

A photograph of classical building columns, likely from a government or institutional building, showing the capitals and fluted shafts.

# TRANSPORTATION GOVERNANCE AND FINANCE

A 50-State Review of State Legislatures  
and Departments of Transportation

November 2016

## ACKNOWLEDGMENTS

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In addition, this report represents substantial work by more than 200 legislative staff members and DOT personnel in all 50 states and the District of Columbia (see Table 1 on page 10 for a full list of organizations that participated in the project's survey research). Without the invaluable survey responses, follow-up information, and review comments from these experts in the states, the report could not exist. Thanks, too, to the Transportation Research Board's state representatives, many of whom assisted with the survey research in their respective states, and to the hundreds of state legislators, legislative staff, DOT officials, and others who contributed to and gave meaningful feedback about the 2011 edition of this report.

Special thanks to author and principal investigator Jaime Rall of J.R. Rall Consulting LLC, Roseland, Indiana.

### Disclaimer

This publication relies heavily on reported data, both from the original 2011 edition and the current research. Although considerable efforts were made to verify the accuracy and completeness of the information contained in this report, errors or omissions may exist.

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## NOTES ON USAGE

“Legislatures” and “DOTs” are used throughout as general terms for these institutions across the states. In the tables and state profiles, the capitalized, proper name is used for the legislature or department of transportation in a particular state.

All statutory citations are formatted according to the National Conference of State Legislatures’ *2010 Style Guide*, except those for Arkansas, Georgia, and Illinois, which are cited as requested by survey respondents.

“Fiscal year” (abbreviated FY) refers to the fiscal year of the specific state being described. State fiscal years begin on July 1 except in Alabama (Oct. 1), Michigan (Oct. 1), New York (April 1), Texas (Sept. 1), and the District of Columbia (Oct. 1). The fiscal year is identified by the year in which it ends.

Abbreviations have mostly been avoided. Exceptions include DMV (division [or department] of motor vehicles), DOT (department of transportation), FY (fiscal year), GARVEE (grant anticipation revenue vehicle), HOT lane (high-occupancy toll lane), MPO (metropolitan planning organization), STIP (statewide [or state] transportation improvement program), TIP (transportation improvement program), and the preferred acronym for each state’s department of transportation.

All data is assumed to be current as of July 2016 unless otherwise noted.

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# 1 | INTRODUCTION

In the United States, state governments bear much of the responsibility for the transportation systems within their borders. States own and maintain transportation assets, plan and build new infrastructure, manage billions of Federal and state dollars each year, and collaborate with and support local governments. In recent years, states have faced greater challenges in meeting these obligations than ever before. Confronted with aging infrastructure, constrained resources, changing demographics, and growing demand, states have developed a remarkable array of approaches to providing transportation options that get people and goods to their destinations safely and effectively.

This report is intended to serve as a comprehensive, up-to-date reference tool for state governments, as well as for other interested stakeholders, about how all 50 states and the District of Columbia govern and pay for their transportation systems. It addresses the institutional context for state-level transportation decision making, and explores how state legislatures and executive departments of transportation (DOTs)—the most active players in state-level transportation governance and finance—work together, and balance one another, in the development of transportation programs and policies. It also provides extensive information about state transportation funding and finance, including how state transportation budgets and plans are developed, what revenue sources and finance mechanisms are currently in use, and the roles states play in local transportation funding. By providing a nationwide comparative analysis, the report illustrates the rich diversity of states' efforts to serve the public good, despite challenging circumstances and within complex intergovernmental arrangements.

## Project Overview

This report is an updated and revised edition of the groundbreaking [2011 report of the same name](#), which was published by AASHTO and the National Conference of State Legislatures. Since 2011, the legislative and political environment for transportation governance and finance has evolved nationally and in the states. New Federal laws have been enacted, and many states have made changes to how their transportation systems are managed and paid for. This edition integrates these developments, and also expands on the original effort by adding a number of topics of recent interest in the states, including DOTs' relationships with other state entities and the authorization of local transportation revenues in state law. Further, substantial efforts have been made to clarify and enhance the information provided—for example, by identifying the specific transportation modes for which each revenue source or finance mechanism is used and by adding extensive statutory citations throughout the state profiles.

## Methodology

To produce this edition, the material from the 2011 report was first thoroughly updated to reflect current law or practice and edited for clarity and comparability across states. The edited information was integrated into state-specific surveys, one on state DOTs and legislatures and one on transportation funding and finance, and e-mailed to DOT personnel and legislative staff in all 50 states and the District of Columbia to be confirmed or corrected. Each survey also included open-ended questions on new topics of interest and a confidential section on recommendations and lessons learned. Responses were received for both surveys from all 51 jurisdictions, for a total of 132 completed surveys (see Table 1 for a full list of participating organizations). The survey information was then reviewed, compiled, analyzed, and re-edited into the draft state profiles, which were sent back to the survey respondents for their review. This multi-stage process offered several opportunities for state experts to improve the accuracy and presentation of their states' information in the final report.

**Table 1. Responding Organizations for the 2016 Survey Research**

State	Responding Organizations
<b>Alabama</b>	Legislative Reference Service, Alabama Legislature Alabama Department of Transportation
<b>Alaska</b>	Division of Legislative Finance, Alaska Legislature Legislative Research Services, Alaska Legislature Alaska Department of Transportation and Public Facilities
<b>Arizona</b>	Joint Legislative Budget Committee, Arizona Legislature House Research Staff, Arizona Legislature
<b>Arkansas</b>	Bureau of Legislative Research, Arkansas General Assembly Arkansas State Highway and Transportation Department Arkansas Governor's Office [supplemental details only]
<b>California</b>	Legislative Analyst's Office, California Legislature
<b>Colorado</b>	Colorado Legislative Council, Colorado General Assembly Colorado Department of Transportation
<b>Connecticut</b>	Office of Fiscal Analysis, Connecticut General Assembly Office of Legislative Research, Connecticut General Assembly Connecticut Department of Transportation
<b>Delaware</b>	Office of the Controller General, Delaware General Assembly
<b>Florida</b>	Florida Department of Transportation
<b>Georgia</b>	House Budget and Research Office, Georgia General Assembly Georgia Department of Transportation
<b>Hawaii</b>	Legislative Reference Bureau, Hawaii Legislature House Committee on Finance, Hawaii Legislature Hawaii Department of Transportation
<b>Idaho</b>	Legislative Services Office, Idaho Legislature Idaho Transportation Department
<b>Illinois</b>	Legislative Research Unit, Illinois General Assembly Illinois Department of Transportation
<b>Indiana</b>	Legislative Services Agency, Indiana General Assembly Indiana Department of Transportation
<b>Iowa</b>	Legislative Services Agency, Iowa General Assembly
<b>Kansas</b>	Kansas Legislative Research Department, Kansas Legislature Kansas Department of Transportation
<b>Kentucky</b>	Legislative Research Commission, Kentucky General Assembly Kentucky Transportation Cabinet
<b>Louisiana</b>	Senate Legislative Services, Louisiana Legislature Louisiana Department of Transportation and Development
<b>Maine</b>	Office of Fiscal and Program Review, Maine Legislature Office of Policy and Legal Analysis, Maine Legislature Maine Department of Transportation
<b>Maryland</b>	Department of Legislative Services, Maryland General Assembly Maryland Department of Transportation
<b>Massachusetts</b>	Massachusetts Department of Transportation
<b>Michigan</b>	House Fiscal Agency, Michigan Legislature Michigan Department of Transportation
<b>Minnesota</b>	House Fiscal Analysis Department, Minnesota Legislature Minnesota Department of Transportation
<b>Mississippi</b>	Legislative Budget Office, Mississippi Legislature Mississippi Department of Transportation

State	Responding Organizations
<b>Missouri</b>	Senate Committee on Appropriations, Missouri General Assembly Missouri Department of Transportation
<b>Montana</b>	Legislative Fiscal Division, Montana Legislature Montana Department of Transportation
<b>Nebraska</b>	Legislative Council, Nebraska Legislature Nebraska Department of Roads
<b>Nevada</b>	Legislative Counsel Bureau, Nevada Legislature Nevada Department of Transportation
<b>New Hampshire</b>	New Hampshire Department of Transportation
<b>New Jersey</b>	Office of Legislative Services, New Jersey Legislature New Jersey Department of Transportation
<b>New Mexico</b>	Legislative Finance Committee, New Mexico Legislature Legislative Council Service, New Mexico Legislature New Mexico Department of Transportation
<b>New York</b>	Senate Finance Committee, New York Legislature New York State Department of Transportation
<b>North Carolina</b>	North Carolina Department of Transportation
<b>North Dakota</b>	Legislative Council, North Dakota Legislative Assembly North Dakota Department of Transportation
<b>Ohio</b>	Ohio Department of Transportation
<b>Oklahoma</b>	House Fiscal Division, Oklahoma Legislature House Research Division, Oklahoma Legislature Oklahoma Department of Transportation Oklahoma Aeronautics Commission [supplemental details only]
<b>Oregon</b>	Legislative Revenue Office, Oregon Legislative Assembly Committee Services Office, Oregon Legislative Assembly Oregon Department of Transportation
<b>Pennsylvania</b>	Pennsylvania Department of Transportation
<b>Rhode Island</b>	House Fiscal Advisory Staff, Rhode Island General Assembly Rhode Island Department of Transportation
<b>South Carolina</b>	Senate Finance Committee, South Carolina General Assembly South Carolina Department of Transportation
<b>South Dakota</b>	Legislative Research Council, South Dakota Legislature South Dakota Department of Transportation South Dakota Department of Revenue and Regulation
<b>Tennessee</b>	Office of Legislative Budget Analysis, Tennessee General Assembly Tennessee Department of Transportation
<b>Texas</b>	Texas Department of Transportation
<b>Utah</b>	Office of the Legislative Fiscal Analyst, Utah Legislature Office of Legislative Research and General Counsel, Utah Legislature Utah Department of Transportation
<b>Vermont</b>	Joint Fiscal Office, Vermont General Assembly Office of Legislative Council, Vermont General Assembly Vermont Agency of Transportation
<b>Virginia</b>	Senate Finance Committee, Virginia General Assembly House Appropriations Committee, Virginia General Assembly Virginia Department of Transportation

State	Responding Organizations
<b>Washington</b>	Senate Transportation Committee, Washington Legislature Washington State Department of Transportation Office of the Code Reviser, Washington Legislature [supplemental details only]
<b>West Virginia</b>	Legislative Services Division, West Virginia Legislature West Virginia Department of Transportation
<b>Wisconsin</b>	Wisconsin Department of Transportation
<b>Wyoming</b>	Legislative Service Office, Wyoming Legislature Wyoming Department of Transportation
<b>District of Columbia</b>	Office of the Budget Director, Council of the District of Columbia District Department of Transportation

## Report Organization

Together, Chapters 2 through 5 form a nationwide synthesis that summarizes the research findings. These chapters contain brief explanatory material concerning key topics, as well as tables that illustrate the diverse approaches across the states. They are followed by state-by-state profiles that provide in-depth information, including statutory citations, for each of the 50 states and the District of Columbia.

## 2 | PARTICIPANTS IN STATE TRANSPORTATION GOVERNANCE AND FINANCE

How each state governs and pays for its transportation system is influenced by the distinctive balance of roles and responsibilities between its legislature and its department of transportation—the institutions that are the focus of this report—as well as the involvement of other Federal, state, local, tribal, and private stakeholders.

### State Legislatures

Every state has a legislative body that is made up of elected representatives that represent legislative districts. Typically, these bodies are responsible for lawmaking, establishing and overseeing state programs, and appropriating funds. The legislative role also includes the often forgotten but vital function of convening stakeholders to develop ideas and aid the decision-making process. Legislatures vary by structure, size, session length and frequency, the volume of proposed legislative measures they consider each session, and even what they are called (Table 2), as well as many other factors. In terms of structure, all state legislatures are bicameral and partisan except for Nebraska's, which is a unicameral, nonpartisan legislature that calls all of its members senators. The Council of the District of Columbia is a unicameral, partisan body.

**Table 2. Names and Characteristics of State Legislatures**

State Legislature	Characteristics			
	Chambers (with Number of Members )		Annual or Biennial Session	Legislative Measures Introduced in 2016
<b>Alabama Legislature</b>	Senate (35)	House of Representatives (105)	Annual	1,005
<b>Alaska Legislature</b>	Senate (20)	House of Representatives (40)	Annual	268 (see state profile)
<b>Arizona Legislature</b>	Senate (30)	House of Representatives (60)	Annual	1,247
<b>Arkansas General Assembly</b>	Senate (35)	House of Representatives (100)	Annual (regular session in odd years, fiscal session in even years)	278 (see state profile)
<b>California Legislature</b>	Senate (40)	Assembly (80)	Annual	2,600*
<b>Colorado General Assembly</b>	Senate (35)	House of Representatives (65)	Annual	800*
<b>Connecticut General Assembly</b>	Senate (36)	House of Representatives (151)	Annual	1,115
<b>Delaware General Assembly</b>	Senate (21)	House of Representatives (41)	Annual	500*
<b>Florida Legislature</b>	Senate (40)	House of Representatives (120)	Annual	1,800*
<b>Georgia General Assembly</b>	Senate (56)	House of Representatives (180)	Annual	4,800*
<b>Hawaii Legislature</b>	Senate (25)	House of Representatives (51)	Annual	3,200*
<b>Idaho Legislature</b>	Senate (35)	House of Representatives (70)	Annual	557
<b>Illinois General Assembly</b>	Senate (59)	House of Representatives (118)	Annual (year-round)	5,100*
<b>Indiana General Assembly</b>	Senate (50)	House of Representatives (100)	Annual	1,800*
<b>Iowa General Assembly</b>	Senate (50)	House of Representatives (100)	Annual	1,500*
<b>Kansas Legislature</b>	Senate (40)	House of Representatives (125)	Annual	514
<b>Kentucky General Assembly</b>	Senate (38)	House of Representatives (100)	Annual	1,550*
<b>Louisiana Legislature</b>	Senate (39)	House of Representatives (105)	Annual	2,882*
<b>Maine Legislature</b>	Senate (35)	House of Representatives (151)	Annual	400*
<b>Maryland General Assembly</b>	Senate (47)	House of Delegates (141)	Annual	2,800*



State Legislature	Characteristics			
	Chambers (with Number of Members )		Annual or Biennial Session	Legislative Measures Introduced in 2016
<b>Massachusetts General Court</b>	Senate (40)	House of Representatives (160)	Annual (year-round)	1,069 (see state profile)
<b>Michigan Legislature</b>	Senate (38)	House of Representatives (110)	Annual (year-round)	1,650*
<b>Minnesota Legislature</b>	Senate (67)	House of Representatives (134)	Annual	2,800*
<b>Mississippi Legislature</b>	Senate (52)	House of Representatives (122)	Annual	3,600*
<b>Missouri General Assembly</b>	Senate (34)	House of Representatives (163)	Annual	2,000*
<b>Montana Legislature</b>	Senate (50)	House of Representatives (100)	Biennial (odd years only)	None
<b>Nebraska Legislature</b>	Legislature** (49, all called senators)		Annual	446
<b>Nevada Legislature</b>	Senate (21)	Assembly (42)	Biennial (odd years only)	None
<b>New Hampshire General Court</b>	Senate (24)	House of Representatives (400)	Annual	850*
<b>New Jersey Legislature</b>	Senate (40)	Assembly (80)	Annual (year-round)	6,600*
<b>New Mexico Legislature</b>	Senate (42)	House of Representatives (70)	Annual	932
<b>New York Legislature</b>	Senate (63)	Assembly (150)	Annual (year-round)	3,783
<b>North Carolina General Assembly</b>	Senate (50)	House of Representatives (120)	Annual	1,100*
<b>North Dakota Legislative Assembly</b>	Senate (47)	House of Representatives (94)	Biennial (odd years only)	None
<b>Ohio General Assembly</b>	Senate (33)	House of Representatives (99)	Annual (year-round)	725*
<b>Oklahoma Legislature</b>	Senate (48)	House of Representatives (101)	Annual	2,400*
<b>Oregon Legislative Assembly</b>	Senate (30)	House of Representatives (60)	Annual	283
<b>Pennsylvania General Assembly</b>	Senate (50)	House of Representatives (203)	Annual (year-round)	1,700*
<b>Rhode Island General Assembly</b>	Senate (38)	House of Representatives (75)	Annual	2,600*
<b>South Carolina General Assembly</b>	Senate (46)	House of Representatives (124)	Annual	1,600*
<b>South Dakota Legislature</b>	Senate (35)	House of Representatives (70)	Annual	419
<b>Tennessee General Assembly</b>	Senate (33)	House of Representatives (99)	Annual	1,200*
<b>Texas Legislature</b>	Senate (31)	House of Representatives (150)	Biennial (odd years only)	None
<b>Utah Legislature</b>	Senate (29)	House of Representatives (75)	Annual	800*
<b>Vermont General Assembly</b>	Senate (30)	House of Representatives (150)	Annual	600*
<b>Virginia General Assembly</b>	Senate (40)	House of Delegates (100)	Annual	3,286
<b>Washington Legislature</b>	Senate (49)	House of Representatives (98)	Annual	1,301
<b>West Virginia Legislature</b>	Senate (34)	House of Delegates (100)	Annual	1,896
<b>Wisconsin Legislature</b>	Senate (33)	Assembly (99)	Annual (year-round)	1,830*
<b>Wyoming Legislature</b>	Senate (30)	House of Representatives (60)	Annual	300*
<b>Council of the District of Columbia</b>	Council** (13)		Annual (year-round)	1,200*

\* *Estimated*

\*\* *The Nebraska Legislature is unicameral and nonpartisan. The Council of the District of Columbia is unicameral and partisan.*

**Note:** See state profiles for additional details. For more information about legislative session lengths, see the [National Conference of State Legislatures](#) and the state profiles at the end of this report. “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

As just one way to conceptualize some of the differences among state legislatures, the National Conference of State Legislatures has [developed categories](#) to illustrate degrees of legislative professionalization, or policy-making capacity, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Table 3). “Professional” (or “full-time”) legislatures tend to have longer sessions and bigger staffs, are often found in states with larger populations, and overall are more similar to Congress

**Table 3.** Categorization of States by Levels of Legislative Professionalization

Professional (Full-Time)	Hybrid	Citizen (Part-Time)
California	Alabama	Georgia
Florida	Alaska	Idaho
Illinois	Arizona	Indiana
Massachusetts	Arkansas	Kansas
Michigan	Colorado	Maine
New Jersey	Connecticut	Mississippi
New York	Delaware	Montana
Ohio	Hawaii	Nevada
Pennsylvania	Iowa	New Hampshire
Wisconsin	Kentucky	New Mexico
	Louisiana	North Dakota
	Maryland	Rhode Island
	Minnesota	South Dakota
	Missouri	Utah
	Nebraska	Vermont
	North Carolina	West Virginia
	Oklahoma	Wyoming
	Oregon	
	South Carolina	
	Tennessee	
	Texas	
	Virginia	
	Washington	

**Source:** Kurtz and Erickson, 2013. The District of Columbia was not included in the original source.

A legislature's overall capacity may influence, but does not determine, its level of involvement in transportation decision making. Vermont, for example, has a part-time legislature with limited staff support, but because of the small size of the state and the legislature's detailed annual transportation budget process, legislative committees are able to review progress on nearly all active transportation projects.

