



MAJOR STATE TRANSPORTATION LEGISLATION, 2009

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LEGISLATURES

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State lawmakers who wanted to improve transportation infrastructure, safety and efficiency faced extraordinary challenges stemming from widespread budget shortfalls and economic distress this year. In spite of billions of dollars of federal stimulus spending, the National Association of State Budget Officers (NASBO) reported that 41 states faced budget gaps for FY 2009, and 37 already are reporting gaps for FY 2010, which began on July 1 for most states. The NASBO report estimates that, between fiscal years 2009 and 2011, total state budget gaps will reach \$230 billion.

Although many transportation issues—including safety, sustainability, efficiency and reorganization—have been considered this year, they were dominated and sometimes co-opted by funding concerns. The American Recovery and Reinvestment Act (ARRA) offered much-needed help to the states in the form of roughly \$50 billion for transportation projects, but the American Association of State Highway and Transportation Officials (AASHTO) says the national need during the upcoming six years will be \$545 billion. The growth of state transportation needs and rising budget shortfalls drove the major trends in state transportation legislation this year. This report summarizes these major developments; the Appendix details state-by-state legislation.

Legislators nationwide proposed, considered and implemented a wide range of strategies to cope with their states' fiscal situations, but most major enactments focused on raising revenue, securing new financing options and moving to secure federal grants.

REVENUE GENERATION

Nearly all revenue sources for transportation spending fell due to the faltering economy. The National Conference of State Legislatures' (NCSL) report, *State Tax Performance Through April 2009*, says that, "More than half the states reported that, through April, year-to-date revenues from every major tax source were below collections when compared to the same period last year, and many by significant margins." To boost revenue for transportation spending, many legislatures passed tax and fee hikes.

Gas Taxes. Gas tax collections, a central revenue source for transportation spending, were down. NCSL reported that Georgia's motor fuel tax receipts fell a staggering 12.3 percent in the year prior to April 2009. More than a dozen states considered measures that would raise motor fuel taxes, but these hikes remained politically unpopular and were difficult to pass. Only Oregon, Rhode Island and Vermont passed a new increase in motor fuel taxes. Vermont legislators enacted a 2 percent increase in the wholesale price of gasoline, which amounts to about 3 cents per gallon at current prices. Rhode Island increased gas taxes by 2 cents per gallon, and Oregon lawmakers enacted the largest hike, raising the tax by 6 cents per gallon. Other states used various methods to secure motor fuel tax revenues. Kentucky and North Carolina cancelled planned decreases in gas tax rates, and Idaho removed a tax exemption on ethanol sales. Hawaii legislators did not extend an excise tax moratorium on ethanol blended fuels, effectively increasing gas taxes by as much as 14 cents per gallon.

Fees. Fee increases proved to be a more common way for states to raise funds for transportation spending. California, Colorado, Idaho, Florida, Nevada, New York, Oregon, South Dakota and Utah increased fees to raise revenue. The number and type of fees raised varied by state. Some states focused on a single revenue stream. For instance, Nevada made only one increase that raised the tax collected on rental cars. Others, like Colorado and Florida, raised a wide variety of motor vehicle fees, including license and registration costs. In Florida, the cost to register a new vehicle more than doubled from \$100 to \$225.

Other Options. Although gas tax and fee hikes were the main paths legislators used to raise revenue, other options also were considered. In Kansas, new legislation allows transportation development districts to raise the local sales tax by 1 percent to fund projects. New Mexico's infrastructure development zones are authorized under a new law to levy property taxes. Texas legislation to create a local option gas tax failed, and a bill that would have allowed local income tax hikes in regional transportation districts failed in Indiana.

ALTERNATIVE FINANCING OPTIONS

Bonds. The political and ideological obstacles to raising taxes and fees increased the appeal of other financing options as states struggled with revenue gaps. Issuing bonds was a common way for states to secure funding for transportation projects without raising taxes or fees. Bonding measures of some variety passed in nearly 20 states. Notable bond legislation includes Iowa's I-JOBS package, which authorizes issuance of \$830 million in bonds for infrastructure development, job creation and flood recovery, and Illinois' Jump Start Capital Plan, which authorizes more than \$8.3 billion in bonding—up from \$5.3 billion—for the Department of Transportation.

Public-Private Partnerships. Public-private partnerships also gained momentum as the states' ability to produce capital for major investments faltered. These agreements were authorized, defined or expanded in Alabama, Arizona, California, Colorado, Georgia, Maryland, Massachusetts, Missouri and North Carolina. These contracts were not uniformly popular across the country. Public-private partnership legislation did not pass in several states, notably in Florida, where at least four bills relating to such agreements were defeated.

Design-Build. The appeal of design-build contracts was boosted by the same trends that drove the increase in public-private partnership legislation. These agreements give one entity responsibility for both design and construction in order to streamline and simplify a project and reduce costs. Legislation regarding this method of project delivery was enacted in Alabama, California, Florida, New Mexico, Ohio, Vermont and West Virginia.

