



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
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Memorandum

To: The Honorable Raymond E. Gallison, Jr.
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: June 2, 2015

Subject: Amendments to the FY 2016 Appropriations Act (15-H-5900)

The Governor requests that the new article entitled "Relating to Department of Transportation – Establishing the Rhode Island Bridge Replacement, Reconstruction and Maintenance Fund" submitted on May 27 be replaced with the attached amended version. This version adds some language to the Rhode Island Turnpike and Bridge Authority statute authorizing the Authority to enter into contracts with the state or any department of the state to operate and/or manage toll facilities. The definition of "Large Commercial Truck" is also changed to reflect Class 8 to Class 13 vehicles, as opposed to starting with Class 6 vehicles. Also, new language is added to authorize the Department of Transportation to establish a program that would limit the assessment of the tolls on the same individual large commercial vehicle to once per location, per day in each direction.

The drafting of the article has also been revised to meet proper legislative drafting rules.

If you have any questions regarding this revised article, please feel free to call me at 222-6300.

TAM:15-Amend-26-rev
Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Peter Alviti Jr., Director of Transportation
Peter Garino, Deputy Director of Transportation
Jonathan Womer, Director, Office of Management and Budget
Ryan Gardiner, Budget Analyst II



NEW ARTICLE (Revised 6/2/15)

RELATING TO DEPARTMENT OF TRANSPORTATION –
ESTABLISHING THE RHODE ISLAND BRIDGE REPLACEMENT, RECONSTRUCTION
AND MAINTENANCE FUND

SECTION 1. Section 24-12-9 of the General Laws in Chapter 24-12 entitled “Rhode Island Turnpike and Bridge Authority” is hereby amended to read as follows:

24-12-9 Powers of authority. – (a) The authority is hereby authorized and empowered:

- (1) To adopt bylaws for the regulation of its affairs and the conduct of its business;
- (2) To adopt an official seal and alter it at pleasure;
- (3) To maintain an office at such place or places within the state as it may designate;
- (4) To sue and be sued in its own name, plead and be impleaded; provided, however, that any and all actions at law or in equity against the authority shall be brought only in the county in which the principal office of the authority shall be located;
- (5) To determine, subject to the approval of the director of transportation, the location and the design standards of the Newport Bridge, the turnpike and any additional new facility to be constructed;
- (6) To issue bonds of the authority for any of its purposes and to refund its bonds, all as provided in this chapter; and to issue bonds based on the pledge of monies received in accordance with the authority provided under §42-13-8.6 of the Rhode Island General Laws.
- (7) To combine for financing purposes the Newport Bridge, the Mount Hope Bridge, the Sakonnet River Bridge, the Jamestown Verrazzano Bridge, the turnpike and any additional facility or facilities, or any two (2) or more of such projects;
- (8) To borrow money in anticipation of the issuance of bonds for any of its purposes and to issue notes, certificates, or other evidences of borrowing in form as may be authorized by resolution of the authority, the notes, certificates, or other evidence of borrowing to be payable in the first instance from

the proceeds of any bonds issued under the provisions of this chapter and to contain on their face a statement to the effect that neither the state, the authority nor any municipality or other political subdivision of the state shall be obligated to pay the same or the interest thereon except from the proceeds of bonds in anticipation of the issuance of which the notes, certificates, or other evidences of borrowing shall have been issued, or from revenues;

(9) To fix and revise from time to time, subject to the provisions of this chapter, and to charge and collect tolls for transit over the turnpike and the several parts or sections thereof, and for the use of the Newport Bridge, the Mount Hope Bridge, the Sakonnet River Bridge, the Jamestown Verrazzano Bridge and any additional facility acquired, financed or leased under the provisions of this chapter;

(10) To acquire, hold and dispose of real and personal property in the exercise of its powers and the performance of its duties;