## State Departments of Transportation

The executive branch of state government, under the leadership of the governor, typically carries out the programs and policies that have been authorized and funded by the legislature, as well as having other powers and duties. Every state executive branch contains an agency that is responsible for roads, bridges, and, in most states, other transportation modes such as public transit, rail, aviation, or ports. Known collectively as “departments of transportation” (or DOTs), these agencies vary by structure, size, and many other factors (Tables 4 and 5). In terms of structure, for example, most state DOTs are organized primarily by the functional activities each division performs, such as administration, finance, planning, engineering, operations, or construction. A few are organized mainly by the modes of transportation each division serves, although in many states, at least some non-highway modes are handled by entities that are separate from the DOT (see also page 22). Some state DOTs are organized by both functional activity and transportation mode. Texas’ DOT, for example, is organized into a number of divisions, some based on functional activities and others dedicated to aviation, maritime transportation, public transit, and rail.

**Table 4. Names and Characteristics of State DOTs**

State DOT	DOT Structure		Modes Over Which DOT Has Jurisdiction						
	Organized Mainly by Functional Activity	Organized Mainly by Transportation Mode	Roads and Bridges	Public Transit	Rail	Aviation	Ports and Waterways	Pedestrian and Bicycle	Other
Alabama Department of Transportation (ALDOT)	•		•		F, P	•	•	•	
Alaska Department of Transportation and Public Facilities (DOT&PF)		•	•	•		•	•	•	Ferries
Arizona Department of Transportation (ADOT)	•		•			•			
Arkansas State Highway and Transportation Department (AHTD)	•		•	•	F, P			•	Ferries
California Department of Transportation (Caltrans)	•		•	•	P	•	•	•	
Colorado Department of Transportation (CDOT)	•		•	•	F, P	•		•	
Connecticut Department of Transportation (CTDOT)	•		•	•	F, P	See state profile		•	
Delaware Department of Transportation (DelDOT)	•		•	•	P	•		•	
Florida Department of Transportation (FDOT)	•		•	•	F, P	•	•	•	Spaceports
Georgia Department of Transportation (GDOT)	•		•	•	F, P	•	•	•	
Hawaii Department of Transportation (DOT)		•	•			•	•	•	
Idaho Transportation Department (ITD)		•	•	•	F, P	•	•	•	
Illinois Department of Transportation (IDOT)	•		•	•	F, P	•	•	•	
Indiana Department of Transportation (INDOT)	•		•	•	F, P	•		•	
Iowa Department of Transportation (Iowa DOT)	•		•	•	F, P	•	•	•	
Kansas Department of Transportation (KDOT)	•		•	•	F, P	•		•	Unmanned aircraft systems
Kentucky Transportation Cabinet (KYTC)	•		•	•	F	•	•	•	
Louisiana Department of Transportation and Development (DOTD)	•		•	•	F, P	•	•	•	Flood control
Maine Department of Transportation (MaineDOT)	•		•	•	F, P	•	•	•	
Maryland Department of Transportation (MDOT)		•	•	•	F, P	•	•	•	
Massachusetts Department of Transportation (MassDOT)		•	•	•	F, P	•	•	•	

State DOT	DOT Structure		Modes Over Which DOT Has Jurisdiction						
	Organized Mainly by Functional Activity	Organized Mainly by Transportation Mode	Roads and Bridges	Public Transit	Rail	Aviation	Ports and Waterways	Pedestrian and Bicycle	Other
Michigan Department of Transportation (MDOT)	•	•	•	•	F, P	•	•	•	Limousine regulation
Minnesota Department of Transportation (MnDOT)	•		•	•	F, P	•	•	•	
Mississippi Department of Transportation (MDOT)	•		•	•		•	•		
Missouri Department of Transportation (MoDOT)	•		•	•	F, P	•	•	•	
Montana Department of Transportation (MDT)	•	•	•	•	F, P	•		•	
Nebraska Department of Roads (NDOR)	•		•	See state profile				See state profile	Multimodal freight plan
Nevada Department of Transportation (NDOT)	•		•	See state profile	See state profile	See state profile	•	•	
New Hampshire Department of Transportation (NHDOT)	•		•	•	F, P	•		•	
New Jersey Department of Transportation (NJDOT)	•		•	See state profile	F	•	See state profile	•	
New Mexico Department of Transportation (NMDOT)	•		•	•	P	•		•	
New York State Department of Transportation (NYSDOT)	•		•	•	F, P	•	•	•	
North Carolina Department of Transportation (NCDOT)		•	•	•	F, P	•	•	•	Ferries
North Dakota Department of Transportation (NDDOT)	•		•	•		See state profile		•	
Ohio Department of Transportation (ODOT)	•		•	•	See state profile	•	•	•	
Oklahoma Department of Transportation (ODOT)	•		•		F, P		•		
Oregon Department of Transportation (ODOT)	•	•	•	•	F, P			•	
Pennsylvania Department of Transportation (PennDOT)	•	•	•	•	F, P	•	•	•	
Rhode Island Department of Transportation (RIDOT)	•		•		P	•		•	Ferries
South Carolina Department of Transportation (SCDOT)	•		•	•				•	
South Dakota Department of Transportation (SDDOT)	•		•	•	F	•		•	
Tennessee Department of Transportation (TDOT)	•		•	•	F, P	•	•	•	
Texas Department of Transportation (TxDOT)	•	•	•	See state profile	F, P	See state profile	•	•	
Utah Department of Transportation (UDOT)	•		•	See state profile	See state profile			See state profile	Ferries

State DOT	DOT Structure		Modes Over Which DOT Has Jurisdiction						
	Organized Mainly by Functional Activity	Organized Mainly by Transportation Mode	Roads and Bridges	Public Transit	Rail	Aviation	Ports and Waterways	Pedestrian and Bicycle	Other
Vermont Agency of Transportation (VTrans)	•		•	•	F, P	•	See state profile	•	
Virginia Department of Transportation (VDOT)	•		•					•	Ferries
Washington State Department of Transportation (WSDOT)	•		•	•	F, P	•	•	•	Ferries
West Virginia Department of Transportation (WVDOT)		•	•	•	F, P	•	•	•	
Wisconsin Department of Transportation (WisDOT)	•		•	•	F, P	•	•	•	
Wyoming Department of Transportation (WYDOT)	•		•	•	See state profile	•		•	
District Department of Transportation (DDOT)*	•		•	•				•	

\* District of Columbia | F: Freight rail; P: Passenger rail

**Note:** See state profiles for additional details.

**Table 5. Sizes of State DOTs in Full-Time Equivalents (FTEs)**

2,500 or less	2,501 to 5,000	5,001 to 7,500	7,501 or more
Delaware	Alabama	Florida	California
Hawaii	Alaska	Illinois	Maryland
Idaho	Arizona	Minnesota	Massachusetts
Maine	Arkansas	Missouri	New York
Montana	Colorado	Virginia	North Carolina
Nebraska	Connecticut	Washington	Pennsylvania
Nevada	Georgia	West Virginia	Texas
New Hampshire	Indiana		
New Mexico	Iowa		
North Dakota	Kansas		
Oklahoma	Kentucky		
Rhode Island	Louisiana		
South Dakota	Michigan		
Utah	Mississippi		
Vermont	New Jersey*		
Wyoming	Ohio		
District of Columbia	Oregon		
	South Carolina		
	Tennessee		
	Wisconsin		

\* Not including the Motor Vehicle Commission and NJ Transit

**Note:** See state profiles for specific numbers.

## Other Stakeholders

A complex network of public and private organizations finances, plans, builds, and operates the nation's transportation system (Table 6). This section describes some of the other key stakeholders in state transportation governance and finance, which pro-



vide much of the institutional context for the work of state legislatures and DOTs. The private sector also has a growing role in delivering transportation projects through public-private partnerships (see also Chapter 5).

**Table 6. Major Stakeholders in Transportation Governance and Finance**

Federal	State	Regional	Local	Other
<ul style="list-style-type: none"> <li>• Congress</li> <li>• U.S. Department of Transportation (U.S. DOT)</li> <li>• Land management agencies (see note)</li> <li>• Environmental protection agencies (see note)</li> <li>• Other Federal entities with transportation-related responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Governors</li> <li>• State legislatures</li> <li>• State DOTs</li> <li>• State transportation boards, councils, and commissions</li> <li>• Other state and quasi-state entities with transportation-related responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Metropolitan planning organizations</li> <li>• Regional planning organizations, rural transportation planning organizations, and councils of governments</li> <li>• Regional toll or mobility authorities</li> <li>• Regional airport or port authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Counties</li> <li>• Municipalities</li> <li>• Townships</li> <li>• Special districts</li> <li>• Local toll authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Federally recognized tribal governments</li> <li>• Private sector companies</li> <li>• Rural and urban transit agencies, including nonprofit organizations</li> <li>• Academic and research institutions</li> <li>• Operators, users, and their representative interest groups</li> <li>• Voters and the general public</li> </ul>

**Note:** This table is an updated version of Table 2 in the 2011 edition of this report, the main source for which was Intergovernmental Forum on Transportation Finance, 2008. The 2008 source lists six major Federal land management agencies (U.S. Forest Service, Bureau of Land Management, Bureau of Reclamation, Department of Defense, U.S. Fish and Wildlife Service, and National Park Service) and three primary Federal environmental protection agencies (U.S. Environmental Protection Agency, National Oceanic and Atmospheric Administration, and National Resources Conservation Service) that are stakeholders in surface transportation programs.

### Federal Entities

“Construction and maintenance of the National Highway System, inland water navigation facilities, aviation facilities, and other Federally regulated interstate commerce or transportation systems,” notes a 2014 National Cooperative Highway Research Program [report](#), “have been largely delegated to the states, with financial support and technical assistance provided through the U.S. Department of Transportation and other Federal agencies.” In addition, state DOTs are subject to Federal mandates, such as planning and performance requirements, when carrying out their responsibilities for all transportation systems under their jurisdiction.

For decades, Federal funding has been provided to states for highway, intermodal, and public transit programs through the Federal Highway Trust Fund, which receives Federal fuel taxes and other highway-user revenues. Revenues from the fund are allocated to states under the provisions of Federal surface transportation legislation—currently the Fixing America’s Surface Transportation (FAST) Act ([P.L. 114-94](#)), signed into law in December 2015—and annual appropriations bills. Federal revenues account for a significant portion of state spending on surface transportation. As of [2014](#), for example, about 24 percent of revenues used by states for highways were from Federal sources. Over the last several years, however, Federal fuel taxes have not kept up with spending (see also page 64), and short-term transfers of general funds and other revenues have been necessary to keep the Highway Trust Fund solvent. In part as a result of such transfers, the FAST Act provides more than \$305 billion for surface transportation programs through FY 2020, but “reform of the way highway programs are funded,” states the [Federal Highway Administration](#), “remains a challenge for the future.”

Within the executive branch, the U.S. Department of Transportation, a cabinet-level department under the U.S. secretary of transportation, administers Federal funding and programs for the nation's multimodal transportation system. Other Federal stakeholders include Congress and the president, who both play a role in transportation-related legislation, as well as land management and environmental protection agencies and other Federal entities with transportation-related responsibilities.

### State Governors

State DOTs, as executive branch agencies, fall under the authority of state governors. Governors therefore play a significant role in transportation governance and oversight. Among other powers, they typically prepare state budgets and can approve or veto legislative initiatives. They also often appoint the heads of state agencies (see also page 41), and in most states, the secretary, director, or commissioner of transportation serves on the governor's cabinet (Table 7).

**Table 7. State Transportation Officials that Serve on the Governor's Cabinet**

State	Serves on Governor's Cabinet
Alabama	Director of Transportation
Alaska	Commissioner of Transportation and Public Facilities
Arizona	ADOT Director
Arkansas	None (see note)
California	Secretary of the California State Transportation Agency
Colorado	CDOT Executive Director
Connecticut	None (see note)
Delaware	DelDOT Secretary
Florida	None (see note)
Georgia	None (see note)
Hawaii	DOT Director
Idaho	Director of ITD
Illinois	Secretary of Transportation
Indiana	Commissioner of INDOT
Iowa	Director of Transportation
Kansas	Secretary of Transportation
Kentucky	Secretary of the KYTC
Louisiana	Secretary of Transportation and Development
Maine	Commissioner of Transportation
Maryland	Secretary of Transportation
Massachusetts	Secretary of Transportation
Michigan	MDOT Director
Minnesota	Commissioner of Transportation
Mississippi	None (see note)
Missouri	MoDOT Director
Montana	MDT Director
Nebraska	NDOR Director
Nevada	NDOT Director
New Hampshire	None (see note)
New Jersey	Commissioner of Transportation
New Mexico	Secretary of Transportation
New York	Commissioner of Transportation

State	Serves on Governor's Cabinet
<b>North Carolina</b>	Secretary of Transportation
<b>North Dakota</b>	NDDOT Director
<b>Ohio</b>	Director of Transportation
<b>Oklahoma</b>	Secretary of Transportation
<b>Oregon</b>	None (see note)
<b>Pennsylvania</b>	Secretary of Transportation
<b>Rhode Island</b>	Director of Transportation
<b>South Carolina</b>	Secretary of Transportation
<b>South Dakota</b>	Secretary of Transportation
<b>Tennessee</b>	Commissioner of Transportation
<b>Texas</b>	None (see note)
<b>Utah</b>	Executive Director of UDOT
<b>Vermont</b>	Secretary of VTrans
<b>Virginia</b>	Secretary of Transportation
<b>Washington</b>	Secretary of Transportation
<b>West Virginia</b>	Secretary of Transportation
<b>Wisconsin</b>	Secretary of Transportation
<b>Wyoming</b>	Director of WYDOT
<b>District of Columbia</b>	DDOT Director*

\* Serves on mayor's cabinet

**Note:** Of the eight states in which no transportation official serves on the governor's cabinet, Georgia, Mississippi, New Hampshire, Oregon, and Texas have no formal cabinet system. In Arkansas, the governor has a cabinet but it does not include a DOT official. In Connecticut, the governor directs department heads through "commissioners' meetings" rather than through a cabinet. In Florida, uniquely, the governor's cabinet consists of just three elected officials: the attorney general, the chief financial officer, and the commissioner of agriculture (Fla. Const. art. IV, §4).