ARRA AND FEDERAL FUNDING

The American Recovery and Reinvestment Act (ARRA) is another significant source of temporary funding for transportation projects. In April 2009, NCSL conducted a survey on states' implementation of the ARRA highway infrastructure investment provisions, specifically state legislatures' roles in the process. The 26 state survey responses indicated that, due to the well-documented backlog of transportation projects nationwide and the "shovel-ready" requirement for ARRA projects, the trend across the states was to use ARRA funds to support underfunded, delayed or unfunded projects that already had been fully approved through each state's usual process.

The NCSL survey also revealed variations in state legislatures' involvement with identifying, selecting, funding and overseeing ARRA transportation projects. In most cases, this reflected the general variation in state legislatures' roles with transportation programs. For many states, the only reported difference between using ARRA funds versus other formula grants was ARRA's reporting and monitoring requirements. Most state legislatures approved program-level ("lump sum") appropriations and left the identification and selection of specific ARRA projects to transportation agencies or commissions.

Jeffrey Paniati, executive director of the Federal Highway Administration (FHWA), testified on June 25, 2009, at a House Transportation and Infrastructure Committee Hearing that all 50 state departments of transportation were expected to successfully meet the first obligation deadline for ARRA highway infrastructure investment funds. Paniati's testimony was reinforced by a U.S. Department of Transportation press release, also issued on June 25, 2009, which stated that all states and territories had met their June 29 obligation requirements at least 10 days ahead of schedule. At that time, 15 states had obligated 80 percent or more of their funds, and Maine had obligated 100 percent. As of June 22, FHWA had approved more than 4,836 road and bridge projects worth \$15.4 billion; 1,500 of these projects already were under way in 45 states.

High-Speed Rail. One aspect of ARRA that has garnered particular attention is the provision of \$8 billion in funding for high-speed passenger rail projects. President Obama has pledged an additional \$5 billion in future transportation budgets. Some state legislatures moved to position themselves so they could benefit from the new competitive federal spending. Illinois, which has worked to create a midwestern high-speed rail system with Chicago as the hub, authorized \$1 billion in bonds for rail and mass transit. Several states with an interest in expanding rail services passed legislation showing their dedication to high-speed rail, which could make them more viable in the upcoming competitive bid process for ARRA funds. Illinois, Iowa, Mississippi, Oregon and Wisconsin enacted legislation to bolster rail transportation in their states this past session, and legislators in many other states introduced bills related to rail infrastructure.

OTHER LEGISLATION

“Green” Transportation Initiatives. High-speed rail also may be part of a trend in transportation legislation that seeks to reduce the ecological effects of moving people and goods. Colorado passed several laws that attempt to decrease carbon emissions by providing incentives to purchase low-emission vehicles, allowing smaller electric vehicles on roads and discouraging truck idling. Oregon legislation encouraged schools to replace diesel engines in school buses. A new Connecticut law requires the Department of Transportation to identify locations for hydrogen refueling stations in conjunction with a plan to implement zero-emission buses. Environmentally motivated legislation faced tough obstacles this year in the face of economic distress and plummeting revenue streams.

Reorganization. Another noteworthy development in the states involved reorganizations of state transportation-related agencies to increase efficiency. Georgia, Massachusetts and Texas legislators debated bills to change the structure of the agencies that provide transportation services. Both Georgia and Massachusetts enacted sweeping reorganizations. Massachusetts consolidated seven transportation agencies into a new Department of Transportation.

Primary Safety Belt Enforcement. One of the most significant traffic safety legislation stories this session again deals with federal funding questions. Primary seat belt laws, which allow a law enforcement officer to pull over a vehicle for a seat belt violation, were debated in several states, partly because of an imminent deadline for accessing federal funding. In 2005, Congress enacted an incentive program that would provide a one-time federal grant to any state that adopted a primary enforcement law or achieved a seat belt use rate of 85 percent for two years. To receive the funds, which must be spent on highway projects, the law had to be in effect by June 30, 2009. Primary seat belt laws were enacted in Arkansas, Florida, Minnesota and Wisconsin this session. Ohio legislators debated but did not pass a similar provision, giving up \$27 million in federal funds. Legislators who passed these laws generally pointed to the public safety benefits of primary enforcement, but the financial bonus in the face of revenue shortfalls was also partially responsible for the bills passed this year.

Many other safety enactments were debated and passed this year, but sessions were defined by the realities of an economic recession. Representative of struggles across the nation, Michigan's Department of Transportation

cancelled \$740 million in roadwork spending in early June. Because the state could not afford its 20 percent matching share on 137 road and bridge projects, it lost \$576 million in federal funds for the projects. State legislators across the country sought to avoid these shortfalls by raising revenue, identifying alternative funding methods and qualifying for federal funds. The conflict between transportation needs and shrinking revenue streams defined the major trends in state transportation legislation this session.