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

(12) To designate the locations, with the approval of the director of transportation, and establish, limit and control the points of ingress to and egress from the turnpike and any additional facility as may be necessary or desirable in the judgment of the authority to insure the proper operation and maintenance thereof, and to prohibit entrance to and exit from any point or points not so designated;

(13) To employ, in its discretion, consulting engineers, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation;

(14) To apply for, receive and accept from any federal agency aid and/or grants for or in aid of the repair, maintenance and/or construction of the turnpike, the Newport Bridge, the Sakonnet River Bridge, the Mount Hope Bridge, the Jamestown Verrazzano Bridge or any additional facility, and to receive and accept from the state, from any municipality, or other political subdivision thereof and from any other source aid or contributions of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which the grants and contributions may be made;

(15) To construct grade separations at intersections of the turnpike, the approaches and highway connections of the Newport Bridge, the Sakonnet River Bridge, the Mount Hope Bridge, the Jamestown Verrazzano Bridge and any additional facility with public highways, streets, or other public ways or places, and to change and adjust the lines and grades thereof so as to accommodate the same to the design of the grade separation; the cost of the grade separations and any damage incurred in changing and adjusting the lines and grades of the highways, streets, ways, and places shall be ascertained and paid by the authority as a part of the cost of the project;

(16) To vacate or change the location of any portion of any public highway, street, or other public way or place, sewer, pipe, main, conduit, cable, wire, tower, pole, and other equipment and appliance of the state or of any municipality or other political subdivision of the state and to reconstruct the same at such new location as the authority shall deem most favorable for the project and of substantially the same type and in as good condition as the original highway, street, way, place, sewer, pipe, main, conduit, cable, wire, tower, pole, equipment, or appliance, and the cost of the reconstruction and any damage incurred in vacating or changing the location thereof shall be ascertained and paid by the authority as a part of the cost of the project; any public highway, street or other public way or place vacated or relocated by the authority shall be vacated or relocated in the manner provided by law for the

vacation or relocation of public roads, and any damages awarded on account thereof shall be paid by the authority as a part of the cost of the project;

(17) The authority shall also have the power to make reasonable regulations, subject to the approval of the public utility administrator, for the installation, construction, maintenance, repair, renewal, relocation and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles, and other equipment and appliances (herein called "public utility facilities") of any public utility as defined in § 39-1-2, in, on, along, over or under any project. Whenever the authority shall determine that it is necessary that any public facilities which now are, or hereafter may be, located in, on, along, over, or under any project should be relocated in the project, or should be removed from the project, the public utility owning or operating the facilities shall relocate or remove the facilities in accordance with the order of the authority; provided, however, that the cost and expenses of the relocation or removal, including the cost of installing the facilities in a new location, or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights acquired to accomplish the relocation or removal, less the cost of any lands or any rights or interests in lands of any other rights of the public utility paid to the public utility in connection with the relocation or removal of the property, shall be ascertained and paid by the authority as a part of the cost of the project. In case of any relocation or removal of facilities the public utility owning or operating the facilities, its successors or assigns, may maintain and operate the facilities, with the necessary appurtenances, in the new location or new locations, for as long a period, and upon the same terms and conditions, as it had the right to maintain and operate the facilities in their former location or locations;

(18) To make reasonable regulations and to grant easements for the installation, construction, maintenance, repair, renewal, relocation, and removal of pipelines, other equipment, and appliances of any corporation or person owning or operating pipelines in, on, along, over, or under the turnpike, whenever the authority shall determine that it is necessary that any facilities which now are, or hereafter may be located in, on, along, over or under the turnpike should be relocated in the turnpike, or should be

removed from the turnpike, the corporation or person owning or operating the facilities shall relocate or remove the facilities in accordance with the order of the authority; provided, however, that the cost and expense of the relocation or removal, including the cost of installing the facilities in a new location, or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights acquired to accomplish the relocation or removal, less the cost of any lands or any rights or interests in lands or any other rights of any corporation or person paid to any corporation or person in connection with the relocation or removal of the property, shall be ascertained and paid by the authority as a part of the cost of the project. In case of any relocation or removal of facilities the corporation or person owning or operating the facilities, its successors or assigns, may maintain and operate the facilities, with the necessary appurtenances, in the new location or new locations, for as long a period, and upon the same terms and conditions, as it had the right to maintain and operate the facilities in their former location or locations;