In practice, however, the division of roles and responsibilities between governors and DOTs varies from state to state. In Michigan and Oklahoma, for example, the governors are less actively involved with transportation oversight and have chosen to delegate much of the responsibility to the DOT, while in Nevada, the governor serves as an ex officio member of the DOT's board of directors. In Oregon and Pennsylvania, the governors employ liaisons who maintain active communication with the DOT on transportation issues.

### State Transportation Boards, Councils, and Commissions

State DOTs in about half the states are governed or advised by a state transportation board, council, or commission. Most of these are independent oversight bodies with decision-making authority. Some, however, are structurally within the DOT, and some have only advisory or very limited roles. Utah and Washington's transportation commissions, for example, have no direct authority over the DOT. In Utah, the commission's chief duties are to prioritize projects and to decide how available funds are spent, and the role of Washington's commission is to set ferry fares and toll rates and to develop the four-year policy plan. In five states, the secretary of transportation is a member of the board or commission ex officio (Table 8).

**Table 8. State Transportation Boards, Councils, and Commissions**

State	State Transportation Board, Council, or Commission Name	Structure	
		Independent Body	Within DOT
<b>Arizona</b>	State Transportation Board		•
<b>Arkansas</b>	Highway Commission	•	
<b>California</b>	California Transportation Commission	•	
<b>Colorado</b>	Transportation Commission	•	
<b>Delaware</b>	Council on Transportation (advisory only)	•	
<b>Florida</b>	Florida Transportation Commission	•	
<b>Georgia</b>	State Transportation Board	•	
<b>Idaho</b>	Idaho Transportation Board	•	
<b>Iowa</b>	Transportation Commission	•	
<b>Massachusetts</b>	MassDOT Board of Directors*	•	
<b>Michigan</b>	State Transportation Commission	•	
<b>Mississippi</b>	Mississippi Transportation Commission	•	
<b>Missouri</b>	Missouri Highways and Transportation Commission	•	
<b>Montana</b>	Transportation Commission	•	
<b>Nebraska</b>	State Highway Commission (advisory only)		•
<b>Nevada</b>	NDOT Board of Directors		•
<b>New Mexico</b>	State Transportation Commission	•	
<b>North Carolina</b>	Board of Transportation*	•	
<b>Oklahoma</b>	Transportation Commission	•	
<b>Oregon</b>	Oregon Transportation Commission	•	
<b>Pennsylvania</b>	State Transportation Commission*	•	
<b>South Carolina</b>	SCDOT Commission	•	
<b>South Dakota</b>	Transportation Commission		•
<b>Texas</b>	Texas Transportation Commission	•	
<b>Utah</b>	Utah Transportation Commission (advisory only, limited role)	•	
<b>Vermont</b>	Transportation Board (advisory and quasi-judicial only)	•	
<b>Virginia</b>	Commonwealth Transportation Board*	•	
<b>Washington</b>	Washington State Transportation Commission* (limited role)	•	
<b>Wyoming</b>	Transportation Commission	•	

\* Secretary of transportation is a member *ex officio*. In Massachusetts and Pennsylvania, the secretary serves as chair, while in North Carolina, Virginia, and Washington, the secretary is a non-voting member. In Virginia, other *ex officio*, non-voting members include the commissioner of the DOT and the director of the state's Department of Rail and Public Transportation.

**Note:** See state profiles for additional details and statutory citations.

### Other State and Quasi-State Entities

A diverse array of other state government agencies and quasi-state entities influence state transportation governance and finance. Many states, for example, have separate government agencies that oversee non-highway modes of transportation, including mode-specific state departments in Arkansas, Nebraska, Oregon, and Virginia. In addition, states have created a remarkable assortment of quasi-public entities to carry out transportation-related responsibilities. These include instrumentalities and public benefit corporations that are established in state statute and perform governmental functions, but have some level of structural or financial independence from the state. These include authorities that manage toll facilities, airports, and ports (Table 9). For

many of these state and quasi-state entities, a secretary, director, or commissioner of transportation serves as a member or on the board ex officio (Table 10).

**Table 9. Names and Types of Other State-Level Transportation Entities**

State	Other State-Level Transportation Entities		
	Name	Type	
		State Governmental Agency or Entity	Corporation, Instrumentality, or Other Quasi-State Entity
<b>Alabama</b>	Alabama State Port Authority	•	
	Alabama Toll Road, Bridge, and Tunnel Authority		•
<b>Alaska</b>	Alaska Railroad Corporation		•
	Knik Arm Bridge and Toll Authority		•
<b>Arizona</b>	Arizona Corporation Commission	•	
<b>Arkansas</b>	Arkansas Waterways Commission	•	
	Arkansas Department of Aeronautics	•	
<b>California</b>	California State Transportation Agency	•	
	Board of Pilot Commissioners	•	
	California High-Speed Rail Authority	•	
	Office of Traffic Safety	•	
<b>Colorado</b>	None		
<b>Connecticut</b>	Connecticut Port Authority		•
	Connecticut Airport Authority		•
<b>Delaware</b>	Delaware Transportation Authority*		See state profile
	Delaware Transit Corporation*		See state profile
	Delaware River and Bay Authority	Bi-state	
<b>Florida</b>	Space Florida		•
	Dept. of Environmental Protection—Recreational Trails Program	•	
<b>Georgia</b>	State Road and Tollway Authority		•
	Georgia Ports Authority		•
	Georgia Regional Transportation Authority		•
	Georgia Rail Passenger Authority		•
<b>Hawaii</b>	None		
<b>Idaho</b>	None		
<b>Illinois</b>	Illinois State Toll Highway Authority		See state profile
<b>Indiana</b>	Ports of Indiana		•
	Indiana Finance Authority		•
<b>Iowa</b>	None		
<b>Kansas</b>	Kansas Turnpike Authority		•
<b>Kentucky</b>	Turnpike Authority of Kentucky		•
	Kentucky Public Transportation Infrastructure Authority		•
	Bond-issuing commissions	•	
<b>Louisiana</b>	None		
<b>Maine</b>	Maine Turnpike Authority		•
	Northern New England Passenger Rail Authority		•
	Maine Port Authority		•



State	Other State-Level Transportation Entities		
	Name	Type	
		State Governmental Agency or Entity	Corporation, Instrumentality, or Other Quasi-State Entity
<b>Maryland</b>	Maryland Transportation Authority	•	
	Washington Metropolitan Area Transit Authority		Interstate
<b>Massachusetts</b>	Massachusetts Port Authority		•
<b>Michigan</b>	Michigan Aeronautics Commission	•	
<b>Minnesota</b>	Dept. of Public Safety—Office of Pipeline Safety	•	
<b>Mississippi</b>	Mississippi State Port Authority at Gulfport	•	
	Yellow Creek State Inland Port	•	
<b>Missouri</b>	None		
<b>Montana</b>	Montana Aeronautics Board	•	
	Rail Service Competition Council	•	
<b>Nebraska</b>	Nebraska Department of Aeronautics	•	
<b>Nevada</b>	Nevada Dept. of Business and Industry—Nevada Transportation Authority and Nevada Taxicab Authority	•	
	Public Utilities Commission of Nevada—Railroad Safety Program and Pipeline Safety Program	•	
<b>New Hampshire</b>	Pease Development Authority—Division of Ports and Harbors		•
<b>New Jersey</b>	New Jersey Transportation Trust Fund Authority		•
	New Jersey Turnpike Authority		•
	South Jersey Transportation Authority		•
	New Jersey Transit Corporation (NJ Transit)		•
	South Jersey Port Corporation		•
	Port Authority of New York and New Jersey		Bi-state
	Waterfront Commission of the New York Harbor		Bi-state
	Delaware River Port Authority		Bi-state
	Delaware River Joint Toll Bridge Commission		Bi-state
	Delaware River and Bay Authority	Bi-state	
<b>New Mexico</b>	None		
<b>New York</b>	New York Thruway Authority		•
	New York State Bridge Authority		•
	Metropolitan Transportation Authority		•
	Port Authority of New York and New Jersey		Bi-state
	Waterfront Commission of the New York Harbor		Bi-state
	Albany Port District Commission		•
	Ogdensburg Bridge and Port Authority		•
	Port of Oswego Authority		•
	Upstate transportation authorities		•
<b>North Carolina</b>	None		
<b>North Dakota</b>	North Dakota Aeronautics Commission	•	
	Public Service Commission	•	
<b>Ohio</b>	Ohio Turnpike and Infrastructure Commission		•
	Ohio Public Works Commission	•	
	Public Utilities Commission of Ohio	•	

State	Other State-Level Transportation Entities		
	Name	Type	
		State Governmental Agency or Entity	Corporation, Instrumentality, or Other Quasi-State Entity
<b>Oklahoma</b>	Oklahoma Turnpike Authority		•
	Oklahoma Aeronautics Commission	•	
	Oklahoma Capitol Improvement Authority		•
<b>Oregon</b>	Oregon Department of Aviation	•	
	Oregon State Marine Board	•	
<b>Pennsylvania</b>	Pennsylvania Turnpike Commission		•
	Delaware River Port Authority		Bi-state
	Delaware River Joint Toll Bridge Commission		Bi-state
<b>Rhode Island</b>	Rhode Island Turnpike and Bridge Authority		•
	Rhode Island Public Transit Authority		•
	Rhode Island Airport Corporation		•
<b>South Carolina</b>	State Fiscal Accountability Authority—South Carolina Aeronautics Commission	•	
	South Carolina Dept. of Commerce—Palmetto Railways	•	
	South Carolina Ports Authority		•
	South Carolina Transportation Infrastructure Bank		•
<b>South Dakota</b>	None		
<b>Tennessee</b>	None		
<b>Texas</b>	None		
<b>Utah</b>	None		
<b>Vermont</b>	None		
<b>Virginia</b>	Department of Rail and Public Transportation	•	
	Department of Aviation	•	
	Motor Vehicle Dealer Board	•	
	Virginia Port Authority		•
	Virginia Commercial Space Flight Authority		•
	Washington Metropolitan Area Transit Authority		Interstate
<b>Washington</b>	Utilities and Transportation Commission	•	
	Washington State Traffic Safety Commission	•	
	Freight Mobility Strategic Investment Board	•	
	Transportation Improvement Board	•	
	County Road Administration Board	•	
	Board of Pilotage Commissioners	•	
<b>West Virginia</b>	None		
<b>Wisconsin</b>	Office of the Commissioner of Railroads	•	
<b>Wyoming</b>	None		
<b>District of Columbia</b>	Washington Metropolitan Area Transit Authority		Interstate

*\* Although they are separate corporations and instrumentalities, the Delaware Transportation Authority functions as a component unit, and Delaware Transit Corporation as an operating division, of the state's DOT.*

**Note:** This table relies heavily on reported data and should be considered illustrative rather than exhaustive. See state profiles for additional details and statutory citations.

**Table 10. Other State-Level Transportation Entities for Which a Secretary, Director, or Commissioner of Transportation Serves as a Member or on the Board Ex Officio**

State	Other State-Level Transportation Entities	
	Name	Serves as Member or on Board
<b>Alabama</b>	Alabama Toll Road, Bridge, and Tunnel Authority	Director of Transportation
<b>Alaska</b>	Alaska Railroad Corporation	Commissioner of Transportation and Public Facilities
<b>California</b>	Board of Pilot Commissioners	Secretary of the California State Transportation Agency**
<b>Connecticut</b>	Connecticut Port Authority	Commissioner of Transportation or designee
	Connecticut Airport Authority	Commissioner of Transportation or designee
<b>Georgia</b>	State Road and Tollway Authority	Commissioner of Transportation
<b>Illinois</b>	Illinois State Toll Highway Authority	Secretary of Transportation
<b>Kansas</b>	Kansas Turnpike Authority	Secretary of Transportation
<b>Kentucky</b>	Turnpike Authority of Kentucky	Secretary of the KYTC
	Kentucky Public Transportation Infrastructure Authority	Secretary of the KYTC*
<b>Maine</b>	Maine Turnpike Authority	Commissioner of Transportation or designee
	Northern New England Passenger Rail Authority	Commissioner of Transportation
	Maine Port Authority	Commissioner of Transportation*
<b>Maryland</b>	Maryland Transportation Authority	Secretary of Transportation*
<b>Massachusetts</b>	Massachusetts Port Authority (Massport)	Secretary of Transportation
<b>Michigan</b>	Michigan Aeronautics Commission	MDOT Director
<b>Montana</b>	Rail Service Competition Council	MDT Director
<b>New Jersey</b>	New Jersey Transportation Trust Fund Authority	Commissioner of Transportation*
	New Jersey Turnpike Authority	Commissioner of Transportation or designee
	South Jersey Transportation Authority	Commissioner of Transportation
	New Jersey Transit Corporation (NJ Transit)	Commissioner of Transportation*
<b>Ohio</b>	Ohio Turnpike and Infrastructure Commission	Director of Transportation or designee
	Ohio Public Works Commission	Director of Transportation**
<b>Oklahoma</b>	Oklahoma Capitol Improvement Authority	ODOT Director
<b>Pennsylvania</b>	Pennsylvania Turnpike Commission	Secretary of Transportation
<b>Rhode Island</b>	Rhode Island Turnpike and Bridge Authority	Director of Transportation
	Rhode Island Public Transit Authority	Director of Transportation or designee
<b>South Carolina</b>	South Carolina Ports Authority	Secretary of Transportation or designee**
<b>Virginia</b>	Virginia Commercial Space Flight Authority	Secretary of Transportation
<b>Washington</b>	Washington State Traffic Safety Commission	Secretary of Transportation
	Freight Mobility Strategic Investment Board	Secretary of Transportation

\* Serves as chair, per state statute. In addition, although not required by statute, New Jersey's commissioner of transportation has been appointed by the governor to serve as chair of the New Jersey Turnpike Authority and the South Jersey Transportation Authority.

\*\* Non-voting

**Note:** This table relies heavily on reported data and should be considered illustrative rather than exhaustive. In addition to the entities listed above, in Delaware, the secretary of the DOT has a defined leadership role for both the Delaware Transportation Authority and the Delaware Transit Corporation, and in Washington, the DOT has two statutory seats on the state's Transportation Improvement Board. See state profiles for additional details and statutory citations.

In addition, nearly all states have a state agency that registers vehicles and issues driver's licenses, most often called a division or department of motor vehicles (DMV), and a police unit that enforces traffic laws and promotes highway safety, often known as a highway patrol. Some DMVs and highway patrols are located entirely within state DOTs, but most are separate state agencies

(Table 11). In several states, including Alabama, Alaska, Arizona, Arkansas, Iowa, Kentucky, Mississippi, Missouri, New York, and Vermont, a separate agency performs most highway patrol functions, while the DOT carries out commercial vehicle enforcement or other limited duties.

Most DMVs and highway patrols are separate from the DOT and have their own revenue streams. Many states, though, have a DMV or highway patrol that is a separate entity, but receives at least a portion of its funding for its operations from tax revenues or state transportation funds that also support the DOT (see state profiles for details). In recent years, the use of limited transportation funds for highway patrols in particular has, in some states, come into question.

Because of its geography, Hawaii is the only state in which no part of state government registers vehicles, issues driver's licenses, or operates a state highway patrol. Instead, counties do most of these functions. The state does, however, reimburse counties for direct costs related to DMV functions, coordinate federal grants for certain commercial driver's license programs, and oversee and fund the enforcement of laws related to motor carriers and hazardous materials transportation.