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APPENDIX. MAJOR STATE TRANSPORTATION LEGISLATION

State	Major Transportation Legislation
Alabama	Governor Bob Riley signed Alabama House Bill 217, which changes the structure and authority of the Alabama Toll Road, Bridge and Tunnel Authority. The enactment allows the authority to enter design-build contracts, leases, licenses, franchises, concessions and other agreements. It also increases the bond issue date from 40 years to 75 years.
Alaska	On June 24, Governor Sarah Palin signed Senate Bill 72. The legislation updates laws requiring the use of child safety seats and seat belts. Among other provisions, it clarifies that infants under age 1, or those who weigh less than 20 pounds must be in an approved, rear-facing, child safety seat.
Arizona	<p>Transportation projects and state agencies dealt with the threat of a state-wide shutdown when Arizona Governor Jan Brewer and the Legislature failed to pass a budget bill before the start of the fiscal year. The governor had asked for a 1 cent increase in the state sales tax and used a line-item veto to remove most of the budget package sent to her soon after the start of the fiscal year on July 1. On July 9, the governor signed a \$10 billion compromise budget.</p> <p>House Bill 2396, signed by the governor on July 13, authorizes the state to enter into public-private partnerships to construct, finance, operate and maintain transportation projects. The law further authorizes the Department of Transportation to issue toll revenue bonds to finance projects.</p>
Arkansas	<p>Arkansas legislators passed several motor vehicle safety bills this session. Of those, Senate Bill 78 allows the state's law enforcement officers to stop drivers who are not using mandated safety belts. This primary seat belt provision will qualify Arkansas for \$9 million in federal grants. Senate bills 308 and 826 create a graduated licensing system for inexperienced drivers.</p> <p>House Bill 1551 creates the Blue Ribbon Committee on Highway Finance to explore possible revenue and financing options for Arkansas. Legislators have asked the group to recommend plans to secure \$300 million per year in new transportation funding.</p>
California	<p>As California legislators scrambled to close the state's massive budget gap, programs across the board faced cuts. Assembly Bill 3, enacted during the state's third extraordinary session, raises the state's sales and use tax by 1 percent to increase state revenue. The law also raises the vehicle license fee from 0.65 percent to 1.15 percent and increases the state's income tax. Revenue from this tax is directed to the state's Local Safety and Protection Account in the Transportation Tax Fund.</p> <p>Senate Bill 4, which passed in the state's second extraordinary session, authorizes the California Transportation Committee to use a design-build process to contract transportation projects. It also allows Caltrans, the state's department of transportation, to enter into public-private partnerships for transportation projects that can charge tolls or user fees.</p>

State	Major Transportation Legislation
Colorado	<p>This session, the Colorado legislature passed a comprehensive transportation funding bill aimed at raising \$214 million next year and \$265 million the year after. Senate Bill 108, referred to as FASTER (Funding Advancement for Surface Transportation and Economic Recovery), will raise vehicle registration rates for most cars by \$32 in 2010 and by \$41 in 2011. SUVs, pickups and other vehicles will see larger fee increases. FASTER also includes provisions that would allow tolls on existing roads if approved by the affected jurisdictions, some public-private partnerships, and a study to examine replacing the state gas tax with a vehicle miles traveled (VMT) fee.</p> <p>Governor Bill Ritter also signed several bills that seek to mitigate the environmental impacts of transportation in Colorado. House Bill 1298 provides economic incentives to reduce fuel use and emissions by long-haul trucks, House Bill 1331 creates an income tax credit for purchasing hybrids and alternative fuel vehicles, and Senate Bill 75 authorizes the use of energy-efficient “neighborhood electric vehicles.”</p>
Connecticut	<p>Connecticut legislators passed House Bill 6649 this session, which makes various amendments to state law regarding transportation. The legislation, among other provisions, requires the Department of Transportation to identify locations for hydrogen refueling stations in conjunction with a plan to implement zero-emission buses and study the possible effects of establishing electronic tolls. The governor vetoed the bill, but the veto was overruled by both houses. The houses met in concurrence on July 20.</p> <p>Starting in October 2010, Senate Bill 735 requires at least 1 percent of the total funds expended by the Department of Transportation and any city on a street or highway project must be spent to provide sidewalks and bikeways. The law also establishes the 11-member Connecticut Bicycle and Pedestrian Advisory Board.</p>
Delaware	<p>The Delaware General Assembly authorized issuance of nearly \$118 million in Transportation Trust Fund Bonds by enacting Senate Bill 99. The bonds authorized in this legislation will fund capital improvement projects that were included in the FY 2009 and FY 2010 Bond and Capital Improvement acts. The bill also includes \$1.1 million to help cover the FY 2009 budget shortfall.</p>
Florida	<p>The budget bill passed by Florida legislators seeks to increase revenue by raising various motor vehicle fees. Yearly registration fees, which vary by vehicle weight, will increase by roughly 35 percent. Initial registrations will increase by \$125 to \$225, and fees for new and replacement driver’s licenses will roughly double.</p> <p>Florida also enacted House Bill 1021, an omnibus transportation bill, which addresses many areas of the Department of Transportation. Among other objectives, the law sets a goal of procuring up to 25 percent of construction projects through design-build contracts, allows toll rates to be indexed to the Consumer Price Index, and removes some cost increase limits on Department of Transportation projects when they are funded by another governmental agency.</p> <p>Senate Bill 344, which tightens the state’s safety belt laws, also passed the Florida Legislature. The law removes an exemption to mandatory safety belt use for passengers in pickups and makes the state eligible for \$36 million in federal funding by authorizing primary enforcement of safety belt violations.</p>
Georgia	<p>In Georgia, Senate Bill 200 dissolves the State Road and Tollway Authority and the Georgia Regional Transportation Authority and creates the State Transportation Agency and the State Transportation Authority. The law allows the authority to collect tolls and issue revenue bonds that can be secured by revenue generated through tolls. A streetcar initiative also is authorized through a public-private partnership.</p> <p>The Georgia legislature also raised fees for reinstatement or restoration of suspended or revoked driver’s licenses and for extremely high speed tickets in House Bill 160.</p>

