expressly prohibits tolls on smaller vehicles
  - Smallest is a single trailer with 3 or 4 axels
    - Prior version included 2 smaller classes
# FHWA Vehicle Classifications

<table>
<thead>
<tr>
<th>Class</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>Motorcycles (1); Passenger Cars (2)</td>
</tr>
<tr>
<td>3-4</td>
<td>Pickups, Panels, Vans (3); Buses (4)</td>
</tr>
<tr>
<td>5-6</td>
<td>Single Unit Trucks – two axels (5); three axels (6)</td>
</tr>
<tr>
<td>7</td>
<td>Single Unit Trucks – four or more axles</td>
</tr>
<tr>
<td>8</td>
<td>Single Trailer - three or four axles</td>
</tr>
<tr>
<td>9-10</td>
<td>Single Trailer - five axles (10) six or more (11)</td>
</tr>
<tr>
<td>11</td>
<td>Multi Trailer - five or fewer axles</td>
</tr>
<tr>
<td>12-13</td>
<td>Multi Trailer - six axels (12); seven + (13)</td>
</tr>
</tbody>
</table>
Article: User Fees Tolls

- Authorizes tolls to be pledged to repay bonds issued or other related expenses
- Authorizes DOT director to designate toll bridges
- DOT authority to set and adjust tolls based on cost of replacement and operation
Article: User Fees Tolls

- Limits use of revenues to costs associated with the stated purposes
- Provided for procurement of toll facilities
- Establishes authority for penalty for non-payment of toll
- Establishes $3,000 fine for toll evasion
## Example Routes

<table>
<thead>
<tr>
<th>Enter RI</th>
<th>Exit RI</th>
<th>Distance</th>
<th>Max. Fee*</th>
<th>Cost per Mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-95 (CT)</td>
<td>I-95 (MA)</td>
<td>43 miles</td>
<td>$49.50</td>
<td>$1.15</td>
</tr>
<tr>
<td>I-91 (CT)</td>
<td>I-295 (MA)</td>
<td>51 miles</td>
<td>$49.50</td>
<td>$0.96</td>
</tr>
<tr>
<td>I-195 (MA)</td>
<td>I-95 (CT)</td>
<td>40 miles</td>
<td>$46.50</td>
<td>$1.16</td>
</tr>
<tr>
<td>I-195 (MA)</td>
<td>I-95 (MA)</td>
<td>11 miles</td>
<td>$36.00</td>
<td>$3.27</td>
</tr>
<tr>
<td>I-195 (MA)</td>
<td>Route 6 (CT)</td>
<td>27 miles</td>
<td>$35.50</td>
<td>$1.35</td>
</tr>
<tr>
<td>I-195 (MA)</td>
<td>Route 146 (MA)</td>
<td>22 miles</td>
<td>$49.50</td>
<td>$2.25</td>
</tr>
<tr>
<td>Route 6 (CT)</td>
<td>I-295 (MA)</td>
<td>29 miles</td>
<td>$20.00</td>
<td>$0.69</td>
</tr>
</tbody>
</table>

*expected but not limited in article
Proposed Article

- Authorizes collection of use fees/tolls on large commercial trucks
- **Authorizes bonds to finance the work**
- Reorganizes DOT structure
Debt Authorization

- Authorizes total of $900 million
  - $700 million for project costs
  - Up to $200 million for debt service, reserve, capitalized interest and costs of issuance

- Debt to be issued by RI Turnpike and Bridge Authority
Debt Authorization

- Debt service estimate not identified
  - Affected by timing and structure of issuance
  - Could be $70-$90 million annually depending on rate and term
  - Tolls expected to generate ~$100 million
- Similar resolutions typically include detail or limits
Financing mechanism

- Borrow against future revenues from gas tax and federal transportation funds
  - Dedicated 2 cents of gas tax for GARVEE debt service
- 2003 Assembly authorized $660.7 million for 5 major projects
  - I-195 relocation, Sakonnet River Bridge, Washington Bridge, Freight Rail Improvement, and Route 403
Transportation Debt Service

- General Obligation Bond Debt Service
  - FY 2015 - $46.2 million
  - FY 2016 - $46.0 million
- GARVEE Bond Debt Service
  - ~$50 million per year from federal funds
  - Two cents of DOT’s share of gasoline tax
    - FY 2015 - $8.6 million
    - FY 2016 - $8.5 million
Proposed Article

- Authorizes collection of uses fees/tolls on large commercial trucks
- Authorizes bonds to finance the work
- **Reorganizes DOT structure**
Article: Organization of DOT

- Repeals current department divisions
  - Administration
    - business management office, legal counsel, public information office, audit office, property management office
  - Planning
  - Public works
  - Maintenance
  - Airports
Article: Organization of DOT

- Requires DOT to be organized in accordance with a project management-based program & utilize an asset management system
  - Manages delivery of projects from conception to completion
- Director appoints COO to oversee daily operations
  - Repeals requirement for a deputy director who shall be a highway engineer
Article: Organization of DOT

- Requires divisions of:
  - Finance
  - Planning
  - Project Management
  - Operations and Maintenance
  - Civil Rights
Article: Organization of DOT

- Requires offices of:
  - Safety
  - External Affairs
  - Legal
  - Personnel
  - Information Services

- Other Divisions or subdivisions as Director deems necessary
Other Issues and Information

- Gas Tax
  - Diesel
- Registration fees
- Prior Actions, Reports, Studies
Gasoline Tax