**Table 11. State Agencies that Perform DMV and Highway Patrol Functions**

State	Responsible State Agencies			
	Performs DMV Functions		Performs Highway Patrol Functions	
	DOT	Other	DOT	Other
<b>Alabama</b>		Alabama Law Enforcement Agency Motor Vehicle Division, Alabama Department of Revenue	See state profile	Alabama Law Enforcement Agency Alabama Department of Environmental Management
<b>Alaska</b>		Division of Motor Vehicles, Alaska Department of Administration	See state profile	Alaska State Troopers, Alaska Department of Public Safety
<b>Arizona</b>	•		See state profile	Arizona Department of Public Safety
<b>Arkansas</b>		Office of Driver Services and Office of Motor Vehicles, Arkansas Department of Finance and Administration Arkansas State Police	See state profile	Highway Patrol, Arkansas State Police
<b>California</b>		Department of Motor Vehicles		California Highway Patrol
<b>Colorado</b>		Division of Motor Vehicles, Colorado Department of Revenue		Colorado State Patrol, Colorado Department of Public Safety
<b>Connecticut</b>		Department of Motor Vehicles		Connecticut State Police, Department of Emergency Services and Public Protection Department of Motor Vehicles
<b>Delaware</b>	•			Delaware State Police, Department of Safety and Homeland Security
<b>Florida</b>		Department of Highway Safety and Motor Vehicles		Florida Highway Patrol, Department of Highway Safety and Motor Vehicles
<b>Georgia</b>		Georgia Department of Driver Services Motor Vehicle Division, Georgia Department of Revenue		Georgia State Patrol, Georgia Department of Public Safety
<b>Hawaii</b>	See state profile		See state profile	
<b>Idaho</b>	•			Idaho State Police

State	Responsible State Agencies			
	Performs DMV Functions		Performs Highway Patrol Functions	
	DOT	Other	DOT	Other
<b>Illinois</b>		Driver Services Department and Vehicle Services Department, Illinois Secretary of State's Office		Illinois State Police
<b>Indiana</b>		Bureau of Motor Vehicles		Indiana State Police
<b>Iowa</b>	•		See state profile	Iowa Department of Public Safety
<b>Kansas</b>		Division of Vehicles, Kansas Department of Revenue		Kansas Highway Patrol
<b>Kentucky</b>	•		See state profile	Kentucky State Police, Kentucky Justice and Public Safety Cabinet
<b>Louisiana</b>		Office of Motor Vehicles, Louisiana Department of Public Safety and Corrections		Louisiana State Police, Louisiana Department of Public Safety and Corrections
<b>Maine</b>		Bureau of Motor Vehicles, Maine Department of Secretary of State		Maine State Police, Department of Public Safety
<b>Maryland</b>	•			Maryland State Police Maryland Transportation Authority Police
<b>Massachusetts</b>	•			Massachusetts State Police, Executive Office of Public Safety and Security
<b>Michigan</b>		Michigan Secretary of State		Michigan State Police
<b>Minnesota</b>		Driver and Vehicle Services, Minnesota Department of Public Safety		Minnesota State Patrol, Minnesota Department of Public Safety
<b>Mississippi</b>		Mississippi Department of Public Safety Mississippi Department of Revenue	See state profile	Mississippi Department of Public Safety
<b>Missouri</b>		Missouri Department of Revenue	See state profile	Missouri State Highway Patrol, Missouri Department of Public Safety
<b>Montana</b>		Motor Vehicle Division, Montana Department of Justice		Montana Highway Patrol, Montana Department of Justice
<b>Nebraska</b>		Nebraska Department of Motor Vehicles		Nebraska State Patrol
<b>Nevada</b>		Nevada Department of Motor Vehicles		Nevada Highway Patrol, Department of Public Safety
<b>New Hampshire</b>		Division of Motor Vehicles, New Hampshire Department of Safety		New Hampshire State Police, New Hampshire Department of Safety
<b>New Jersey</b>		Motor Vehicle Commission		New Jersey State Police and Division of Highway Traffic Safety, New Jersey Department of Law and Public Safety
<b>New Mexico</b>		Motor Vehicle Division, New Mexico Taxation and Revenue Department		New Mexico State Police, New Mexico Department of Public Safety
<b>New York</b>		New York Department of Motor Vehicles	See state profile	New York State Police
<b>North Carolina</b>	•			North Carolina State Highway Patrol, North Carolina Department of Public Safety
<b>North Dakota</b>	•			North Dakota Highway Patrol



State	Responsible State Agencies			
	Performs DMV Functions		Performs Highway Patrol Functions	
	DOT	Other	DOT	Other
<b>Ohio</b>		Ohio Bureau of Motor Vehicles, Department of Public Safety		Ohio State Highway Patrol, Department of Public Safety
<b>Oklahoma</b>		Oklahoma Department of Public Safety Motor Vehicle Division, Oklahoma Tax Commission		Oklahoma Highway Patrol, Department of Public Safety Oklahoma Corporation Commission
<b>Oregon</b>	•			Oregon State Police
<b>Pennsylvania</b>	•			Pennsylvania State Police
<b>Rhode Island</b>		Division of Motor Vehicles, Department of Revenue		Rhode Island State Police, Department of Public Safety
<b>South Carolina</b>		South Carolina Department of Motor Vehicles		Highway Patrol and State Transport Police, South Carolina Department of Public Safety
<b>South Dakota</b>		South Dakota Department of Public Safety Division of Motor Vehicles, South Dakota Department of Revenue		South Dakota Highway Patrol, South Dakota Department of Public Safety
<b>Tennessee</b>		Driver Services Division, Tennessee Department of Safety and Homeland Security Tennessee Department of Revenue		Tennessee Highway Patrol, Tennessee Department of Safety and Homeland Security
<b>Texas</b>		Texas Department of Motor Vehicles Texas Department of Public Safety		Texas Highway Patrol, Texas Department of Public Safety
<b>Utah</b>		Division of Motor Vehicles, Utah State Tax Commission Driver License Division, Utah Department of Public Safety		Utah Highway Patrol, Utah Department of Public Safety
<b>Vermont</b>	•		See state profile	Vermont State Police, Department of Public Safety
<b>Virginia</b>		Virginia Department of Motor Vehicles		Virginia State Police
<b>Washington</b>		Washington State Department of Licensing		Washington State Patrol
<b>West Virginia</b>	•			West Virginia State Police
<b>Wisconsin</b>	•		•	
<b>Wyoming</b>	•		•	
<b>District of Columbia</b>		District of Columbia Department of Motor Vehicles		Metropolitan Police Department

**Note:** See state profiles for additional details, including funding sources for these agencies and the limited highway patrol duties carried out by some state DOTs.

Lastly, it should not be forgotten that many other state agencies that do not oversee transportation as their primary function may still provide or pay for transportation services for some people with mobility challenges as part of their overall duties. These may include state departments of health, human services, labor, education, veterans' affairs, disabilities, or aging. Although outside the scope of this report, states' efforts to coordinate human service-related transportation policies, programs, and services among such agencies and other stakeholders are a perennial topic of interest (see, for example, a 2015 National Conference of State Legislatures [report](#) on the subject) that adds another layer of complexity to state transportation governance and finance.

### **Tribal, Regional, and Local Entities**

Tribal, regional, and local entities with transportation responsibilities include:

- Federally recognized tribal governments, which must be consulted concerning state transportation plans and any actions that may affect tribal lands;
- More than 400 Federally-mandated metropolitan planning organizations (MPOs) nationwide, which are responsible for regional transportation planning in urbanized areas with populations of more than 50,000 people;
- Other urban and rural regional organizations that are involved in transportation planning or coordination, such as regional planning organizations (RPOs), rural transportation planning organizations (RTPOs), and councils of governments (COGs), which may also be known as regional councils or planning districts;
- Regional or local authorities with jurisdiction over toll facilities, airports, ports, or other transportation infrastructure; and
- Counties, townships, municipalities, and special-purpose local government units (such as special districts), which often have a substantial role in providing and paying for local streets, public transit, or other transportation facilities.

It should be noted that, although all states share transportation responsibilities with local entities to some extent, they also vary in terms of the balance between state and local roles. Michigan, for example, has a highly devolved transportation system, in which the state has jurisdiction over just 8.1 percent of the state's road miles and 616 local road agencies control the rest. At the other end of the spectrum, North Carolina has a highly centralized system, in which the state DOT builds and maintains secondary roads and there are no county road departments.

### **Other Stakeholders**

Many other stakeholders are involved in transportation governance and finance, including project development, planning, and decision making processes. Private sector companies build, operate, and finance transportation assets and provide transportation services for passengers and freight across modes. Public transit agencies operate in both rural and urban areas, many of them nonprofit organizations that serve older adults or people with disabilities. Academic and other research institutions produce critical information about transportation topics. Innumerable interest groups represent diverse transportation providers and users. Perhaps most importantly, the general public is involved in transportation governance and finance in countless ways. From giving feedback in public hearings and other forums, to electing transportation decision makers, to voting on bond measures and other initiatives, the same public that uses the transportation system is also a key player in providing and overseeing it.

### 3 | COMMUNICATION AND COLLABORATION BETWEEN STATE LEGISLATURES AND DOTs

In their responses to the survey research for this report, state experts agreed that proactive, accurate, and transparent communication between state legislatures and DOTs is central to effective transportation decision making. Encouragingly, many respondents described strong relationships between these institutions in their states, characterized by positive and frequent communication. Several legislative respondents, in particular, praised their state's DOT for its robust efforts in this regard. Respondents also identified some of the key challenges they have observed to effective communication and collaboration between state legislatures and DOTs and offered recommendations about what has worked well—and less well—in their states (Table 12).

**Table 12.** Selection of Respondents' Views Concerning Communication and Collaboration between State Legislatures and DOTs

	Responding Organizations	
	Legislative Entities	DOTs
<b>Challenges to Effective Communication and Collaboration</b>	<ul style="list-style-type: none"> <li>• Loss of institutional knowledge due to legislative term limits and DOT staff turnover</li> <li>• A divided government, which has hindered effective information-sharing between the executive and legislative branches</li> <li>• Lack of willingness on the part of key legislative leaders to engage with the DOT</li> <li>• Funneling legislative information requests through one DOT division, which effectively directs questions but also creates a bottleneck</li> <li>• Communication delays due to the DOT's complexity and breadth of operations</li> <li>• The DOT is highly responsive when information is requested, so the challenge is providing clear requests to ensure the desired information is forthcoming</li> <li>• Interactions between specific individuals in the administration and the legislature</li> </ul>	<ul style="list-style-type: none"> <li>• Legislative turnover and changes of executive leadership</li> <li>• The size of the legislature</li> <li>• DOT staff, time, and resource constraints</li> <li>• Ensuring that information remains accurate and reliable</li> <li>• Complex jurisdictional and funding issues that are difficult for legislators to navigate</li> <li>• Overcoming past issues</li> <li>• Addressing regional and local tensions, such as those between urban and rural areas</li> <li>• The fast pace of the legislative session</li> <li>• Proactive, strategic communications can become muted by the need for the DOT to defend its actions against individual constituents' complaints to their legislators</li> <li>• High expectations for DOT performance</li> <li>• A divided government, which has mainly made it harder for legislative committee members to communicate with one another</li> <li>• Expectations that DOT leaders are familiar with a multitude of projects in development</li> <li>• The public's overall distrust in government</li> </ul>

Responding Organizations		
	Legislative Entities	DOTs
<b>Most Successful in Achieving Effective Communication and Collaboration</b>	<ul style="list-style-type: none"> <li>• Ongoing, timely, and accurate information</li> <li>• Forums that get legislators and DOT officials to work together, such as interim committees</li> <li>• Legislative task forces on special topics</li> <li>• Having a DOT legislative liaison who acts as a point person for legislators and staff</li> <li>• A website with current project information</li> <li>• Personal contact with legislators and staff, especially transportation committee chairs</li> <li>• DOT tools, such as relevant spreadsheets, that are shared with legislative staff to help them understand policy options</li> <li>• Constant DOT presence at the legislature</li> <li>• A clear, multi-year transportation plan</li> <li>• Tours of state and local transportation needs conducted by legislative committees and developed in collaboration with the DOT, legislative staff, and local officials</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent, clear, timely, and accurate communication, both throughout the legislative session and during the interim</li> <li>• Regular briefings for legislators and staff</li> <li>• Meeting with transportation committee members before the session begins</li> <li>• One-on-one meetings, site visits, and other interactions with legislators in their districts</li> <li>• Finding ways to work with individual legislators on specific issues important to them and their constituents</li> <li>• Informing legislators when something is taking place in their district</li> <li>• Professional, thorough, and nonpartisan responses to legislative queries and constituent concerns</li> <li>• A DOT newsletter specifically for legislators</li> <li>• Regularly inviting legislators to tours and special events, including ground-breaking and ribbon-cutting ceremonies</li> <li>• The DOT's development and ongoing communication of key performance measures that demonstrate system needs</li> <li>• Project selection and funding processes that foster transparency</li> <li>• Web-based tools for sharing information</li> <li>• Using outside consultants to ensure DOT messaging to legislators conveys accurate information, is easy to understand, and provides the type of information policy makers need to make informed decisions</li> <li>• Executive outreach to individual legislators</li> <li>• Persistence in sharing DOT success stories</li> </ul>
<b>Least Successful in Achieving Effective Communication and Collaboration</b>	<ul style="list-style-type: none"> <li>• Trying to stall legislative initiatives</li> <li>• Not providing specific information about projects affected by funding reductions or diversions</li> <li>• Public statements</li> <li>• Untimely, restrictive, and last minute contact on issues or response to inquiries</li> </ul>	<ul style="list-style-type: none"> <li>• Efforts to explain the complexities of DOT programs, priorities, and funding streams</li> <li>• Town hall meetings</li> <li>• Not responding to legislators with relevant information in a timely manner</li> <li>• Sharing statistical information</li> <li>• Not reaching out to legislators to give them the opportunity to tour transportation infrastructure first-hand</li> <li>• Making controversial decisions without legislative input or guidance</li> <li>• "Generic" communications, like newsletters</li> <li>• Being reactive, rather than proactive, when sharing information with the legislature and the public</li> </ul>

## Responding Organizations

Other Recommendations	Legislative Entities	DOTs
	<ul style="list-style-type: none"> <li>• Ensure that unexpected information is made known to the legislature as soon as possible</li> <li>• Maintain a good working relationship with trust and respect for each other, and understand that we are all working for the greater good</li> <li>• Provide specific project information, including start dates and any scope changes</li> <li>• DOT staff who interact with the legislature should be knowledgeable and have working experience within the department</li> <li>• Have the DOT provide tools for estimating changes in transportation taxes</li> <li>• The more transportation officials at the state and local levels can inform the legislature and the public about transportation needs and have a realistic plan to address those needs, the better their chance is of getting funding for those needs</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate early and often with legislators, legislative staff, and the public</li> <li>• Time in the field with legislators, in their own districts, is usually very valuable</li> <li>• Develop champions that can sustain policy initiatives across election cycles</li> <li>• Be prepared to make the business case for statutory changes or flexibility to demonstrate the benefit to citizens and the state's bottom line</li> <li>• Often review your outreach practices and policies to determine if they deliver the desired result</li> <li>• Prompt responses to information requests, a scientific approach to project selection, and consistent application of policies throughout the state help maintain good relationships with the legislature</li> <li>• Create an organization-wide culture of "busting the barriers of bureaucracy" when communicating with the legislature</li> <li>• When asking for more funding, show exactly where the dollars would go, district by district, and demonstrate the DOT's past efficiencies and good stewardship</li> <li>• Provide continuous educational information on a website that can be used as a reference by all elected officials</li> <li>• Continually focus on growing positive working relationships with legislators</li> <li>• Keep lines of communication open</li> </ul>

**Note:** This is a partial list of survey responses to these questions. Comments have been edited for clarity and length. Similar responses have been combined, and identifying information has been removed to maintain confidentiality.

In practice, the ways in which legislatures and DOTs engage in communication and collaboration vary widely across jurisdictions, from informal, ad hoc interactions to more formal, structured engagements focused on reporting requirements or the budget process, to ongoing, proactive communication that extends beyond the legislative session and pervades all levels of both organizations. Most states have a combination of formal and informal means by which communication is maintained, which typically include legislative committee oversight activities and requests for information from the DOT. One-on-one meetings, legislative briefings, written updates, DOT websites, direct phone calls or e-mails, and other activities are also used as forums for communication (see state profiles).

As another way to facilitate communication and collaboration, most state DOTs have a dedicated "legislative liaison" position or governmental affairs office that acts as a primary point of contact for the legislature. These designated contacts can help maintain active, engaged relationships with legislators and legislative staff, and can provide a single point of entry for navigating a DOT's complexities. They also may be responsible for responding to legislative inquiries, coordinating DOT reports or testimony, tracking relevant bills, or developing and advancing the department's legislative agenda. Frequently, whether a DOT has a dedicated legislative liaison or not, the department's executive leadership and other staff also serve as important contacts and sources of information for the legislature (see state profiles).

## 4 | STATE TRANSPORTATION GOVERNANCE

The American system of government is characterized by a “separation of powers,” in which governmental responsibilities are generally divided “into distinct branches to limit any one branch from exercising the core functions of another. The intent,” [explains](#) the National Conference of State Legislatures, “is to prevent the concentration of power and provide for checks and balances.” In practice, the powers and duties of state DOTs (located in the executive branch) and state legislatures overlap and intersect in many ways, which creates possibilities for both tension and collaboration.

This chapter explores how different state legislatures and DOTs interact concerning the development of state laws and legislative oversight of state programs. The next chapter looks at how these institutions make decisions about transportation funding and finance, in particular, and the current outcomes of those decisions in the states.

### Laws and Legislation

The main responsibility of the legislative branch of government is to enact laws. State legislatures must authorize the activities of the executive branch through legislation, including many laws that govern DOTs and transportation systems. State laws establish and define DOT powers, activities, structures, priorities, funding, and, at times, specific projects. Some laws endure until they are repealed or amended, while others are created to be temporary, with built-in expiration dates for certain programs or authorizations.

In general, the legislature’s lawmaking power is balanced by the governor’s constitutional authority to formally reject, or veto, a law that the legislature has passed. In some cases, an executive agency such as a DOT may ask the governor to exercise this authority if it has concerns about a particular piece of legislation. State DOTs also may participate more directly in the legislative process in a variety of ways. These include roles in developing legislative proposals, advocating for or against legislative measures, and providing fiscal or policy analyses of proposed bills for legislative use.