APPENDIX. MAJOR STATE TRANSPORTATION LEGISLATION (CONTINUED)

State	Major Transportation Legislation
Hawaii	<p>Lawmakers in Hawaii considered, but did not pass, a bill that would have authorized public-private partnerships for moving people or goods via one or more modes of transport. The legislation, House Bill 139, specified the various agreements the Department of Transportation could have entered and described the terms to be included in the contract.</p> <p>Legislators choose not to renew a moratorium on the state's general excise tax on ethanol-blended motor fuels. The 2006 law expired with the new fiscal year on July 1, a change the state Tax Department estimates will raise \$40 million in revenue. The <i>Associated Press</i> reported that gas prices rose by as much as 14 cents per gallon after the tax change.</p> <p>Hawaii legislators also considered a comprehensive, \$4 billion, six-year highway modernization plan. Advanced by the governor and the leaders of both houses, the legislation would have implemented 183 safety, system preservation and congestion mitigation projects. Funding was to be provided through future increases in the gas taxes and various fees. The bills also included a pilot program to assess a vehicle miles traveled (VMT) user fee. Legislators will return to Senate Bill 985, Senate Bill 1611 and House Bill 1167—all of which carry over to the next session—in 2010.</p>
Idaho	<p>Governor Butch Otter vetoed 35 budget bills proposed by his party's legislators in an effort to force them to increase gas taxes. Gas taxes remained untouched, but a compromise to raise \$57 million annually was enacted. House Bill 334 raises the fees on Division of Motor Vehicle services, House Bill 338 removes the 2.5 cents per gallon tax exemption on ethanol, and House Bill 376 grants more funding to highways by removing spending on the Idaho State Police and redirecting gas tax revenue away from the Department of Parks and Recreation.</p> <p>The Legislature secured additional funding by passing Senate Bill 1186, which authorizes \$82 million in new GARVEE bonds for Idaho.</p>
Illinois	<p>The Illinois General Assembly enacted a large increase in capital funding for transportation this session. House Bill 289, the Jump Start Capital Plan, authorizes more than \$8.3 billion in bonds—up from \$5.3 billion—for the Department of Transportation. The legislation particularly focuses on rail and mass transit, targeting \$1 billion of the increased funding for projects of this kind.</p> <p>The increased funding exhibits Illinois's interest in high-speed rail and could be beneficial when the state applies for American Recovery and Reinvestment Act funds to develop high-speed passenger rail in the Midwest corridor, with Chicago at the hub.</p>
Indiana	<p>Legislators in Indiana began a special session on June 11 to pass a state budget bill. Without the bill, portions of state government—including transportation projects—would have essentially shut down on July 1. The special session budget was signed June 30, hours before the new fiscal year began.</p> <p>Another bill related to transportation, House Bill 1607, died in conference committee at the end of the regular session. The legislation would have created a Regional Transportation District in northern Indiana. The board of the district would have been authorized to raise a 0.25 percent regional public transportation improvement tax on the income of residents of counties in the district and to issue bonds to fund projects in the district.</p>
Iowa	<p>Senate File 151 dissolves Iowa's Railway Finance Authority and authorizes appropriations to the railroad revolving loan and grant fund from the general fund.</p> <p>Governor Chet Culver also signed a series of bills, known collectively as I-JOBS, which authorize issuance of \$830 million in bonds for infrastructure development, job creation and flood recovery in the state. The bills—which include Senate Files 376, 477 and 474—collectively allocate \$50 million for bridge safety, \$10 million for airports and rail projects, and \$55 million to improve local roads, especially those damaged by recent flooding.</p>

APPENDIX. MAJOR STATE TRANSPORTATION LEGISLATION (CONTINUED)