(19) To enter upon any lands, waters, and premises for the purpose of making such surveys, soundings, borings, and examinations as the authority may deem necessary or convenient for its purposes, and the entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings; provided, however, the authority shall pay any actual damage resulting to the lands, water, and premises as a result of the entry and activities as a part of the cost of the project;

(20) To enter into contracts or agreements with any board, commission, public instrumentality of another state or the federal government or with any political subdivision of another state relating to the connection or connections to be established between the turnpike or any additional facility with any public highway or turnpike now in existence or hereafter to be constructed in another state, and with respect to the construction, maintenance and operation of interstate turnpikes or expressways;

(21) To enter into contracts with the department of transportation with respect to the construction, reconstruction, renovation, acquisition, maintenance, repair, operation or management of any project and with the Rhode Island state police with respect to the policing of any project;

(22) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter; and

(23) To do all other acts and things necessary or convenient to carry out the powers expressly granted in this chapter.

(24) To grant and/or contract through the transfer of funds of the authority to the department of transportation for the construction, reconstruction, acquisition, maintenance, repair, operation or management by the department of transportation of any project or projects authorized by this chapter, and the department of transportation is authorized to accept any such grant or transfer of funds.

(b) Provided, the authority in carrying out the foregoing provisions of this section shall hold public hearings prior to the finalization of any specifications or the awarding of any contracts for any project.

(c) The authority is authorized to enter into contracts with the state or any department of the State to operate and/or manage toll facilities on State roads or bridges not owned, leased by or under the control of the authority, and to collect tolls from such facilities on behalf of the department of transportation, provided such tolls shall be set by the state acting through the department of transportation pursuant to RIGL Section 42-13-8.1 et seq. and to pledge such tolls and/or any loan or other payments from the department of transportation pursuant to any bond or note indenture to secure such bonds and notes issued pursuant to RIGL Section 42-13-8.1 et seq.

(d) Any pledge by the authority of tolls or other revenues, including payments due to the authority under any loan agreement with the department of transportation, shall be valid and

binding at the time such pledge is made. Such tolls and other revenues so pledged and then or thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind against the authority, regardless of whether such parties have notice of the lien. Notwithstanding any other provision to the contrary, the resolution of the authority or any other instrument by which a pledge is created need not be recorded or filed to perfect such pledge.

SECTION 2. Title 42 of the General Laws of Rhode Island entitled "State Affairs and Government" is hereby amended by adding thereto the following Chapter:

Chapter 42-13.1

THE RHODE ISLAND BRIDGE REPLACEMENT, RECONSTRUCTION AND MAINTENANCE

FUND

42-13.1-1. Short Title. -- This chapter shall be known and may be cited as "The Rhode Island Bridge Replacement, Reconstruction and Maintenance Fund Act of 2015".

42-13.1-2. Legislative Findings. -- The General Assembly finds that:

(1) The State of Rhode Island, through the Rhode Island Department of Transportation ("the Department"), funds the reconstruction, replacement, and maintenance of all bridges in Rhode Island, except the Newport Bridge, the Mount Hope Bridge, the Jamestown-Verrazzano Bridge, and the Sakonnet River Bridge.

(2) According to the Federal Highway Administration (FHWA) 2015 National Bridge Inventory (NBI) data, there are 764 bridges in Rhode Island greater than 20 feet. Of these NBI bridges, 177 bridges, or 23%, are classified as structurally deficient.

(3) According to the US General Accounting Office, just one fully-loaded five-axle tractor trailer has the same impact on the interstate as 9,600 automobiles.