### Legislative Proposals

The process of creating a new law, or changing an existing law, begins with the development of a legislative proposal. The proposal is then formally introduced into the legislative process, with the possibility of being eventually enacted by the legislature and signed into law by the governor.

State DOTs have various roles in developing and introducing legislation. In most states, only legislators can request bills to be drafted by legislative agencies, or formally sponsor and introduce legislation. In many such states, however, the executive branch submits its own proposals to the legislature, even if only legislators (or, in some cases, legislative committees) may introduce them. In some of these states, including Arizona, Hawaii, Maryland, New York, South Dakota, Washington, and West Virginia, the requesting state agency is clearly identified on the bill. Also, many DOTs that have no formal role in requesting legislative bill drafts or introducing legislation may still be actively involved in developing new laws through regular consultation with legislators—especially bill sponsors—and legislative staff.

Other examples of DOT roles in legislative proposals include the following (see state profiles for additional examples, details, and statutory citations):

- In Alabama, the DOT must recommend any legislation it deems advisable in its annual report to the governor. The governor, in turn, may directly request legislative bill drafts, although only legislators may sponsor and introduce bills.



- In Alaska, Massachusetts, New York, and Oregon, the governor can directly sponsor, introduce, or file bills, including those relevant to (or developed with) the DOT.
- In Iowa, state agencies may pre-file legislative proposals, which are introduced as “study bills” early in the legislative session and referred to the appropriate standing committee for consideration. If the bill is approved, its sponsorship changes to the committee. The DOT regularly pre-files such bills addressing both policy and technical matters. A process also exists in South Dakota by which standing committees introduce bills that are pre-filed by state agencies, but there, the committee chair must give permission before an agency bill is pre-filed.
- In Louisiana (with approval from the legislative floor leader), Nebraska, Pennsylvania, Washington, and Wisconsin, state agencies can directly request legislative bill drafts, although legislators must still introduce each proposal.
- In Nevada, the governor may request bill drafts for up to 110 measures each session, including those approved on behalf of executive departments. After getting feedback from staff and leadership, the DOT submits bill draft requests that are approved by the governor. These bills, however, must still be introduced by a legislator or a standing committee to advance through the legislative process.
- In North Dakota, although bills may only be introduced by legislative entities, executive agencies can have bills automatically introduced in the name of the standing committee to which the bill will be referred, and the DOT is allowed to introduce legislation relating to any transportation topic.
- In Vermont, the DOT typically submits legislative proposals to the legislature each year for consideration, and then department officials testify before the House and Senate transportation committees about each proposal. Only legislators, however, can request legislative bill drafts and formally sponsor and introduce bills.
- In Wyoming, only legislators can request legislative bill drafts and formally sponsor and introduce legislation, but the process of drafting transportation-related legislation is collaborative. Legislative attorneys work directly with the DOT during the legislative interim to draft legislation for the Joint Transportation, Highways, and Military Affairs Committee to consider.

### Advocacy and Lobbying

After transportation-related legislation is introduced into the legislative process, state DOTs frequently provide informational resources or testify before a legislative body to aid it in making an informed decision. Beyond this neutral stance, some state DOTs explicitly work to promote or oppose specific legislative measures. Many DOTs advocate for or against legislation of interest to the department, and Florida and Missouri have registered lobbyists on staff that fulfill this role. Also, some DOTs work specifically to advance legislation that originated with the department or the governor.

State laws in Louisiana, New Hampshire, and Texas, on the other hand, prohibit state agencies from lobbying the legislature, although exceptions are made for providing relevant factual information. Utah law only prohibits state entities from hiring contract lobbyists, but in practice, state agencies generally refrain from trying to influence legislative action. Such agencies do, however, educate and provide relevant information to lawmakers as appropriate (see state profiles for additional examples, details, and statutory citations).

### Fiscal Notes and Policy Impact Statements for Legislative Use

To aid lawmakers in making informed decisions about legislation that may have a fiscal impact on the state, nearly every state legislature has a process by which some or all bills are accompanied by cost estimates called “fiscal notes.” Fiscal notes are most often prepared by legislative entities, frequently using information or assistance from state agencies such as DOTs. In some cases, though, state agencies produce the notes themselves. In Alaska, Illinois, and Nevada, for example, state agencies are required

by law to prepare fiscal notes for certain bills that affect them. In Connecticut and New York, state agencies must provide fiscal notes on their own bill proposals specifically. In addition, some DOTs, including those in North Carolina, Ohio, Virginia, and Wisconsin, produce analyses for legislative use that outline the policy implications of proposed legislation. State DOTs in Arkansas, Florida, and Pennsylvania prepare their own fiscal notes or policy impact statements, which they then share with the legislature (see state profiles for additional examples, details, and statutory citations).

### Legislative Oversight

Another key role of the legislative branch is providing oversight for the operations of the executive branch. “The legislative branch conducts oversight activities,” [states](#) the Ohio Legislative Service Commission, “because it not only enacts new programs for the state, but also has a duty to ensure that existing programs are implemented and administered efficiently, effectively, and in a manner consistent with legislative intent.” Legislative oversight of state DOTs takes many forms, including ongoing review by legislative committees, legislative roles in leadership appointments and removals, review of administrative rules and regulations, evaluations and audits, reporting requirements, and other performance management activities. The budget process—discussed in the next chapter—is also an important forum for legislative oversight.

### Legislative Committees

Much of the work of state legislatures, including oversight of the executive branch, is accomplished through the work of legislative committees. Committees allow their members to develop deeper expertise in their assigned issue areas and to more closely monitor state agencies and programs that fall under their jurisdiction—for example, by holding oversight hearings or reviewing agency reports and other materials. Legislative committees can include standing committees with continuing responsibility in general issue areas, interim committees that meet between legislative sessions, or select committees (sometimes called special or study committees) that form for a limited time to consider a particular topic. Legislatures also may form commissions or task forces to explore important issues or provide policy recommendations, or direct existing committees to study special topics during the interim in preparation for the next legislative session.

Most state legislatures have standing committees in both chambers that have transportation as one of their key issue areas, some of which also oversee energy, utilities, infrastructure, public safety, technology, housing, land use, defense, environment, or other matters. Exceptions include Nebraska and the District of Columbia’s unicameral legislatures and the three New England states—Connecticut, Maine, and Massachusetts—that operate exclusively with joint committees for all legislation (Table 13). Appropriations committees and other fiscal committees also frequently provide oversight over state transportation programs. In addition, many legislatures have established relevant interim or select committees, task forces, or commissions (see state profiles).

**Table 13. State Legislative Standing Committees with Jurisdiction over Transportation-Related Issues**

State	Standing Committees with Jurisdiction Over Transportation-Related Issues
<b>Alabama*</b>	Senate Committee on Transportation and Energy House Committee on Transportation, Utilities, and Infrastructure**
<b>Alaska</b>	Senate Committee on Transportation Senate Committee on Finance** House Committee on Transportation House Committee on Finance**
<b>Arizona*</b>	Senate Committee on Transportation House Committee on Transportation and Infrastructure <i>All bills must also pass through both chambers’ standing committees on rules.</i>
<b>Arkansas*</b>	Senate Committee on Transportation, Technology, and Legislative Affairs** House Committee on Public Transportation** Legislative Council**

State	Standing Committees with Jurisdiction Over Transportation-Related Issues
<b>California*</b>	Senate Committee on Transportation and Housing Senate Committee on Budget and Fiscal Review** Assembly Committee on Transportation Assembly Committee on Budget**
<b>Colorado*</b>	Senate Committee on Transportation House Committee on Transportation and Energy Joint Committee on Transportation
<b>Connecticut</b>	Joint Committee on Appropriations** Joint Committee on Finance, Revenue, and Bonding** Joint Committee on Transportation
<b>Delaware</b>	Senate Committee on Energy and Transit Senate Committee on Highways and Transportation Senate Committee on Public Safety House Committee on Public Safety and Homeland Security House Committee on Transportation/Land Use and Infrastructure
<b>Florida</b>	Senate Committee on Appropriations** Senate Committee on Transportation House Committee on Appropriations** House Committee on Economic Affairs**
<b>Georgia</b>	Senate Committee on Appropriations** Senate Committee on Public Safety Senate Committee on Transportation House Committee on Appropriations** House Committee on Motor Vehicles House Committee on Public Safety and Homeland Security House Committee on Transportation Joint Metropolitan Atlanta Rapid Transit Overview Committee (MARTOC)
<b>Hawaii</b>	Senate Committee on Public Safety, Intergovernmental, and Military Affairs Senate Committee on Transportation and Energy Senate Committee on Ways and Means House Committee on Finance House Committee on Transportation
<b>Idaho</b>	Senate Committee on Transportation House Committee on Transportation and Defense
<b>Illinois</b>	Senate Committee on Transportation** House Committee on Appropriations—Public Safety House Committee on Intermodal Infrastructure House Committee on Revenue and Finance** House Committee on Tollway Oversight House Committee on Transportation—Regulation, Roads, and Bridges** House Committee on Transportation—Vehicles and Safety**
<b>Indiana*</b>	Senate Committee on Homeland Security and Transportation House Committee on Roads and Transportation
<b>Iowa*</b>	Senate Committee on Transportation House Committee on Public Safety House Committee on Transportation Joint Transportation, Infrastructure, and Capitals Appropriations Subcommittee

State	Standing Committees with Jurisdiction Over Transportation-Related Issues
<b>Kansas*</b>	Senate Committee on Transportation Senate Committee on Ways and Means** House Committee on Transportation House Committee on Transportation and Public Safety Budget Joint Committee on State Building Construction <i>The speaker of the House or president of the Senate may assign a bill to any committee (see state profile).</i>
<b>Kentucky*</b>	Senate Committee on Appropriations and Revenue** Senate Committee on Transportation House Committee on Appropriations and Revenue** House Committee on Transportation
<b>Louisiana</b>	Senate Committee on Finance Senate Committee on Revenue and Fiscal Affairs Senate Committee on Transportation, Highways, and Public Works House Committee on Appropriations** House Committee on Transportation, Highways, and Public Works House Committee on Ways and Means Joint Committee on Capital Outlay Joint Highway Priority Construction Committee (see state profile)
<b>Maine</b>	Joint Committee on Transportation
<b>Maryland</b>	Senate Committee on Budget and Taxation** Senate Committee on Finance** Senate Committee on Judicial Proceedings House Committee on Appropriations** House Committee on Environment and Transportation** House Committee on Ways and Means** House Judiciary Committee
<b>Massachusetts</b>	Joint Committee on Transportation
<b>Michigan</b>	Senate Committee on Appropriations** Senate Committee on Transportation House Committee on Appropriations** House Committee on Transportation and Infrastructure
<b>Minnesota*</b>	Senate Committee on Capital Investment Senate Committee on Finance** Senate Committee on Transportation and Public Safety House Committee on Capital Investment House Committee on Transportation Policy and Finance House Subcommittee on Metropolitan Council Accountability and Transparency
<b>Mississippi</b>	Senate Committee on Energy Senate Committee on Finance Senate Committee on Highways and Transportation Senate Committee on Judiciary, Division A Senate Committee on Ports and Marine Resources Senate Committee on Public Property House Committee on Judiciary A House Committee on Ports, Harbors, and Airports House Committee on Public Property House Committee on Public Utilities House Committee on Transportation

State	Standing Committees with Jurisdiction Over Transportation-Related Issues
<b>Missouri*</b>	Senate Committee on Appropriations Senate Committee on Transportation, Infrastructure, and Public Safety House Committee on Appropriations—Revenue, Transportation, and Economic Development House Committee on Budget House Committee on Transportation Joint Committee on Legislative Research** Joint Committee on Transportation Oversight
<b>Montana*</b>	Senate Committee on Highways and Transportation House Committee on Transportation Senate Committee on Finance and Claims/House Committee on Appropriations**
<b>Nebraska</b>	Committee on Transportation and Telecommunications
<b>Nevada*</b>	Senate Committee on Transportation Assembly Committee on Transportation Senate Committee on Finance/Assembly Committee on Ways and Means**
<b>New Hampshire*</b>	Senate Committee on Finance Senate Committee on Transportation Senate Committee on Ways and Means House Committee on Finance House Committee on Public Works and Highways House Committee on Transportation House Committee on Ways and Means Joint Committee on Dedicated Funds
<b>New Jersey</b>	Senate Committee on Law and Public Safety Senate Committee on Transportation Assembly Committee on Law and Public Safety Assembly Committee on Transportation and Independent Authorities
<b>New Mexico*</b>	Senate Committee on Corporations and Transportation Senate Committee on Finance House Committee on Appropriations and Finance House Committee on Transportation and Public Works
<b>New York*</b>	Senate Committee on Infrastructure and Capital Investment Senate Committee on Transportation Assembly Committee on Corporations, Authorities, and Commissions** Assembly Committee on Transportation
<b>North Carolina*</b>	Senate Appropriations Committee on Department of Transportation Senate Committee on Transportation House Committee on Appropriations** House Committee on Transportation Joint Legislative Oversight Committee on Capital Improvements Joint Legislative Transportation Oversight Committee
<b>North Dakota*</b>	Senate Committee on Transportation House Committee on Transportation
<b>Ohio</b>	Senate Committee on Transportation, Commerce, and Labor House Committee on Finance** House Committee on Transportation and Infrastructure
<b>Oklahoma</b>	Senate Committee on Appropriations** Senate Committee on Transportation House Committee on Appropriations and Budget** House Committee on Transportation

State	Standing Committees with Jurisdiction Over Transportation-Related Issues
<b>Oregon*</b>	Senate Committee on Business and Transportation Senate Committee on Finance and Revenue House Committee on Revenue House Committee on Transportation and Economic Development Joint Committee on Ways and Means**
<b>Pennsylvania</b>	Senate Committee on Transportation House Committee on Transportation**
<b>Rhode Island*</b>	Senate Committee on Finance House Committee on Finance** Joint Committee on Highway Safety
<b>South Carolina*</b>	Senate Committee on Finance** Senate Committee on Transportation House Committee on Education and Public Works House Committee on Legislative Oversight House Committee on Ways and Means** Joint Transportation Review Committee
<b>South Dakota</b>	Senate Committee on Transportation House Committee on Transportation
<b>Tennessee</b>	Senate Committee on Finance, Ways, and Means Senate Committee on Government Operations Senate Committee on Transportation and Safety House Committee on Finance, Ways, and Means House Committee on Government Operations House Committee on Transportation** Joint Committee on Fiscal Review
<b>Texas*</b>	Senate Committee on Finance Senate Committee on Transportation House Committee on Appropriations House Committee on Homeland Security and Public Safety House Committee on Transportation**
<b>Utah*</b>	Senate Committee on Transportation, Public Utilities, Energy, and Technology Senate Confirmation Committee on Transportation, Public Utilities, Energy, and Technology House Committee on Transportation Joint Committee on Executive Appropriations**
<b>Vermont</b>	Senate Committee on Transportation House Committee on Transportation Joint Transportation Oversight Committee
<b>Virginia*</b>	Senate Committee on Finance** Senate Committee on Transportation** House Committee on Appropriations** House Committee on Transportation**
<b>Washington*</b>	Senate Committee on Transportation House Committee on Transportation
<b>West Virginia*</b>	Senate Committee on Transportation and Infrastructure House Committee on Roads and Transportation
<b>Wisconsin*</b>	Senate Committee on Transportation and Veterans Affairs Assembly Committee on Transportation
<b>Wyoming*</b>	Senate Committee on Revenue Senate Committee on Transportation, Highways, and Military Affairs House Committee on Revenue House Committee on Transportation, Highways, and Military Affairs



State	Standing Committees with Jurisdiction Over Transportation-Related Issues
<b>District of Columbia</b>	Committee on Finance and Revenue Committee on Transportation and the Environment

\* Legislature also has interim, special, or select committees, or task forces or commissions, with relevant jurisdiction (see state profiles)

\*\* Standing committee has subcommittees with relevant jurisdiction (see state profiles)

### Leadership Appointments and Removals

State legislatures can also exercise oversight by sharing responsibility for the appointment of key transportation decision makers. Governors have the power to appoint many of the officials who serve as the heads of executive agencies, and in most states this power extends to a secretary, director, or commissioner of transportation. Frequently, however, these appointments require the advice and consent of the state legislature, often through the Senate. Exceptions include states in which a DOT head is appointed by the governor with no legislative involvement, and those in which an appointment is made by a state transportation commission (Table 14).