State	Major Transportation Legislation
Kansas	<p>Kansas established a new intermodal transportation revolving fund in House Bill 2131. The goal of the fund is to provide assistance to state intermodal transportation projects. The fund can be increased by issuing bonds through the Kansas Development Finance Authority.</p> <p>The Legislature acted on safety issues and passed House Bill 2143, which enacts certain restrictions for inexperienced drivers through graduated licensing provisions.</p> <p>Senate Bill 78 prohibits transportation development districts from issuing bonds to fund projects. The districts are authorized to collect a sales tax of up to 1 percent.</p>
Kentucky	<p>Kentucky’s state gas tax was set to decrease by 4 cents per gallon on April 1, 2009, until the legislature passed House Bill 374, which froze the tax at 22.5 cents per gallon.</p>
Louisiana	<p>On June 18, the speaker of the Louisiana House signed House Bill 499, which requires all passengers in motor vehicles to wear a safety belt at all times. Prior law did not require passengers in the back seat to wear a safety belt. The legislation was signed by the governor on June 26.</p>
Maine	<p>Maine addressed transportation coordination in House Bill 669. The law seeks to promote public transportation efficiency, cooperation and strategic planning among various state agencies.</p> <p>Legislators also took steps toward energy efficiency through House Bill 582, which directs the Department of Transportation to explore ways to decrease energy use and promote efficiency in Maine.</p>
Maryland	<p>Although House Bill 102 does not directly address transportation issues, the legislation is significant to capital investments by the state of Maryland. The law authorizes the state to issue \$1.1 billion in bonds to secure financing for various capital projects. It prohibits public-private projects unless the contracting agency can justify to the budget committees the advantage of a public-private plan over traditional state construction and financing.</p> <p>Legislators also addressed bonding issues in House Bill 1425. The law stipulates that \$2.6 billion in consolidated transportation bonds, authorized in a previous session, are to be sold through a public, competitive sale unless extraordinary circumstances warrant the use of another method. The secretary of Transportation is responsible for determining if an alternative method would be more advantageous to the state.</p>
Massachusetts	<p>In Massachusetts, lawmakers passed Senate Bill 2087, a major overhaul of state transportation organizations. The law seeks to modernize state transportation by creating the Massachusetts Department of Transportation, which will assume control of all the state’s transportation agencies. The department would oversee public transit, highway, aeronautics and motor vehicle divisions; comprehensive state project planning; budgeting and spending; and have the authority to enter into public-private partnerships. The law also dissolves the Massachusetts Turnpike Authority and restricts some benefits for transit employees.</p>
Michigan	<p>Michigan legislators are considering a three-bill package that would alter how the state funds transportation projects. The bills—House Bills 4965, 4966 and 4967—would authorize a tax increment finance authority for transit, create a transit regionalization grant program and spend \$50 million for new transit programs. The bills, which represent a major overhaul of transportation policy in the state, have yet to be brought to a full vote of the house.</p>
Minnesota	<p>Minnesota became eligible for \$15 million in federal grants when it enacted House Bill 108. The law allows law enforcement officers to stop drivers and treat safety belt violations as a primary offense.</p>
Mississippi	<p>Mississippi enacted House Bill 1713, which creates a new focus on passenger rail in the state. The law authorizes up to \$16 million in state general obligation bonds to fund construction, promotion and maintenance of the state’s passenger rail infrastructure.</p> <p>The Legislature also sought to improve road and highway safety with Senate Bill 2280. This graduated licensing law increases the length of time an applicant must hold a temporary driving permit, requires minors applying for a license or permit to be enrolled in school, changes the times of day an inexperienced license or permit holder can drive unsupervised, and prohibits these drivers from sending text messages while driving.</p>

APPENDIX. MAJOR STATE TRANSPORTATION LEGISLATION (CONTINUED)