(4) For the past several decades, Rhode Island has depended on three primary sources for funding all transportation infrastructure construction, maintenance, and operations: Federal funds, State bond funds, and motor fuel tax revenue. Of these sources, two (Federal funds and motor fuel tax revenue) are mutable.

(5) The 2008 Governor's Blue Ribbon Panel on Transportation Funding, the 2011 Senate Special Commission on Sustainable Transportation Funding, and the 2013 Special Legislative Commission to Study the Funding for East Bay Bridges determined that there is insufficient revenue available from all existing sources to fund the maintenance and improvement of Rhode Island transportation infrastructure.

(6) In 2011, the Rhode Island General Assembly adopted a component of the recommended systemic change to transportation funding by creating the Rhode Island Highway Maintenance Account, to be funded by an increase in license and registration fees and contributions from the Rhode Island Capital Plan Fund, beginning in FY2014.

(7) In 2014, the Rhode Island General Assembly adopted changes to the Rhode Island Highway Maintenance Account to provide additional state revenue for transportation infrastructure in future years.

(8) Although the State is shifting from long-term borrowing to reliance upon annual revenues to fund transportation infrastructure on a pay-as-you go basis, and although a recurring state source of capital funds has been established, there is still a funding gap between the revenue needed to maintain all bridges in structurally sound and good condition and the annual amounts generated by current dedicated revenue sources.

42-13.1-3. Definitions. -- As used in this chapter, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning:

(1) "Availability payment" means a payment by the department under a contract for a toll facility or any other facility, which is based on the availability of the facility at a specified performance level and may include, without limitation, compensation for operations, maintenance and financing of the facility.

(2) "Bonds or notes" means the bonds, notes, securities or other obligations or evidences of indebtedness issued by the Rhode Island Turnpike and Bridge Authority pursuant to Chapter 24-12 of the Rhode Island General Laws, all of which shall be issued under the name of and known as obligations of the Turnpike and Bridge Authority.

(3) "Turnpike and Bridge Authority" means the Rhode Island Turnpike and Bridge Authority, a public instrumentality of the State of Rhode Island, created by the general assembly pursuant to Rhode Island General Laws sections 24-12-2 et seq.

(4) "Department" means the department of transportation, or, if the department shall be abolished, the board, body, or commission succeeding to the principal functions thereof or upon whom the powers given by chapter 5 of title 37 to the department shall be given by law.

(5) "Large commercial truck" shall be defined pursuant to the Federal Highway Administration (FHWA) vehicle classification schedule as any vehicle within ~~Class 8 - Single Trailer, Three or Four Axles~~ up to and including Class 13 - Seven or More Axle Multi-Trailer Trucks, as such classifications may be revised from time to time by the FHWA.

(6) "Other vehicle" shall be defined pursuant to the Federal Highway Administration (FHWA) vehicle classification schedule as any vehicle within Class 1 - Motorcycles and Class 2 - Passenger Cars up to and including ~~Class 7 - Single Unit 4 or More Axle Trucks~~, as such classifications may be revised from time to time by the FHWA.

(7) "Toll evader" means, for the purposes of this section, any registered owner of any large commercial vehicle that passes through any electronic tolling location as authorized pursuant to Rhode

Island General Laws section 42-13-8.4 and who does not pay the required toll and/or fees, fines, or penalties within the maximum allowable period specified under Rhode Island General Laws 42-13-8.12.

(8) "Toll facility" means equipment or capital improvements funded in whole or in part by toll revenue, or required to effectuate toll collection.

42-13.1-4. Authority to collect tolls on large commercial trucks only. -- (a) The department is hereby authorized to fix, revise, charge, and collect tolls for the privilege of traveling on Rhode Island bridges to provide for replacement, reconstruction, maintenance and operation of Rhode Island bridges. These tolls shall be collected on large commercial trucks only and shall not be collected on any other vehicle. Such tolls may be implemented utilizing all-electric toll collection methodologies on a cash-less basis, or utilizing any other methodologies determined by the department.