- Gasoline tax is assessed at both the federal and state level
- Levied on a per gallon basis
- Yields have decreased in the past decade
  - Economic downturn
  - High unemployment
  - Lower consumption
Gasoline Tax – FY 2016

- Derived from 34.0 cents per gallon
  - 1 cent increase from FY 2015
  - $143.2 million
- Deposited into Intermodal Surface Transportation Fund
- Distribution to transportation entities contained in statute
## Gasoline Tax – Diesel

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Gas Tax per Gallon</th>
<th>Diesel Collections</th>
<th>Diesel Gallons</th>
<th>Per Penny Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$0.32</td>
<td>$20,564,687</td>
<td>64,264,647</td>
<td>$642,646</td>
</tr>
<tr>
<td>2013</td>
<td>$0.32</td>
<td>$18,600,252</td>
<td>58,125,788</td>
<td>$581,258</td>
</tr>
<tr>
<td>2012</td>
<td>$0.32</td>
<td>$18,308,055</td>
<td>57,212,672</td>
<td>$572,127</td>
</tr>
<tr>
<td>2011</td>
<td>$0.32</td>
<td>$19,572,914</td>
<td>61,165,356</td>
<td>$611,654</td>
</tr>
<tr>
<td>2010*</td>
<td>$0.32</td>
<td>$18,298,527</td>
<td>57,182,897</td>
<td>$571,829</td>
</tr>
<tr>
<td>2009</td>
<td>$0.30</td>
<td>$18,105,297</td>
<td>60,350,990</td>
<td>$603,610</td>
</tr>
</tbody>
</table>

*Tax increased from $0.30/gallon to $0.32/gallon*
## Regional Gasoline Taxes

<table>
<thead>
<tr>
<th>State</th>
<th>Gas Tax (Cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>49.3</td>
</tr>
<tr>
<td><strong>Rhode Island</strong></td>
<td>34.0</td>
</tr>
<tr>
<td>Vermont</td>
<td>32.2</td>
</tr>
<tr>
<td>New England Average</td>
<td>32.0</td>
</tr>
<tr>
<td>Maine</td>
<td>31.5</td>
</tr>
<tr>
<td>National Average</td>
<td>31.1</td>
</tr>
<tr>
<td>Northeast Average</td>
<td>30.9</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>26.5</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>19.6</td>
</tr>
</tbody>
</table>
## Gasoline Tax Proceeds (Cents)

<table>
<thead>
<tr>
<th>Entity</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Transportation</td>
<td>19.25</td>
</tr>
<tr>
<td>Public Transit Authority</td>
<td>9.75</td>
</tr>
<tr>
<td>Turnpike &amp; Bridge Authority</td>
<td>3.5</td>
</tr>
<tr>
<td>Elderly Transportation - DHS</td>
<td>1.0</td>
</tr>
<tr>
<td>Environmental Protection Fee</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34.0</strong></td>
</tr>
</tbody>
</table>
Gasoline Tax Proceeds

- Total of $143.2 million for all of transportation in FY 2016
  - DOT - $82.3 million
  - RIPTA - $41.7 million
  - Turnpike & Bridge - $15.0 million
  - Elderly Transportation - $4.3 million
International Registration Program

Commercial vehicle registration shared between states if truck is:
- Over 26,000 lbs gross vehicle weight;
- 3+ axles, regardless of weight;
- Power unit & trailer with combined weight over 26,000 lbs; or
- Truck in declared fleet that operates in two IRP jurisdictions.
Truck Registration

- Annual Fee from $1,044 to $1,344
  - If a truck is operated in multiple states, owner reports mileage driven in each state
  - Taxes paid proportionately based on the mileage driven
  - Owner pays taxes in one state – “Base”
    - “Base” state apportions fees to other states
- Class 8 and above appear to account for $2.9 million in annual revenue
Panel recommended a “cafeteria” style list of options to address need

- Tolling Interstate 95
- Transferring the ownership of state maintained bridges to the RITBA
- Establishing surcharges for transportation related DMV fees
- Increasing the gasoline tax
- Redirecting current revenue streams
2013 Bridge Commission Considerations

- Fair and equitable
- Implementable
- Diversified
- Dedicated
- Efficient in the cost of collections
- Sustainable
- Indexed to inflation
- "user pays, user benefits"

- Easy to understand & market to the public
- Supportive of preserving the existing transportation system
- Supportive of economic development
- Measurable and transparent
2014 Assembly Changes

- Article 21 2014-H 7133
  - Transfers new revenue sources
  - DMV fees deposited as general revenues
  - Into the Highway Maintenance account for DOT operations
2014 Assembly Changes

- Inspection fee from $39 to $55
- $25 surcharge for good driving dismissal
  - Provided to DOT in FY 2015
- Established schedule to transfer transportation related fees from DMV to DOT
  - Deposited as general revenues
  - Worth $52.8 million
2014 Assembly Changes

- Indexes gasoline tax
  - Consumer Price Index
  - Every other year Rounded to the nearest cent
- Transferred 3.5 cents of gasoline tax to the Turnpike and Bridge Authority
  - Used in lieu of tolls
  - For operations and maintenance of the bridges under the Authority’s purview
2014 Assembly Changes

- Transferred 5.0 percent of funding from Highway Maintenance Account to RIPTA
- Support operations beginning in FY 2016
- Initially projected to be approximately $2.7 million
- Grow with increasing amounts of revenue in fund