State	Major Transportation Legislation
Missouri	Missouri House Bill 683, signed by the governor on July 1, amends several areas of state law regarding transportation. Notably, the law allows the state to enter into expanded public-private partnerships (PPPs). Currently, only one bridge project crossing the Mississippi River has been authorized, but this law would expand public-private partnership authorization to any Highways and Transportation Commission project. Among other provisions, the law will raise the fee for transportation of radioactive waste within or through the state.
Montana	The Montana Legislature expanded funding options for public transit in Senate Bill 9. The law authorizes the use of municipal revenue bonds to pay for public transportation projects.
Nebraska	Legislative Bill 110 alters several components of the state's license plate laws. One provision raises the fees for personalized message plates by \$10 and directs the proceeds to the highway trust fund. The new law also redirects some other revenues from specialty plates to the highway trust fund. Legislators also made a structural change to state transportation agencies. Under Legislative Bill 219, the powers and duties of the state's highway safety program are transferred from the Department of Motor Vehicles to the Department of Roads.
Nevada	Legislators overturned Governor Jim Gibbons's veto of Senate Bill 234, which raises taxes on rental cars. Currently, rental agencies collect a 10 percent tax but send only 6 percent to the state. The state now will take the full 10 percent, which will raise costs on rental cars by slightly more than \$1 per day. The Legislature also passed Senate Bill 245, relating to regional transportation commissions. The law alters the definition and make-up of the commissions and authorizes various activities by the jurisdictions, which already are authorized to collect local motor fuel taxes.
New Hampshire	New Hampshire lawmakers introduced several revenue-raising measures, but none passed out of the legislature. Two bills addressed the state gasoline tax. House Bill 125 sought to increase the state motor fuel tax to 19 cents per gallon beginning in July 2010. After that time the law would have allowed the Commissioner of Safety to adjust the tax annually to account for inflation. House Bill 644 would have raised the gasoline tax to 23 cents per gallon on July 1, 2009. After that time, the tax would have increased an by additional 10 cents per gallon by May 2011. Another new tax proposal, House Bill 628, also failed to pass. That bill would have created a new sales and use tax for personal property valued at \$10,000 or more. Ten percent of the revenue collected under the new tax would be transferred to a fund with the goal of establishing, improving and expanding mass transit service.
New Jersey	In April, New Jersey's Department of Transportation announced the Transportation Capital Program for FY 2010. The \$3.6 billion plan provides \$2.2 billion for bridge improvement, paving, road safety and projects to decrease congestion. An additional \$1.4 billion was authorized for NJ TRANSIT to modernize the transit system, invest in safety and security, and fund system expansion. The program will be predominantly funded by \$1.73 billion in federal funds and \$1.6 billion from the state's Transportation Trust Fund.
New Mexico	New Mexico legislators passed two measures that will affect how the state funds transportation and other infrastructure improvements. House Bill 552, the Infrastructure Development Zone Act, authorizes creation of local infrastructure development zones. The boards of these development zones work to implement an approved service plan and can issue bonds, enter into debt obligations, levy property taxes, and charge other fees and tolls. The state also enacted House Bill 345, which allows the state to use design-build project delivery for transportation projects funded in part or completely by the American Recovery and Reinvestment Act.
New York	The New York Assembly opened several new revenue streams with Assembly Bill 8180. The law imposes an additional fee of \$1 for every six months a person holds a license or learner's permit, imposes a supplemental \$25 fee annually on all vehicles registered in the metropolitan commuter transportation district, raises a 0.34 percent additional payroll mobility tax in the district, imposes a 50 cent surcharge on taxi trips within the district, and creates an additional 5 percent sales tax on automobile rentals in the district.

APPENDIX. MAJOR STATE TRANSPORTATION LEGISLATION (CONTINUED)

State	Major Transportation Legislation
North Carolina	<p>North Carolina legislators moved to secure a source of funding when they passed House Bill 200. The law sets a lower limit on the gasoline tax at 12.4 cents per gallon or 7 percent of the average wholesale price of gasoline during a base period, whichever is greater.</p> <p>Lawmakers also passed Senate Bill 648, which authorizes the Department of Transportation to enter into public-private agreements with developers. These agreements can be used for engineering, design or construction of any improvements to state highways.</p>
North Dakota	<p>Unlike many states this session, North Dakota’s legislature increased transportation spending. Senate Bill 2012 appropriates \$138 million from the state general fund in addition to \$176 million from one-time federal stimulus funding. Some funds are specifically appropriated for infrastructure and property that was damaged by bad weather and flooding. The law also slightly raises vehicle registration fees. The cost to register a passenger vehicles will increase by \$3.</p> <p>House Bill 1340 defines the role of the state’s metropolitan planning organizations and requires the organization’s master plan to encourage economic growth, minimize negative externalities and create an integrated intermodal transportation system.</p>
Ohio	<p>House Bill 2 significantly alters transportation in Ohio. The law creates a process for the Department of Transportation to build and operate toll projects that are approved by the director of Transportation and the Ohio Transportation Finance Commission, which the act creates. Revenue from toll projects must be deposited into the newly created Ohio Toll Fund. The act further allows the director of Transportation to enter into design-build contracts for highway and bridge projects.</p> <p>The bill was introduced with a primary enforcement provision for safety belt violations that would have entitled Ohio to nearly \$27 million in federal funding, but the proposal was removed from the enacted version of the bill.</p>
Oklahoma	<p>The Oklahoma state budget bill spared the Department of Transportation from major spending cuts. The budget for fiscal year 2010 actually increases expenditure authorizations by 0.6 percent, to just under \$209 million.</p> <p>Lawmakers in Oklahoma also passed Senate Bill 832. The law creates the Oklahoma Roads Task Force, which will evaluate the effects of inflation on road and bridge construction and maintenance. The law also allows boards of county commissioners to enter into cooperative agreements with the Oklahoma Turnpike Authority. These agreements are authorized to replace or repair bridges that cross a turnpike when the bridges are found to be structurally deficient or obsolete.</p> <p>Senate Bill 503, the Household Goods Act of 2009, removed some regulations affecting industry and required the Oklahoma Corporate Commission to rewrite rules compatible with the new law. The act seeks to regulate intrastate transportation by motor carriers by creating standards for public safety, ensuring competitive prices, establishing adequate and dependable service, and protecting shippers from deceptive or unfair practices.</p>
Oregon	<p>Lawmakers in Oregon passed House Bill 2001, the Jobs and Transportation Act of 2009. The act authorized the investment of more than \$1 billion in state transportation projects. It allocates \$800 million in bonding to address bottlenecks, improve facilities and address specific safety issues. The law also will increase the state motor fuels tax from 24 cents per gallon to 30 cents per gallon and raise some motor vehicle-related fees.</p> <p>Oregon Governor Ted Kulongoski signed House Bill 3379 on June 25. It provides a plan should local jurisdictions are unable to meet the funding requirements of the Land Conservation and Development Commission’s transportation planning rule. The legislation includes a provision to evaluate the Oregon Streetcar Project Fund and to search for additional funding so streetcars can be provided to public transit systems in the state.</p> <p>Legislators also passed Senate Bill 610, which includes costs to replace or retrofit school buses to reduce or eliminate diesel engine emissions in approved transportation costs for school districts.</p> <p>House Bill 2408, signed by the governor on June 18, directs the Oregon Department of Transportation to create a report on capacity, availability and efficiency of rail transportation in the state.</p>