(b) The department will establish a program to limit the assessment of the tolls upon the same individual large commercial vehicle to once per toll facility, per day in each direction or an equivalent frequency use program based upon individual large commercial vehicle use.

42-13.1-5. Collection of tolls on passenger cars and light trucks expressly prohibited. -- Notwithstanding any other provisions of this statute, the department is expressly prohibited from collecting tolls hereunder on other vehicles, herein defined to include motorcycles, passenger cars, and all vehicles classed one (1) through seven (7) pursuant to the Federal Highway Administration (FHWA) vehicle classification schedule.

42-13.1-6. Authority to pledge monies received. --The Turnpike and Bridge Authority shall have the power to pledge all or any portion of the monies received from the department as authorized by this chapter to the payment of bonds or notes of the Turnpike and Bridge Authority issued or incurred pursuant to the provisions of this chapter, including the joint resolution adopted herewith, and/or to the payment of any amounts due under contracts for toll facilities, including availability payments, leases or any other financing mechanism undertaken to further the objectives of this chapter. Without limiting the

generality of the foregoing, the department and the authority are authorized to enter into loan agreements, whereby the authority lends the net proceeds of bonds and notes to the department. Any pledges made pursuant to this section shall be valid and binding from the time such pledge is made.

42-13.1-7. Rhode Island bridge replacement, reconstruction and maintenance fund established. -- (a) There is hereby created a special account in the intermodal surface transportation fund, as established in section 31-36-20, to be known as the Rhode Island bridge replacement, reconstruction and maintenance fund.

(b) The fund shall consist of all those moneys received by the department under this chapter, including (i) the moneys received through the collection of tolls on bridges in Rhode Island (ii) any fees, fines or penalties collected pursuant to this chapter, (iii) proceeds of any bonds or notes of the Turnpike and Bridge Authority to the extent required by any trust agreement for such bonds, and (iv) investment earnings on amounts credited to the fund.

(c) Unexpended balances and any earnings thereon shall not revert to the general fund but shall remain in the Rhode Island bridge replacement, reconstruction and maintenance fund. There shall be no requirement that moneys received into the fund during any given calendar year or fiscal year be expended during the same calendar year or fiscal year.

42-13.1-8. Designation of toll bridges. -- The director of the department may designate any Rhode Island bridge on the National Highway System as a toll bridge in order to facilitate the financing of replacement, reconstruction, and maintenance of Rhode Island's system of bridges.

42-13.1-9. Amount of tolls. -- The department's authority to fix and adjust the amount of tolls shall be determined by the costs of (i) replacement, reconstruction, maintenance, and operation of Rhode Island's system of bridges and/or any portion or portions thereof, including costs associated with the operation and maintenance of the toll facilities and administrative costs in connection therewith, and (ii) debt service and financing costs in connection with bonds or notes that have been issued under this act,

and/or amounts due under contracts for toll facilities, including availability payments, leases or any other financing mechanism undertaken to further the objectives of this chapter.

42-13.1-10. Limitations on use of revenue. – All revenue collected pursuant to this act and deposited to the Rhode Island bridge replacement, reconstruction and maintenance fund (“fund”) shall be used to pay (i) the costs associated with the operation and maintenance of the toll facility, and the replacement, reconstruction, maintenance and operation of Rhode Island bridges on the National Highway System or any other use permitted under 23 USC 129, and (ii) subject to annual appropriation by the General Assembly, the debt service and financing costs of any bonds or notes that have been issued under this act, and/or amounts due under contracts for toll facilities, including availability payments, leases or any other financing mechanism undertaken to further the objectives of this chapter. Tolls shall not be subject to supervision or regulation by any commission, board, bureau, agency or official of the state or any municipality or other political subdivision of state except the department.