**Table 14.** Appointment of DOT Leaders

State	DOT Leader	How Appointed		
		Appointed by Governor with No Legislative Involvement	Appointed by Governor with Legislative Approval	Other
<b>Alabama</b>	Director of Transportation	•		
<b>Alaska</b>	Commissioner of Transportation and Public Facilities		•	
<b>Arizona</b>	ADOT Director		•	
<b>Arkansas</b>	AHTD Director			Appointed by Highway Commission
<b>California</b>	Caltrans Director		•	
	Secretary of the California State Transportation Agency		•	
<b>Colorado</b>	CDOT Executive Director		•	
<b>Connecticut</b>	Commissioner of Transportation		•	
<b>Delaware</b>	DelDOT Secretary		•	
<b>Florida</b>	Secretary of Transportation		•	Nominated by Florida Transportation Commission
<b>Georgia</b>	Director of Planning		•	
	Commissioner of Transportation			Appointed by State Transportation Board
<b>Hawaii</b>	DOT Director		•	
<b>Idaho</b>	ITD Director			Appointed by Idaho Transportation Board
<b>Illinois</b>	Secretary of Transportation		•	
<b>Indiana</b>	Commissioner of INDOT	•		
<b>Iowa</b>	Director of Transportation		•	
<b>Kansas</b>	Secretary of Transportation		•	
<b>Kentucky</b>	Secretary of the KYTC	•		
<b>Louisiana</b>	Secretary of Transportation and Development		•	
<b>Maine</b>	Commissioner of Transportation		•	
<b>Maryland</b>	Secretary of Transportation		•	
<b>Massachusetts</b>	Secretary of Transportation	•		
<b>Michigan</b>	MDOT Director		•	

State	DOT Leader	How Appointed		
		Appointed by Governor with No Legislative Involvement	Appointed by Governor with Legislative Approval	Other
<b>Minnesota</b>	Commissioner of Transportation		•	
<b>Mississippi</b>	Executive Director of MDOT			Appointed by Mississippi Transportation Commission, with advice and consent of the Senate
<b>Missouri</b>	MoDOT Director			Appointed by Missouri Highways and Transportation Commission
<b>Montana</b>	MDT Director		•	
<b>Nebraska</b>	NDOR Director		•	
<b>Nevada</b>	NDOT Director			Appointed by NDOT Board of Directors
<b>New Hampshire</b>	NHDOT Commissioner	•		Appointed by governor with consent of the Executive Council
<b>New Jersey</b>	Commissioner of Transportation		•	
<b>New Mexico</b>	Secretary of Transportation		•	Also requires approval of State Transportation Commission
<b>New York</b>	Commissioner of Transportation		•	
<b>North Carolina</b>	Secretary of Transportation	•		
<b>North Dakota</b>	NDDOT Director	•		
<b>Ohio</b>	Director of Transportation		•	
<b>Oklahoma</b>	ODOT Director			Elected by Transportation Commission
	Secretary of Transportation		•	
<b>Oregon</b>	Director of Transportation		•	
<b>Pennsylvania</b>	Secretary of Transportation		•	
<b>Rhode Island</b>	Director of Transportation		•	
<b>South Carolina</b>	Secretary of Transportation			Hired by SCDOT Commission, with advice and consent of the Senate
<b>South Dakota</b>	Secretary of Transportation		•	
<b>Tennessee</b>	Commissioner of Transportation	•		
<b>Texas</b>	Executive Director of TxDOT			Elected by Texas Transportation Commission
<b>Utah</b>	Executive Director of UDOT		•	Appointed by governor after consultation with Transportation Commission and with consent of the Senate
<b>Vermont</b>	Secretary of VTrans		•	
<b>Virginia</b>	Commissioner of VDOT		•	
	Secretary of Transportation		•	
<b>Washington</b>	Secretary of Transportation		•	
<b>West Virginia</b>	Commissioner of Highways		•	
	Secretary of Transportation		•	
<b>Wisconsin</b>	Secretary of Transportation		•	
<b>Wyoming</b>	Director of WYDOT	•		Nominated by Transportation Commission
<b>District of Columbia</b>	DDOT Director		•	Appointed by mayor with advice and consent of the Council

**Note:** See state profiles for additional details—including how and by what bodies any legislative approvals are given—and statutory citations.

In addition, governors and legislatures also frequently share the responsibility for appointing members of a state transportation board, council, or commission (Table 15). Exceptions again include states in which the members are appointed by the governor with no legislative involvement. Other notable exceptions include bodies in California and Georgia, for which some or all members are selected by legislators, and the Mississippi Transportation Commission, which is unique in being elected by the people. In addition, four legislative leaders serve on Pennsylvania's Transportation Commission by virtue of their office. This commission provides greater oversight of the state DOT than any other legislative body and creates a venue for an unusually direct interaction between the legislature and the DOT concerning transportation matters.

**Table 15. Appointments to State Transportation Boards, Councils, and Commissions**

State	State Transportation Board, Council, or Commission	How Appointed		
		Appointed by Governor with No Legislative Involvement	Appointed by Governor with Legislative Approval	Other
<b>Arizona</b>	State Transportation Board		•	
<b>Arkansas</b>	Highway Commission		•	
<b>California</b>	California Transportation Commission		9 out of 13 members	Four members are appointed by the speaker of the Assembly and the Senate Committee on Rules
<b>Colorado</b>	Transportation Commission		•	
<b>Delaware</b>	Council on Transportation (advisory only)	•		
<b>Florida</b>	Florida Transportation Commission		•	
<b>Georgia</b>	State Transportation Board			Elected by state legislators in their respective congressional districts
<b>Idaho</b>	Idaho Transportation Board		•	
<b>Iowa</b>	Transportation Commission		•	
<b>Massachusetts</b>	MassDOT Board of Directors	10 out of 11 members		Secretary of transportation serves ex officio as chair
<b>Michigan</b>	State Transportation Commission		•	
<b>Mississippi</b>	Mississippi Transportation Commission			Elected by the people
<b>Missouri</b>	Missouri Highways and Transportation Commission		•	
<b>Montana</b>	Transportation Commission		•	
<b>Nebraska</b>	State Highway Commission (advisory only)		•	
<b>Nevada</b>	NDOT Board of Directors	4 out of 7 members		Governor, lieutenant governor, and state controller serve ex officio
<b>New Mexico</b>	State Transportation Commission		•	May be appointed by the Senate under some conditions (see state profile)
<b>North Carolina</b>	Board of Transportation	All 19 voting members		Secretary of transportation serves as an ex officio, non-voting member
<b>Oklahoma</b>	Transportation Commission		•	
<b>Oregon</b>	Oregon Transportation Commission		•	
<b>Pennsylvania</b>	State Transportation Commission		10 out of 15 members	Four legislators serve ex officio; secretary of transportation serves ex officio as chair
<b>South Carolina</b>	SCDOT Commission		•	

State	State Transportation Board, Council, or Commission	How Appointed		
		Appointed by Governor with No Legislative Involvement	Appointed by Governor with Legislative Approval	Other
<b>South Dakota</b>	Transportation Commission	•		
<b>Texas</b>	Texas Transportation Commission		•	
<b>Utah</b>	Utah Transportation Commission (advisory only, limited role)		•	
<b>Vermont</b>	Transportation Board (advisory and quasi-judicial only)		•	
<b>Virginia</b>	Commonwealth Transportation Board		All 14 voting members	Secretary of transportation, commissioner of VDOT, and director of the Department of Rail and Public Transportation serve as ex officio, non-voting members
<b>Washington</b>	Washington State Transportation Commission (limited role)		All 7 voting members	Governor or governor's designee and secretary of transportation serve as ex officio, non-voting members
<b>Wyoming</b>	Transportation Commission		•	

**Note:** See state profiles for additional details—including these entities’ respective numbers of members, term lengths, eligibility requirements, and how and by what bodies any legislative approvals are given—and statutory citations.

The legislature can play another role in key transportation appointments by establishing statutory conditions for eligibility. States have set requirements in law related to citizenship, residency, taxpayer status, geographic representation, knowledge, experience, education, overall partisan balance, conflicts of interest, and other criteria. Montana’s commission, for example, must include at least one member with specific knowledge of Indian culture and tribal transportation needs, who is to be selected by the governor after consultation with the Montana members of the Montana-Wyoming Tribal Leaders Council. Colorado law encourages but does not require the governor to include at least one member on the Transportation Commission who is a person with a disability, has a family member with a disability, or is a member of an advocacy group for people with disabilities (see state profiles).

In addition to their involvement in the appointment process, some state legislatures also share the authority to remove transportation leaders from office. Under certain circumstances, legislatures in Maine, Texas, and Vermont can remove an agency head, and the Arkansas Senate can remove a member of the Highway Commission. In Georgia, where members of the State Transportation Board are elected by state legislators in their respective congressional districts, they can also be recalled by those same legislators. In Ohio, New Mexico, and South Carolina, governors must have legislators’ approval to remove certain appointees (see state profiles).

### Legislative Review of Administrative Rules and Regulations

Administrative rules, also known as regulations, are official statements of law adopted by executive branch agencies to put statutes into practice. Because lawmaking is generally a legislative function, every legislature in theory has the power to veto administrative rules by passing new laws. But some states have gone further by putting additional legislative reviews in place to ensure that administrative rules comply with statutory authority and legislative intent. Some of these states require legislative committees or offices to review all proposed rules, while others allow for optional or selective review only. Some legislative entities can reject or suspend a rule, and others have a mainly advisory role. In Colorado, Idaho, Tennessee, and Utah, rules expire annually unless they are reauthorized or enacted into statute by the legislature (Table 16). Arkansas law requires state agencies to submit proposed rules for review and approval if requested to do so, but in general, the DOT is not considered a “state agency” subject to review and approval and does not submit rules for review (see state profiles for additional examples, details, and statutory citations).

**Table 16.** Legislative Review of Administrative Rules

Comprehensive Legislative Review	Optional or Selective Legislative Review	No Formal Legislative Review
Alabama	Arizona	California
Alaska	Arkansas (see note)	Hawaii
Colorado*	Delaware	Indiana
Connecticut	Iowa	Massachusetts
Florida	Nebraska	Mississippi
Georgia	Virginia	New Mexico
Idaho*	Washington	Rhode Island
Illinois	District of Columbia (see note)	
Kansas		
Kentucky		
Louisiana		
Maine		
Maryland		
Michigan		
Minnesota		
Missouri		
Montana		
Nevada		
New Hampshire		
New Jersey		
New York		
North Carolina		
North Dakota		
Ohio		
Oklahoma		
Oregon		
Pennsylvania		
South Carolina		
South Dakota		
Tennessee*		
Texas		
Utah*		
Vermont		
West Virginia		
Wisconsin		
Wyoming		

\* Agency rules expire annually unless they are reauthorized or enacted into statute by the legislature

**Note:** In general, the DOT in Arkansas is not considered to be subject to rules review. The exception is that, under new legislation enacted in 2016, the Highway Commission is now required to submit, for review by the Highway Commission Review and Advisory Subcommittee of the Legislative Council only, rules regarding the criteria for distribution of funds and the spending priority designated for highway construction contracts and public road construction projects. Also, in most instances, the Council of the District of Columbia does not review administrative rules or regulations. For a very few specific categories of rules, however, the Council has reserved the right to either a passive or active review of specific rules or regulations. These primarily include the imposition of new fees or fines. See state profiles for additional details and statutory citations.

### Legislative Audits and Sunset Reviews

To support their oversight role, most state legislatures conduct program evaluations, performance audits, or financial audits of state agencies and programs, often through a [specialized legislative office](#). These evaluations generally review the effectiveness, efficiency, and legality of state agencies, and the extent to which they are following legislative intent. State DOTs in nearly all

states are subject to legislative audits (Table 17), and even in some of the states where they are not, such as Georgia and North Dakota, legislative committees or individual legislators may still request audits to be conducted by non-legislative entities (see state profiles).

In addition, some state DOTs are subject to special evaluations that assess the need for the department's continued existence, conducted as part of a "sunset review" process in which a state agency is regularly scheduled for automatic termination unless it is affirmatively continued by the legislature. Most states with sunset review processes apply them to smaller boards, commissions, and regulatory agencies rather than large executive departments. In Arizona, Louisiana, Tennessee, and Texas, however, state DOTs are subject to recurring sunset reviews (Table 17; see state profiles for details and statutory citations). Sunset reviews add another layer of legislative oversight by providing regular opportunities for thorough legislative evaluation of an agency's performance and recommendations for improvements.

**Table 17. State DOTs That Are Subject to Legislative Audits or Sunset Reviews**

Subject to Legislative Audits Only		Subject to Legislative Audits and Sunset Reviews	Subject to Neither Legislative Audits nor Sunset Reviews
Alabama	Nebraska	Arizona	Delaware
Alaska	Nevada	Louisiana	Georgia
Arkansas	New Hampshire	Tennessee	Michigan
California	New Jersey	Texas	North Dakota
Colorado	New Mexico		Ohio
Connecticut	New York		Oregon
Florida	North Carolina		
Hawaii	Oklahoma		
Idaho	Pennsylvania		
Illinois	Rhode Island		
Indiana	South Carolina		
Iowa	South Dakota		
Kansas	Utah		
Kentucky	Vermont		
Maine	Virginia		
Maryland	Washington		
Massachusetts	West Virginia		
Minnesota	Wisconsin		
Mississippi	Wyoming		
Missouri	District of Columbia		
Montana			

**Note:** Some other legislatures, such as those in Nevada and West Virginia, also regularly review state agencies or transportation boards to determine whether they should be continued, consolidated, or terminated. These are not "true" sunset reviews as defined here, however, because the entity under review is not automatically abolished if there is no legislative action. Also, Ohio's legislative Sunset Review Committee conducts a sunset review process that does not include the DOT, but does include the Transportation Review Advisory Council, which oversees the DOT's selection process for major new transportation capacity projects. See state profiles for additional details and statutory citations.

### Reporting Requirements

A key technique for legislative oversight is to require state DOTs to submit certain reports to the full legislature or a legislative committee. Common reporting requirements in state law concern DOT operations, revenues and expenditures, transportation needs, project updates, and performance measures. State legislatures have also required a multitude of reports on topics of special interest in their respective states, such as bikeways, design-build contracts, ignition interlock programs, commute trip reduction, disadvantaged business enterprises, the use of recycled materials, job satisfaction for DOT personnel, and transportation for older adults and people with disabilities, to name just a few. Reports may be required by state statute or other legislative acts on



an annual, quarterly, conditional, or one-time basis, or for a limited time until a particular task or activity is complete (see state profiles).

### **Legislative Roles in DOT Performance Management**

As states seek to achieve results that matter to the public, and rebuild the public's trust in government, the approach known as "performance management" continues to gain ground. In general, performance management refers to an organization-wide focus on the achievement of meaningful results through evidence-based decision making, and encompasses activities that include setting clear goals and objectives, developing strategic plans, identifying effective practices, and measuring performance over time.

State DOTs have taken steps to integrate performance management into their operations, congruent with Federal and, often, state mandates. At the Federal level, for example, a key feature of surface transportation legislation since the enactment of the Moving Ahead for Progress in the 21st Century Act (MAP-21) in 2012, and continued under the FAST Act in 2015 (see page 19), has been a focus on performance management characterized by national transportation policy goals and performance-related requirements for state DOTs.

State legislatures, consistent with their oversight function, have also put various requirements in place concerning DOT performance management. Many states have enacted laws that establish transportation performance goals and targets, or that direct DOTs to create their own. Some states, including Vermont and Virginia, require the DOT to include performance measures in a transportation plan. State statutes also frequently mandate regular performance reporting from DOTs (see also page 46). In some states, including Georgia, Kansas, Louisiana, Maine, Minnesota, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, Oregon, Tennessee, Texas, Washington, and Wisconsin, as well as the District of Columbia, state legislatures review DOT performance goals or progress as part of the budget process.

Other examples of state legislative roles in DOT performance management include Oklahoma, where legislative appropriations subcommittees must establish budget performance measurements for all agencies under their jurisdiction, and Maryland and Massachusetts, where state statute establishes advisory bodies to advise the DOT concerning certain aspects of performance management (see state profiles for additional examples, details, and statutory citations).

### **Other Legislative Oversight Mechanisms**

Many other mechanisms support legislative oversight of state DOTs. These include legislative requests for information from the DOT, legislative review of non-legislative audits or evaluations, transportation-related reviews or studies conducted by legislative staff offices, DOT presentations or tours for legislative committees, special legislative reviews of specific DOT funds or programs, mandates for what information a DOT must share online, requirements that a DOT give the legislature notice before a particular action is taken, and other activities (see state profiles). All of these actions can give the legislature additional insight into department operations and performance.

### **Resources Provided to DOTs to Support Compliance with Oversight Requirements**

State DOTs often devote significant resources to complying with legislative oversight requirements. DOT staff must draft and submit numerous reports, prepare for and participate in legislative hearings, respond to requests for information, and take part in the budget process. In general, DOTs perform these activities using existing agency resources and pay for them out of their normal operating budgets. In some states, however, including Hawaii, Minnesota, New Mexico, Washington, and Wisconsin, DOTs have in some cases received separate funding allocations to provide required reports to the legislature or to meet other oversight requirements (see state profiles).