APPENDIX. MAJOR STATE TRANSPORTATION LEGISLATION (CONTINUED)

State	Major Transportation Legislation
Pennsylvania	<p>Pennsylvania legislators are considering a bill that would, among other provisions, authorize some public-private partnerships in the state. Senate Bill 693 would allow public entities to enter transportation development agreements with private entities. In cases where the state entity was relinquishing control of a facility or when the facility receives state funding, the Transportation Commission must review and approve the agreement. The bill also stipulates provisions of the agreements, limiting them to 50 years and requiring compliance with the Pennsylvania Prevailing Wage Act. The bill, if enacted, also would create the Pennsylvania Transportation Development Trust Fund. This fund would collect revenues from transportation development agreements and would be used only to operate and develop state transportation facilities.</p>
Rhode Island	<p>In Rhode Island, the governor's proposed budget included a plan that would have allowed law enforcement officers to treat safety belt violations as a primary offense. The provision, which was not enacted, would have made the state eligible for \$3.7 million in federal grants.</p> <p>Legislators also considered several bills that would have affected the state's 30 cents per gallon gasoline tax. Some Democratic leaders wanted to raise the tax by 2 cents per gallon to raise \$9 million annually. House Bill 5625, introduced by a Republican legislator, would have decreased the tax to 10 cents per gallon when the price of gas was greater than \$3 per gallon. On June 30, Governor Donald Carcieri signed a \$7.8 billion budget package that included a provision to increase the state motor fuels tax by 2 cents per gallon.</p>
South Carolina	<p>South Carolina legislators altered the members and responsibilities of the South Carolina State Ports Authority. Senate Bill 351 clarifies the role of the 11-member board and charges it with setting policies that will achieve the authority's mission.</p> <p>The South Carolina legislature also enacted Senate Bill 13, which requires all motor vehicle fees and penalties to be placed in the Transportation Infrastructure Bank's State Highway Account.</p>
South Dakota	<p>Motor vehicle fees were raised in South Dakota under Senate Bill 32. The legislation increases fees across the Department of Motor Vehicles, including \$12 more for new or renewed driver's licenses, \$10 more for commercial driver's licenses, and a \$100 fee for applicants who want to acquire a license after revocation or suspension of their license for certain offenses. Five dollars of each license fee will now be directed to the Division of Highway Patrol; the remainder will be credited to the state motor vehicle fund. The law also creates a new \$1 fee on vehicles registered in the state, which will fund the Division of Highway Patrol.</p> <p>House Bill 1037 makes other small fee increases. Surcharges for decals issued for license plates are raised by 50 cents, and the cost of license plates are raised by \$2. These revenues are deposited into the general fund of the issuing county.</p>
Tennessee	<p>Legislators in Tennessee passed House Bill 1311, which prohibits the transfer of money from the Department of Transportation to the state general fund. This law removes the right of the Department of Finance and Administration to access Department of Transportation funds and creates a new, separate highway fund.</p> <p>House Bill 1 alters the pilot tolling programs in the state, allowing up to two projects to collect tolls on two stretches of highway, two major bridges, or one of each.</p> <p>On June 25, Governor Phil Bredesen signed Senate Bill 2120, the Tennessee Transportation State Infrastructure Bank Act. It establishes the Transportation State Infrastructure Bank to help finance construction and improvement projects for the state's transportation infrastructure. The law authorizes the bank's board to issue bonds to finance such projects.</p>

APPENDIX. MAJOR STATE TRANSPORTATION LEGISLATION (CONTINUED)