42-13.1-11. Procurement of toll facilities. – Without limiting any right of the department to award contracts under any other law, the department shall have the right to procure toll facilities through contracts aggregating the services of design, engineering, construction, finance, operations, maintenance or any combination of the foregoing. Notwithstanding any requirement of law to the contrary, the department may award such contracts on the basis of competitive negotiation in accordance with Rhode Island General Laws Section 37-2-19. Such contracts may include availability payments or any other compensation structure determined appropriate by the department to further the objectives of this chapter.

42-13.1-12. Penalty for nonpayment of toll. – (a) The department shall have the authority to establish and collect fees, fines, or penalties from registered owners of large commercial trucks who use or attempt to use any toll facility established under Rhode Island General Laws Section 42-13-4, without paying the toll at the rate then in force for such use.

(b) Any fee, fine, or penalty shall be in addition to the toll or tolls initially incurred and shall be no less than an amount sufficient to cover the cost of administration and collection of said fines, fees, and penalties.

(c) The registered owner of the large commercial truck subject to toll shall be primarily responsible in all prosecutions brought pursuant to the provisions of this chapter.

(d) Prior to the collection of any toll on large commercial trucks, the department shall establish a maximum allowable period for the payment of tolls and any subsequent fees, fines, and penalties assessed.

42-13.1-13. Additional penalties – toll evasion. -- Any toll evader who fails or refuses to pay or prepay the required toll and such fees, fines, and penalties as assessed under Rhode Island General Laws Section 42-13-8.12 and within the maximum allowable period specified therein shall be required to pay a fine not to exceed three thousand dollars (\$3,000) and shall pay the toll amount due and any administrative costs, or shall have his or her registration suspended until payment is made in full for the violation. A toll evader under this subsection shall receive a traffic violation summons which shall be subject to the jurisdiction of the Traffic Tribunal. All amounts due under this subsection shall be remitted to the department.

42-13.1-14. Conformance to statute, rules, and regulations. -- All programs and funding proposals shall conform to applicable federal law, rules and regulations, to the extent that federal funding is utilized. The department shall promulgate state rules and regulations to carry out the purposes of this chapter. In promulgating these rules and regulations, the department shall establish policies and procedures that promote procedural transparency.

SECTION 2. Section 37-5-5 of the General Laws of Rhode Island entitled “Highway engineer as deputy director.” is hereby repealed.

~~37-5-5 Highway engineer as deputy director. The director of transportation shall appoint a deputy director who shall be a highway engineer.~~

SECTION 3. Section 42-13-2 of the General Laws in Chapter 42-13 entitled "Department of Transportation" is hereby amended to read as follows:

~~42-13-2. Organization and functions of the department --- (a) The department shall be organized into such divisions as are described in this section and such other divisions, subdivisions, and agencies as the director shall find are necessary to carry out the responsibilities of the department, including:~~

~~(1) Division of administration. This division shall be headed by an assistant director for administration. The division shall provide assistance to the director in managing and controlling the work of the department shall collect bridge tolls and administer any financial support made available to support railroad passenger or freight service. The division of administration shall include:~~

~~(i) A business management office which shall provide central personnel, financial programming, payroll, and other management services to all divisions and agencies of the department.~~

~~(ii) A legal counsel who shall prepare or review any legislation pertaining to the department, assist in preparing contracts, handle claims against the department, and provide other legal services as required.~~

~~(iii) A public information office which shall inform the public of the programs and projects of the department, answer inquiries by the public, prepare and release progress reports and other publications, and provide photographic services.~~

~~(iv) An audit office which shall continuously audit all of the activities of the department and insure compliance with state and federal laws and administrative regulations.~~

~~(v) A property management office which shall acquire all real property for the department, make appraisals of property, manage real property under the department's jurisdiction, and operate a family and~~

~~business relocation program. The property management office shall manage those state piers and related facilities which are used for part or waterways transportation purposes.~~