## 5 | STATE TRANSPORTATION FUNDING AND FINANCE

When state experts were asked in the survey research for this report to identify their greatest challenges to effective transportation policy and planning, a single theme dominated their responses: funding constraints. For years, states have struggled with chronic gaps between transportation revenues and investment needs for reasons that include aging infrastructure, cost inflation, and declining gas tax revenues. In particular, survey respondents identified uncertainties in Federal funding, especially past the end of the FAST Act (see page 19), shortfalls in state transportation revenues, and the challenges of ensuring that limited resources are allocated efficiently, wisely, and well. What may be more surprising, in light of this widely agreed-upon problem, is the rich diversity in what respondents' reported as having been most and least successful in their states' responses to it (Table 18).

**Table 18.** Selection of Respondents’ Views Concerning State Approaches to Transportation Funding and Finance

	Responding Organizations	
	Legislative Entities	DOTs
<b><i>Most Successful in State Approaches to Transportation Funding and Finance</i></b>	<ul style="list-style-type: none"> <li>• Constitutional safeguards on transportation-related taxes, fees, and funds</li> <li>• Successful efforts to raise fuel taxes</li> <li>• Indexed and percentage-of-price fuel taxes</li> <li>• Dedicated state sales taxes</li> <li>• Temporary increases of state tax revenues allocated to transportation purposes</li> <li>• Bonding, including temporary bond programs and federal GARVEE bonds</li> <li>• Minimizing or eliminating debt financing</li> <li>• The legislature’s recognition of transportation system needs</li> <li>• Using quality-based contractor selection rather than lowest bidder</li> <li>• The flexibility granted to the DOT for project selection, while prioritizing preservation of current infrastructure</li> <li>• Using local funds through a state/local cost-share program</li> <li>• Redirecting revenues from existing sources to infrastructure improvements</li> <li>• Leaving the legislature out of the process for determining highway projects</li> <li>• Use of regional funding arrangements</li> <li>• Use of a numerical project prioritization system and annual performance metrics</li> </ul>	<ul style="list-style-type: none"> <li>• Dependability of dedicated state revenues</li> <li>• Diversification of state revenues beyond gas taxes and vehicle-related fees</li> <li>• Temporary increases of state tax revenues allocated to transportation purposes</li> <li>• Allowing revenue ideas to come from independent sources, not the DOT</li> <li>• Increasing revenues through a vote of the people</li> <li>• Using operating revenues to self-fund projects</li> <li>• Bonding, including general obligation bonds and federal GARVEE bonds</li> <li>• Design-build contracting</li> <li>• Creative financing tools including TIFIA</li> <li>• Fighting the temptation to view “innovative” federal financing options as free cash and forcing those projects to co-exist with the rest of the highway program</li> <li>• A governor and legislature willing to look at alternative funding sources including supplementation from the general fund</li> <li>• Federal discretionary grants</li> <li>• Use of toll credits on federal projects</li> <li>• Sending staff to as many trainings as possible to get ideas about how to stretch dollars, get the most “bang for our buck,” and lengthen the useful life of our projects</li> <li>• Ability to cash manage project spending</li> <li>• Partnerships with municipalities, developers, and other stakeholders</li> <li>• Use of practical design</li> <li>• Using an asset management approach to make the best use of the resources we have</li> <li>• Educating legislators and leadership over the long term about funding needs</li> <li>• Building trust with the legislature through demonstrated performance</li> <li>• Quantitatively demonstrating the relationship between funding and condition ratings</li> <li>• Leveraging state matching funds for federal transportation programs</li> <li>• Ongoing focus on preservation and maintenance rather than new construction</li> <li>• Effective project prioritization</li> <li>• Processes that maximize federal funds</li> <li>• Accurate forecasting tools</li> </ul>

	Responding Organizations	
	Legislative Entities	DOTs
<b>Least Successful in State Approaches to Transportation Funding and Finance</b>	<ul style="list-style-type: none"> <li>• Unsuccessful efforts to raise fuel taxes</li> <li>• Heavy reliance on fuel tax revenues</li> <li>• Stagnant fuel tax rates, which are not keeping up due to increasing fuel efficiency</li> <li>• Unsuccessful applications to toll interstates</li> <li>• Inability of revenues to keep up with growing demand and aging infrastructure</li> <li>• Prior reliance on fuel tax revenue bonds, which eroded future revenue availability and flexibility</li> <li>• Attempting to charge special registration fees on hybrid vehicles</li> <li>• Not placing protections on transportation revenues beyond fuel taxes, resulting in transfers to non-transportation purposes</li> <li>• An undercapitalized and underused state infrastructure bank</li> <li>• Using general funds for baseline transportation programs at the expense of general fund programs</li> <li>• Not finding a way for local entities to adequately fund local transportation needs</li> <li>• Legislative earmarking of specific projects</li> <li>• Uncertain Federal funding in the long term</li> </ul>	<ul style="list-style-type: none"> <li>• Limited resources and the perception that more can be done with less</li> <li>• No consensus on where a consistent revenue stream for transportation will come from</li> <li>• Inability to get a consistent source of state funding for the maintenance program</li> <li>• Unsuccessful efforts to raise fuel taxes, either through the legislature or a vote of the people</li> <li>• Unsuccessful efforts to generate or access other revenues for transportation</li> <li>• Unsuccessful applications for Federal grants</li> <li>• Uncertain Federal funding in the long term</li> <li>• Difficulties advancing toll projects, despite a lack of alternative funding options for mega-projects</li> <li>• Using general obligation bonds for state match, which accelerated debt and limited resources available for debt service payments</li> <li>• Too much focus on “innovative” financing options rather than on the need to increase Federal and state revenues</li> <li>• Limited innovative contracting tools such as design-build</li> <li>• Too much time and money spent exploring a public-private partnership that was more expensive than traditional procurement</li> </ul>

	Responding Organizations	
	Legislative Entities	DOTs
Other Recommendations	<ul style="list-style-type: none"> <li>Legislative oversight of all DOT operations and its capital plan are essential for fiscal oversight</li> <li>Large amounts of legislative input into the project selection process has good and bad points. While legislators can get a better idea of what local residents want to be built, it also opens up the process to be politicized. Combined with the lengthy amount of time larger projects can take, this can result in one administration prioritizing certain projects, which the next one then abandons</li> <li>If transportation programs are to be funded with “user fees,” those fees, i.e. taxes, must be set to generate sufficient revenue to maintain and operate the system</li> <li>Current partisan bickering over low taxes ensures that our transportation system will be in decline</li> <li>Don’t establish too many funds and subsidiary funds and earmarks. All these do is create “silos” (for bridges, forest roads, wetland mitigation, etc.). Each little fund builds up a balance. It’s an extremely inefficient method of public finance</li> <li>Be open and transparent with details about financing and projects</li> <li>Use local funds if available</li> <li>Develop a transportation strategy and performance measures that, coupled with effective messaging, help policy makers understand transportation needs and how transportation supports quality of life and economic vitality and development</li> </ul>	<ul style="list-style-type: none"> <li>Maintain existing infrastructure first</li> <li>Make certain that all potential financing options available to the state are explored and maximized</li> <li>Stick with pay-as-you-go, and if you have to go with bonds, back them with a sufficient revenue stream to keep them from cannibalizing the rest of your program or the state’s general funds</li> <li>Be able to demonstrate, not only how more funding will improve performance, but in the same conversation, exactly how asset performance will deteriorate without it</li> <li>It is important that we learn and get ideas from one another as states, and learn from each others’ mistakes—it will allow all states to operate more effectively and efficiently</li> <li>Develop partnerships with other advocates to tell the story and progress the conversation about transportation funding with stakeholders</li> <li>There has to be trust that the DOT will use additional revenues efficiently and effectively, get the work out in a timely manner, and put the bulk of the funding into bricks and mortar</li> <li>Be honest with the public about infrastructure needs and don’t let the politicians control the messaging</li> <li>Debt financing is an important and useful tool as long as a state maintains a reasonable cap on the debt-to-revenue ratio and has a policy in place supporting this</li> <li>New and expanded transportation facilities provide for economic growth and increase state and local tax bases—communicating the return on infrastructure investment is important to providing the basis for funding</li> <li>Educate the public on the cost of having a reliable transportation system</li> <li>Educate, educate, educate. It’s always a matter of finding champions and allies. Build coalitions. Don’t be afraid to ask!</li> </ul>

**Note:** This is a partial list of survey responses to these questions. Comments have been edited for clarity and length. Similar responses have been combined, and identifying information has been removed to maintain confidentiality.

The rest of this chapter explores how states make decisions concerning transportation funding and finance, including how they develop transportation plans and prioritize projects. It also identifies the many different revenue sources and finance mechanisms in current use and the roles states play in local transportation funding.

## Budgeting and Appropriations

In addition to enacting laws, legislatures are also broadly responsible for appropriating state money for government purposes, and few if any bills on which the legislature acts are as vital as the budget bill. Unlike other areas of state budgeting, however, most revenues for state transportation programs come from special sources outside of state general funds, including Federal aid as well as constitutionally or statutorily dedicated state taxes and fees. For this reason, the actual role of state legislatures in allocating funding to state DOTs varies from state to state.

### State Budget Cycles and Processes

In many states, the budget process is seen as the main mechanism for legislative oversight of state agencies. It typically provides for a thorough legislative review of an agency's past performance, goals and objectives, proposed activities, and overall spending, and allows the legislature to adjust an agency's budget accordingly. As part of this oversight, a state DOT may be required to attend legislative hearings, provide reports to the legislature (see page 46), or establish new performance goals or objectives (see page 47). These activities can also afford the DOT an opportunity to present its achievements and explain its programs to the legislature and the public.

In general, the legislature, the governor, and state agencies participate in different stages of a state budget process. Typically, state agencies such as DOTs prepare their budget requests and submit them to the governor, who then puts together an overall budget proposal and sends it to the legislature. The legislature then reviews, amends, and passes the budget as one or more bills, which are returned to the governor for approval. The governor may [veto](#) a budget bill, and the legislature may override the veto. Once a budget becomes law, implementing it is generally an executive function, and overseeing it, a legislative one.

Many variations exist in state budget processes. For example, in most states, the governor creates the initial budget proposal, and the executive branch tends to set the terms of the discussion. In Arizona, Colorado, New Mexico, Oklahoma, and Texas, however, a legislative entity produces a comprehensive budget as an alternative to the governor's proposal. Some states also place specific limits on the legislature's power over the budget. In Maryland, for example, the legislature can reduce but not add funding for specific projects in the governor's budget. It can, though, add expenditures through a supplementary appropriations bill if matched with new revenues, or require the next year's executive budget to include certain expenditures (see state profiles).

In addition, state budget cycles vary. Some states enact 12-month budgets each year, while others enact a 24-month budget, or two 12-month budgets, every other year. Further, although most state fiscal years begin on July 1, those in Alabama, Michigan, New York, Texas, and the District of Columbia do not (Table 19).



**Table 19. State Budget Cycles**

Annual Budget	Biennial Enactment of One 24-Month Budget	Biennial Enactment of Two 12-Month Budgets
Alabama*	North Dakota	Connecticut
Alaska	Oregon	Hawaii (see note)
Arizona	Washington (see note)	Indiana
Arkansas	Wyoming	Kentucky
California		Maine
Colorado		Minnesota
Delaware		Montana
Florida		Nebraska
Georgia		Nevada
Idaho		New Hampshire (see note)
Illinois		North Carolina
Iowa		Ohio
Kansas (see note)		Texas*
Louisiana		Virginia (see note)
Maryland		Wisconsin
Massachusetts		
Michigan*		
Mississippi		
Missouri		
New Jersey		
New Mexico		
New York*		
Oklahoma		
Pennsylvania		
Rhode Island		
South Carolina		
South Dakota		
Tennessee		
Utah		
Vermont		
West Virginia		
District of Columbia*		

\* *Fiscal year begins on a date other than July 1 (see state profiles)*

**Note:** In Hawaii, the state constitution and statutes prescribe a biennial budget, but in practice, a budget is submitted each year. Kansas has an annual budget for most state agencies, including the DOT. In New Hampshire, the biennial operating budget consists of two 12-month budgets, but the capital budget is enacted as one 24-month budget. In Virginia, the budget is adopted for a biennium, but is amended in the second year of the biennium. Likewise, in Washington, supplemental transportation budgets frequently are enacted in each of the two years following the adoption of the biennial budget to account for technical and workload updates, make corrections, or address emerging issues. See state profiles for additional details.

### Allocation of Federal Revenues to State DOTs

States receive significant Federal aid for transportation programs. The Congressional Budget Office [estimates](#) that the Federal government provides about a quarter of all funding for highways and transit systems each year, with states and local governments supplying the rest. States vary, however, in how much control the legislature has over the allocation of Federal transportation revenues to DOTs. In several states, Federal funds flow directly to the state DOT, with no legislative involvement, whereas in others, the legislature appropriates some or all of these revenues as part of the state budget process. In some cases, a DOT's use of these funds must also be authorized by the legislature's approval of a transportation plan or program (Table 20).

**Table 20. State Legislative Roles in Allocating Federal Transportation Revenues to State DOTs**

Legislatively Appropriated	Legislatively Appropriated in Part	No Legislative Role	Other
Alabama*	Illinois	Arizona	Delaware* (see note)
Alaska	Maryland*	Colorado	
Arkansas	Minnesota (see note)	Connecticut	
California	Missouri	Iowa	
Florida*	New Mexico*	Kansas	
Georgia	Pennsylvania	Massachusetts	
Hawaii* (see note)	Washington	North Carolina	
Idaho		Oklahoma	
Indiana		Wyoming	
Kentucky		District of Columbia	
Louisiana*			
Maine			
Michigan			
Mississippi			
Montana			
Nebraska (see note)			
Nevada			
New Hampshire*			
New Jersey*			
New York*			
North Dakota			
Ohio (see note)			
Oregon (see note)			
Rhode Island			
South Carolina			
South Dakota (see note)			
Tennessee			
Texas			
Utah			
Vermont*			
Virginia			
West Virginia			
Wisconsin			

\* Allocation of Federal revenues to the DOT also involves legislative approval of a transportation program or plan

**Note:** In Delaware, Federal transportation funds are allocated through legislative approval of the DOT's capital transportation plan and operating budget. In Hawaii, the DOT, via a budget proviso, is allowed to increase Federal appropriation ceilings when the legislature is not in session, but all such actions must be reported to the Legislature with details about why the appropriation was not sought during the normal legislative budgeting cycle. In Minnesota, federal funds that flow through the state's Trunk Highway Fund are appropriated through the biennial budget process, while federal funds that do not flow through that fund require legislative approval to be spent. In Nebraska, appropriations of Federal transportation funds reflect a cash flow estimate that the DOT can exceed without legislative involvement. In Ohio, the legislative Controlling Board must approve the use of certain funds for rail purposes. In Oregon, Federal formula funds flow directly to the DOT, but are subject to an expenditure limit in the biennial appropriations bill. Also, legislative approval is required for Oregon's DOT to apply for non-formula Federal grants. In South Dakota, transportation revenues are allocated to the DOT through appropriations that are for informational purposes only, and budgetary control lies with the Transportation Commission, so in effect the funds flow directly to the DOT. See state profiles for additional details.

### Allocation of State Revenues to State DOTs

In general, state legislatures tend to have more control over the allocation of state transportation revenues than they do over Federal aid. In every state, for example, at least some state transportation revenues are legislatively appropriated. In a handful of states, however, some revenues that are allocated to certain purposes or funds by state law flow directly to the DOT with-

out further legislative involvement (Table 21). At the same time, several states noted that although certain state transportation revenues are distributed by statutory formulas, the authority to spend them is still given through legislative appropriations (see state profiles). As with Federal funds, some allocations of state revenues also require legislative approval of a transportation plan or program.

**Table 21. State Legislative Roles in Allocating State Transportation Revenues to State DOTs**

Legislatively Appropriated	Legislatively Appropriated in Part	Other
Alabama*	Colorado (see note)	Delaware* (see note)
Alaska	Hawaii*	
Arizona	Iowa (see note)	
Arkansas	Missouri	
California	Pennsylvania	
Connecticut	Wisconsin (see note)	
Florida*	Wyoming	
Georgia		
Idaho		
Illinois		
Indiana		
Kansas (see note)		
Kentucky		
Louisiana*		
Maine (see note)		
Maryland*		
Massachusetts		
Michigan		
Minnesota		
Mississippi		
Montana		
Nebraska (see note)		
Nevada		
New Hampshire*		
New Jersey*		
New Mexico*		
New York*		
North Carolina		
North Dakota		
Ohio (see note)		
Oklahoma		
Oregon (see note)		
Rhode Island		
South Carolina		
South Dakota (see note)		
Tennessee		
Texas		
Utah		
Vermont*		
Virginia		
Washington		
West Virginia		
District of Columbia		

\* Allocation of state revenues to the DOT also involves legislative approval of a transportation program or plan

**Note:** In Colorado, most state transportation revenues flow to the DOT without legislative involvement, except that the entire DOT budget is reflected in the budget bill for informational purposes. In Delaware, Federal transportation funds are allocated through legislative approval

of the DOT's capital transportation plan and operating budget. In Iowa, in addition to the legislative appropriation of some state funds, the DOT's operating budget must go through the legislature each year before the governor approves it. In Kansas, state transportation funds for capital improvements and preservation projects mainly come from the State Highway Fund, which is legislatively appropriated to KDOT with no limit on expenditure authority, but other expenditures do have limits or specific legislative oversight. In Maine, in addition to legislative appropriations, the budget for the Highway Fund must be legislatively approved. In Nebraska, most transportation appropriations reflect a cash flow estimate that the DOT can exceed without legislative involvement. In Ohio, the legislative Controlling Board must approve the use of certain funds for rail purposes. In Oregon, state transportation funds flow directly to the DOT, but are subject to an expenditure limit in the biennial appropriations bill. In South Dakota, transportation revenues are allocated to the DOT through appropriations that are for informational purposes only, and budgetary control lies with the Transportation Commission, so in effect the funds flow directly to the DOT. In Wisconsin, with a few minor exceptions, there are no automatic or formula-based appropriations of state funds to transportation programs. See state profiles for additional details.