State	Major Transportation Legislation
Texas	<p>Texas legislators failed to reach an agreement on several bills regarding the state’s Department of Transportation during the regular session. The death of House Bill 300 meant that, under a sunset provision, the department would have lost authorization in 2010, and a shutdown process would have begun later this year. Debate over a local option gas tax partially doomed the bill.</p> <p>The Legislature also failed to pass House Bill 1959, which would have extended the sunset date for the Department of Transportation and several other agencies for two years.</p> <p>The lack of action before adjournment forced Governor Rick Perry to call a special session. During the 30-hour session, legislators passed two of three bills. House Bill 1 authorizes \$2 billion in voter-approved bonds and allows the state to repay the bonds with general revenue instead of gas tax collections. Senate Bill 2 also passed, extending the authorization of five state agencies—including the Department of Transportation—for two more years. The third measure, Senate Bill 3, failed to pass out of committee. The legislation would have allowed the state to continue entering public-private partnerships to build toll roads. Legislators explained that failing to pass the bill would not affect projects already in progress.</p>
Utah	<p>House Bill 185 in the Utah Legislature authorizes issuance of nearly \$40 million in general obligation bonds to pay for highway projects in the state. Project goals include major right-of-way acquisitions, capacity expansion and congestion mitigation.</p> <p>Senate Bill 239 also will affect transportation funding in the state. This legislation increases registration fees for most vehicles by \$20. The law also was changed to stipulate that \$20 of each registration fee be deposited in the Transportation Investment Fund. The law further authorizes issuance of \$2.2 billion in general obligation bonds to fund certain projects.</p>
Vermont	<p>Vermont legislators passed House Bill 438 to provide new revenue for state transportation projects. For FY 2010, the law authorizes issuing up to \$10 million in transportation infrastructure bonds. Over time, the law authorizes the state treasurer to issue up to \$100 million of the bonds.</p> <p>The law alters the fuel tax in Vermont. It adds a 2 percent tax on the sale of gasoline, imposed at a per-gallon rate. The rate is based on the average quarterly price per gallon charged to distributors and will begin at 3.3 cents per gallon. The diesel tax rate is set to rise 3 cents per gallon in October 2009.</p> <p>The legislation also allows the Department of Transportation to deliver projects using design-build contracts.</p>
Virginia	<p>The Virginia General Assembly made a minor change to fuel taxes in the state with the passage of Senate Bill 1532. In Northern Virginia, the law is altered so that the fuel tax will be collected by distributors when they sell fuel to retailers. The tax rate in the region is increased slightly to 2.1 percent.</p> <p>Virginia legislators secured another source of transportation revenue with House Bill 2186. The legislation extends until 2014 the sunset date for the Coal and Gas Road Improvement Fund. The fund, financed by a 1 percent local option severance tax on coal and gas, can be used to finance local transportation projects.</p>
Washington	<p>Washington legislators modified and expanded the Agency Council on Coordinated Transportation in House Bill 2072. The legislation requires the agency to create a working group to address special needs transportation in the state. The agency also creates local coordinating coalitions to enhance local efforts to increase efficiency and coordination in special needs transportation endeavors.</p> <p>The Legislature also approved House Bill 2211, which authorizes tolling on State Route 520. It imposes a bridge toll on the route to finance safety projects, replacement of a floating bridge and other projects in the highway’s corridor.</p> <p>Lawmakers also passed Senate Bill 5768, which provides a plan to replace the Alaskan Way Viaduct in Seattle with a deep-bore tunnel. The bill includes provisions that limit state spending to \$2.4 billion and require the city of Seattle to pay for any cost overruns.</p>

APPENDIX. MAJOR STATE TRANSPORTATION LEGISLATION (CONTINUED)

State	Major Transportation Legislation
West Virginia	Design-build construction and financing options were expanded in West Virginia by enactment of House Bill 2753. The Legislature authorized continuance of the three pilot projects, and further authorizes up to 10 design-build projects. Over three years, \$150 million is authorized to fund these projects.
Wisconsin	<p>In Wisconsin, the state budget bill, Assembly Bill 75, makes several changes to the state's transportation legislation. It increases by \$300 million the revenue bond limit and also authorizes increases in the general obligation bond limit. The law places special emphasis on passenger rail and authorizes \$60 million in bonds for acquisition and improvement of rail property and \$40 million for passenger rail route development.</p> <p>The bill also addresses safety belt use and allows law enforcement officers to stop a vehicle solely to determine if safety belts are being used. Wisconsin joined many other states seeking federal funding by enacting this primary enforcement provision.</p>
Wyoming	<p>A bill addressing texting and driving passed the Senate but failed in the House. A bill to ban hand-held cell phones while driving was approved by a Senate committee, but did not reach the Senate floor.</p> <p>The contentious issue of pursuing tolling of Interstate 80 was assigned to an interim committee by House Bill 179 to continue study of Interstate 80 funding issues and the potential benefits and detriments of the tolling options that were presented during the previous interim.</p> <p>The Joint Transportation, Highways and Military Affairs Interim Committee will also study the organization and funding of Wyoming's public transportation systems and public transit authorities to determine if a statewide organizational plan is advisable.</p>

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