~~(2) Planning division. This division shall be headed by a chief of transportation planning. The division shall assist the division of planning in the department of administration to prepare transportation elements of the long range state guide plan. The division will prepare functional and area plans, project plans, improvement programs, and implementation programs which are consistent with the long range state guide plan. The division will undertake corridor, route location feasibility, facility needs, and other studies as required to support the work of the department. The division shall collect and analyze statistical and other data on all types of transportation needs and facilities.~~

~~(3) Public works division. This division shall be headed by a chief engineer. The division shall be responsible for the design and engineering of roads, bridges, transits facilities, airport facilities, port and waterways facilities, and all other transportation facilities. The division shall prepare contracts and specifications for all construction projects undertaken by the department. The division shall supervise the execution of all construction projects. The division shall perform traffic engineering functions, make surveys and soil studies, test materials and perform other functions necessary to support the department's design and construction activities.~~

~~(4) Maintenance division. This division shall be headed by a maintenance engineer. The division shall maintain all roads, bridges, airports, piers, port terminal facilities, and other transportation facilities and landscaped areas which are under the jurisdiction of the department of transportation. The division shall install and maintain traffic control signs and signals.~~

~~(5) Airports division. This division shall be headed by an assistant director for airports. The division shall operate all state owned airports, heliports, and other facilities for air transportation, including passenger and cargo terminals, parking facilities and other supporting facilities, emergency services, and security services. The division shall regulate aeronautical matters and shall supervise the~~

~~location, maintenance, operation, and use of privately owned civil airports, landing areas, navigation facilities, air schools, and flying clubs.~~

~~(b) The director may assign such other responsibilities to the divisions and agencies as he or she shall find appropriate and may reassign functions to divisions and agencies other than as set out in this section if he or she shall find this reassignment necessary to the proper and efficient functioning of the department or of the state's transportation system.~~

(a) The department shall be organized in accordance with a project management-based program and shall utilize an asset management system.

(1) A project management-based program manages the delivery of the department's portfolio of transportation improvement projects from project conception to project completion.

Project management activities include:

(i) managing and reporting on the delivery status of portfolio projects;

(ii) developing overall workload and budget for the portfolio;

(iii) developing and implementing the tools to estimate the resources necessary to deliver the projects; and

(iv) developing and implementing processes and tools to improve the management of the projects.

(2) Asset management is the process used for managing transportation infrastructure by improving decision making for resource allocation. Asset management activities include a systematic process based on economic, engineering and business principles which includes the following functions:

(i) completing a comprehensive inventory of system assets;

(ii) monitoring system performance; and

(iii) performing analysis utilizing accurate data for managing various assets within the transportation network.

(b) The director of transportation shall appoint a chief operating officer to oversee the day-to-day operations of the department.

(c) The department shall be organized into such divisions as are described in this section and such other divisions, subdivisions, and agencies as the director shall find are necessary to carry out the responsibilities of the department, including: Division of Finance; Division of Planning; Division of Project Management; Division of Operations and Maintenance; Division of Civil Rights; Office of Safety; Office of External Affairs; Office of Legal; Office of Personnel; Office of Information Services.

(d) The director may assign such other responsibilities as he or she shall find appropriate and may reassign functions other than as set out in this section if he or she finds the reassignment necessary to the proper and efficient functioning of the department or of the state's transportation system.

(e) The department shall submit a report annually no later than March 31 to the speaker of the house, the president of the senate, and the house and senate fiscal advisors concerning the status of the 10 (ten) year transportation plan.

SECTION 4. This section consists of a joint resolution submitted pursuant to Rhode Island General Laws § 35-18-1, et seq.

WHEREAS, the Rhode Island Department of Transportation ("the Department") has completed a detailed review of available funding sources for transportation reconstruction, maintenance, and repair and has determined that the funding available to carry out an annual transportation infrastructure program (the "program") is insufficient; and

WHEREAS, The limitation in funding has occurred due the lack of a long-term transportation authorization at the federal level, absence of a state-funded capital investment program in transportation

infrastructure, and a reduction in federal funding through the elimination of federal earmarks and expiration of additional special federal funds; and

WHEREAS, §42-13-8.4 of the Rhode Island General Laws allows the Department to collect a toll on large commercial trucks only; and

WHEREAS, the Department has explored various options to finance the costs of a robust infrastructure program and concluded that revenue bonds supported by revenue that will be collected from large commercial truck tolls for the privilege of traveling on Rhode Island bridges represents the best financing mechanism for the State of Rhode Island, inasmuch as the proposed bonds will provide assurance of necessary funding for the program; and

WHEREAS, The Rhode Island Turnpike and Bridge Authority ("Authority") is a public instrumentality of the State of Rhode Island (the "state"), created by the General Assembly pursuant to Rhode Island General Laws sections 24-12-2 et seq. (as enacted, reenacted and amended, the "act"); and

WHEREAS, The act authorizes the Authority to borrow money and issue bonds, notes, securities or other obligations or evidences of indebtedness ("bonds or notes") for any of its corporate purposes; and

WHEREAS, This General Assembly finds that the reconstruction, maintenance, and repair of the transportation infrastructure of the state is critical for economic development and the general welfare of both business and residents; and

WHEREAS, The General Assembly has studied the issue of sustainable transportation funding and has determined that no single approach, instrument, or method is able to provide sufficient revenue to maintain the state transportation system in a state of good repair; and

WHEREAS, Pursuant to §§ 35-18-3 and 35-18-4 of Rhode Island General Laws, the Department has requested the approval of the General Assembly for (a) the issuance of revenue bonds or notes through and in conjunction with the Authority, and (b) any execution of availability payment contracts, to allow the Department to move forward with the replacement, reconstruction, and maintenance of Rhode

Island's system of bridges, including funding, capitalized interest, costs of issuing the bonds or notes, and related costs, and the establishment of reserves for the project and the bonds or notes, including a debt service reserve fund; now, therefore, be it

RESOLVED, The General Assembly hereby approves the Authority's issuance of the bonds or notes. The bonds or notes will be special obligations of the Authority payable exclusively from loan repayments under one or more loan agreements with the Department, such loan repayments to be subject to annual appropriation by the General Assembly and derived from toll revenue or such other revenue source as the General Assembly shall designate from time to time. The proceeds of such bonds or notes shall be used for the construction, engineering, design, maintenance, operation or reconstruction of Rhode Island's system of bridges, as well as finance costs, including, but not limited to, costs of issuance, credit enhancement, legal counsel and underwriter fees and expenses and other costs associated with the issuance of the bonds or notes, The Authority's maximum liability will be limited to loan repayments received under one or more loan agreements; and be it further

RESOLVED, That the General Assembly hereby approves any other contracts or agreements entered into to further the objectives of §42-13-8, including but not limited to availability payment contracts; and be it further

RESOLVED, That the total amount of debt approved to be issued and outstanding in the aggregate shall be not more than nine hundred million dollars (\$900,000,000), including seven hundred million dollars (\$700,000,000) for the bridge replacement, reconstruction and maintenance fund and no more than two hundred million dollars (\$200,000,000) for a debt service reserve fund, capitalized interest and associated costs of financing, as required. Neither the obligations issued by the Authority nor the loan agreements to be entered into by the Department shall constitute indebtedness of the State or a debt for which the full faith and credit of the State is pledged or a moral obligation thereof; and be it further

RESOLVED, That the General Assembly hereby provides approval for the Department to enter into one or more loan agreements described above. Payments under any such loan agreement shall be

subject to annual appropriation by the General Assembly and derived exclusively from toll revenue collected by the Department, interest earnings thereon, and other revenue sources designated by the General Assembly from time to time; and be it further

RESOLVED, That this joint resolution shall take effect immediately upon its passage by this General Assembly.

SECTION 5. This article shall take effect upon passage.