## Planning and Projects

States choose how to invest limited Federal and state dollars through structured planning processes in which they select and prioritize transportation projects. State DOTs take the lead in transportation planning, subject to both Federal and state requirements. Under Federal law, for example, each state DOT must prepare a multimodal, long-range transportation plan and a shorter-term list of Federally funded surface transportation projects called a statewide transportation improvement program (STIP), according to certain guidelines and in consultation with various stakeholders. DOTs must also meet state mandates for transportation planning, such as required timeframes, content, criteria, or approvals. In some states, DOTs must prepare state plans or programs in addition to those that are Federally required (see state profiles).

State legislatures have widely varying levels of involvement in transportation planning and capital project selection, from those that routinely select or approve specific projects to those with no role beyond making overall appropriations to the DOT (Table 22). At one end of the spectrum, for example, Delaware's legislature annually approves the DOT's capital plan and operating budget, and the state has a Community Transportation Fund from which individual legislators can annually authorize funds for road and drainage projects in their districts. At the other end, Nebraska constitutionally prohibits the legislature from prioritizing specific road or highway projects. In many states, the legislature actively reviews or approves DOT plans or programs, often as part of the budget process (see also pages 53–56). Other legislative roles can include earmarking funds for specific projects, setting guidelines for the planning process, or establishing broad project selection criteria in state law (see state profiles).

**Table 22. Range of Legislative Roles in Transportation Planning and Capital Project Selection**

Substantial Legislative Role	Moderate Legislative Role	Limited Legislative Role	No Legislative Role
Alabama	Alaska	Arizona	Montana
Delaware	Connecticut	Arkansas	Nebraska
Florida	Illinois	California	Nevada
Hawaii	Massachusetts	Colorado	Ohio
Kentucky	Oregon	Georgia	South Dakota
Louisiana	Rhode Island	Idaho	
Maryland	Tennessee	Indiana	
New Hampshire	Virginia	Iowa	
New Jersey	West Virginia	Kansas	
New Mexico	District of Columbia	Maine	
New York		Michigan	
Pennsylvania		Minnesota	
Vermont		Mississippi	
Washington		Missouri	
Wisconsin		North Carolina	
		North Dakota	
		Oklahoma	
		South Carolina	
		Texas	
		Utah	
		Wyoming	

**Note:** This table illustrates a subjective categorization developed by the author. In general, legislatures identified as having a “substantial” role include those that must approve transportation plans or routinely select specific projects. Those with a “moderate” role may be able to make substantive changes to plans, or advance some specific projects. Those with a “limited” role include those that select only a few earmarked projects, review but cannot change transportation plans, affect overall investment priorities through appropriations to non-highway modes, or influence the planning process through general statutory guidelines. Those with “no” role may approve overall appropriations, but not at the project-specific level. See state profiles for additional details and statutory citations.

## State Revenue Sources

States provide nearly half of all funding for highways and public transit, as well as revenues for aviation, rail, and other transportation modes. As states continue to face transportation funding shortfalls, interest has grown in the broad diversity of revenues that are authorized and in use across the states, as well as how states are ensuring that those revenues are being spent on transportation purposes.

### Revenue Sources for Transportation Uses

States use a remarkable variety of taxes and fees to support roads and bridges (Table 23) as well as other transportation modes such as public transit, rail, aviation, ports, and pedestrian and bicycle projects (see state profiles). These revenue sources include state fuel taxes, vehicle fees, sales taxes, tolls, mode-specific revenues, and an assortment of other sources such as congestion pricing, cigarette taxes, and state lotteries. In addition to revenues used by DOTs and other state agencies, a number of quasi-public entities, such as turnpike or port authorities, collect and use specific revenues to support some elements of the overall transportation system (see state profiles; see also pages 22–26).

**Table 23. Revenue Sources Currently Used by States for Roads and Bridges**

State	Revenue Sources							
	Fuel Taxes	Passenger Vehicle Fees	Truck Registration Fees	Tolls	General Sales Taxes	General Funds	Interest Income	Other
<b>Alabama</b>	F	R	•					Alternative fuel vehicle fees Oversize/overweight truck permit fees Outdoor advertising revenues
<b>Alaska*</b>	F	R, T		•		•	•	Taxes on alternative fuels Industrial use highway permit fees Sales taxes on rental vehicles Property leases or sales Legislative appropriations (budget reserve fund)
<b>Arizona</b>	F	R, T	•			•	•	Oversize/overweight truck permit fees Other truck permit fees Vehicle license taxes Sales taxes on rental vehicles Driver's license fees
<b>Arkansas</b>	F	R, T	•		•	•	•	Taxes on alternative fuels Oversize/overweight truck permit fees Other truck- and commercial driver-related fees Severance taxes on natural gas Rail regulation fees Pine timber sales Rainy Day Fund (one-time transfer in 2016)
<b>California</b>	F, V		•	•			•	Taxes on alternative fuels Cap-and-Trade Program revenues Property leases or sales
<b>Colorado</b>	F	R	•			•	•	Taxes on alternative fuels Special fees on electric vehicles Fees on rental vehicles Oversize/overweight truck permit surcharges Congestion pricing/high-occupancy toll (HOT) lanes Outdoor advertising revenues Property sales
<b>Connecticut</b>	F, V	R, T	•		•		•	Sales taxes on motor vehicle sales Property leases and sales Pilot license fees (watercraft) Misc. DMV and DOT fees and fines
<b>Delaware</b>	F	R, T	•	See note			•	Oversize/overweight truck permit fees Property leases and sales
<b>Florida</b>	F, V	R, T	•	•			•	Oversize/overweight truck permit fees Surcharge on rental vehicles Congestion pricing/high-occupancy toll (HOT) lanes Documentary stamp revenues
<b>Georgia</b>	V			See note		•	•	Taxes on alternative fuels Special fees on heavy vehicles Oversize truck permit fees Congestion pricing/high-occupancy toll (HOT) lanes Hotel fees



State	Revenue Sources							
	Fuel Taxes	Passenger Vehicle Fees	Truck Registration Fees	Tolls	General Sales Taxes	General Funds	Interest Income	Other
<b>Hawaii</b>	F	R, T				•		Taxes on alternative fuels State vehicle weight tax Sales taxes on rental vehicles Property rentals and leases Fines for use of mobile devices while driving
<b>Idaho</b>	F	R, T	•			•	•	Taxes on alternative fuels Fuel taxes for certain non-highway use (used for grade crossings) Oversize/overweight truck permit fees Other truck permit fees Special fees on hybrid and electric vehicles Cigarette taxes
<b>Illinois</b>	F	R, T	•	See note			•	Oversize/overweight truck permit fees Outdoor advertising revenues
<b>Indiana</b>	F	R, T	•	See note		•	•	Use taxes on gasoline Taxes on alternative fuels Oversize/overweight truck permit fees Other truck permit fees Driver's license and state ID card fees Outdoor advertising revenues Property leases or sales
<b>Iowa</b>	V	R, T	•				•	Taxes on alternative fuels One-time registration fee on vehicle sales/leases Special license plate fees Oversize/overweight truck permit fees Sales taxes on rental vehicles Rest area sponsorship Misc. fees and taxes
<b>Kansas</b>	F	R, T	•	See note	•		•	Taxes on alternative fuels Sales of confiscated fuel Special license plate fees Motor carrier license fees Oversize/overweight truck permit fees Other truck permit fees Driver's license and state ID card fees Misc. fees and fines Outdoor advertising revenues Property sales
<b>Kentucky</b>	F, V	R, T	•	See note			•	Taxes on alternative fuels Sales taxes on motor vehicle sales Weight-distance taxes (trucks) Oversize/overweight truck permit fees Driver's license fees
<b>Louisiana</b>	F	R, T	•	•			•	Taxes on alternative fuels Oversize/overweight truck permit fees Outdoor advertising revenues Other DOT-generated revenues

State	Revenue Sources							
	Fuel Taxes	Passenger Vehicle Fees	Truck Registration Fees	Tolls	General Sales Taxes	General Funds	Interest Income	Other
<b>Maine*</b>	F	R, T	•	See note			•	Taxes on alternative fuels Special license plate fees Vehicle inspection fees Driver's license and state ID card fees Oversize/overweight truck permit fees Fines for truck size and weight violations Traffic fines Wholesale liquor revenues
<b>Maryland</b>	V	R, T	•	•			•	Taxes on alternative fuels Taxes on aviation fuels Oversize/overweight truck permit fees Other truck permit fees Sales taxes on rental vehicles Driver's license fees Congestion pricing/high-occupancy toll (HOT) lanes Revenue-sharing: rest area food/fuel concessions Corporate income taxes
<b>Massachusetts</b>	F	R, T	•	•		•	•	Taxes on alternative fuels Oversize/overweight truck permit fees Sales taxes on motor vehicle sales Driver's license fees Outdoor advertising revenues Gaming revenues Property leases and sales
<b>Michigan</b>	F	R, T	•	•		•		Taxes on alternative fuels Oversize/overweight truck permit fees Vehicle dealer license fees
<b>Minnesota</b>	F	Registration taxes	•				•	Taxes on alternative fuels Oversize/overweight truck permit fees Commercial vehicle inspection fees Sales taxes on motor vehicle sales Fees on rental vehicles Congestion pricing/high-occupancy toll (HOT) lanes Traffic fines Outdoor advertising revenues
<b>Mississippi</b>	F		•				•	Taxes on alternative fuels License tag fees Vehicle dealer tag fees Oversize/overweight truck permit fees Overweight truck taxes Contractor's taxes Lubricating oil taxes Casino taxes (see state profile)
<b>Missouri</b>	F	R, T	•			•	•	Taxes on alternative fuels Special fees on electric/some alternative fuel vehicles Sales taxes on motor vehicle sales/leases Driver's license fees

State	Revenue Sources							
	Fuel Taxes	Passenger Vehicle Fees	Truck Registration Fees	Tolls	General Sales Taxes	General Funds	Interest Income	Other
Montana	F		Gross vehicle weight fees on heavy trucks				•	Taxes on alternative fuels Gross vehicle weight fees on light trucks Oversize/overweight truck permit fees
Nebraska	F, V	R	•		•		•	Taxes on alternative fuels Special fees on electric/some alternative fuel vehicles Sales taxes on motor vehicle sales/leases Oversize/overweight truck permit fees Property leases and rentals Train-mile taxes (used for grade crossings) Outdoor advertising revenues
Nevada	F	R, T	•				•	Taxes on alternative fuels Driver's license and state ID card fees Passenger carrier excise taxes Petroleum cleanup fees Occupational and business licensing fees Governmental services taxes
New Hampshire	F	R, T	•	•			•	Taxes on alternative fuels Rest area food/fuel concessions
New Jersey	F, V			See note			•	Taxes on alternative fuels Sales taxes on motor vehicle sales
New Mexico	F	R, T					•	Taxes on alternative fuels Sales taxes on motor vehicle leases/rentals Weight-distance taxes (trucks) Trip taxes (foreign-based motor carriers) Oversize/overweight truck permit fees Driver's license fees Outdoor advertising revenues
New York	F, V	R, T	•	See note		•	•	Taxes on aviation fuels Weight-distance taxes (trucks) Oversize/overweight truck permit fees Sales taxes on rental vehicles Driver's license fees Franchise taxes on transmission and transportation companies Outdoor advertising revenues Misc. fees and fines
North Carolina	F	R, T	•	•			•	Taxes on alternative fuels Vehicle inspection fees Special fees on electric vehicles Sales taxes on motor vehicle sales/leases Oversize/overweight truck permit fees (under some circumstances—see state profile) Driver's license fees Business license fees North Carolina Rail Company dividends (used for rail crossings)

State	Revenue Sources							
	Fuel Taxes	Passenger Vehicle Fees	Truck Registration Fees	Tolls	General Sales Taxes	General Funds	Interest Income	Other
<b>North Dakota</b>	F	R, T	•			•	•	Taxes on alternative fuels Driver's license and state ID card fees
<b>Ohio</b>	F, V			See note			•	Taxes on alternative fuels Leases of rights-of-way Outdoor advertising revenue
<b>Oklahoma</b>	F	R, T	•	See note			•	Taxes on alternative fuels Oversize/overweight truck permit fees Other truck permit fees Outdoor advertising revenues Income taxes
<b>Oregon</b>	F	R, T	•			•	•	Taxes on alternative fuels Special fees on some hybrid and electric vehicles Weight-distance taxes (trucks) Oversize/overweight truck permit fees Other truck permit fees Road usage charges Driver's license fees Property leases or sales
<b>Pennsylvania</b>	V	R, T	•	See note			•	Taxes on alternative fuels Oversize/overweight truck permit fees Driver's license and other fees Outdoor advertising revenues
<b>Rhode Island</b>	V	R	•	See note			•	Emission inspection fees Rental vehicle surcharges Driver's license fees Outdoor advertising revenues Property sales
<b>South Carolina</b>	F			•			•	Taxes on alternative fuels Sales taxes on motor vehicle sales Oversize/overweight truck permit fees Driver's license and state ID card fees Misc. DMV fees and fines Electric power taxes
<b>South Dakota</b>	F						•	Taxes on alternative fuels Sales taxes on motor vehicle sales/leases Sales taxes on rental vehicles Outdoor advertising revenues
<b>Tennessee</b>	F	R	•			•	•	Taxes on alternative fuels Oversize/overweight truck permit fees (under some circumstances—see state profile) Off-road vehicle fees
<b>Texas</b>	F	R, T	•	•			•	Taxes on alternative fuels Vehicle inspection fees Oversize/overweight truck permit fees High-occupancy toll (HOT) lanes/managed lanes Sales taxes on motor lubricants Driver's license and state ID card fees Driver record information fees Oil and gas production taxes

State	Revenue Sources							
	Fuel Taxes	Passenger Vehicle Fees	Truck Registration Fees	Tolls	General Sales Taxes	General Funds	Interest Income	Other
Utah	V	R, T	•		•		•	Taxes on alternative fuels Sales taxes on rental vehicles Oversize/overweight truck permit fees High-occupancy toll (HOT) lanes
Vermont	F, V	R, T	•				•	Sales taxes on motor vehicle sales/leases/rentals Transportation impact fees
Virginia	V	R	•	•	•		•	Taxes on alternative fuels Special fees on electric vehicles Sales taxes on motor vehicle sales Sales taxes on rental vehicles Oversize/overweight truck permit fees Rest area sponsorship
Washington*	F	R, T	•	•			•	Taxes on alternative fuels Vehicle weight fees License plate retention fees Special fees on electric vehicles Sales taxes on motor vehicle sales and rental vehicles Studded tire fees Congestion pricing/variable tolling/high-occupancy toll (HOT) lanes Property sales
West Virginia	F, V	R, T	•	•				Taxes on alternative fuels Oversize/overweight truck permit fees Sales taxes on motor vehicle sales/leases/rentals
Wisconsin	F	R, T	•			•	•	Taxes on alternative fuels Taxes on aviation fuels Oversize/overweight truck permit fees Fines for truck size and weight violations State rental vehicle fees Driver's license and state ID card fees Railroad property taxes Airline property taxes Aircraft registration fees Outdoor advertising revenues Passenger rail station sponsorship Driver and vehicle record information fees Property sales Petroleum Inspection Fund revenues
Wyoming	F	R, T	•			•		Taxes on alternative fuels Special fees on electric vehicles Oversize/overweight truck permit fees Driver's license fees Outdoor advertising revenues Mineral royalties Mineral severance taxes
District of Columbia	V					•	•	Taxes on alternative fuels Rights-of-way user fees Public space rental and use fees Public inconvenience fees Utility marking fees

\* *Alaska, Maine, and Washington also use ferry fares for state ferries that are considered to be part of those states' highway systems*

*F: Fixed-rate fuel taxes*

*V: Variable-rate fuel taxes, including those that are periodically adjusted based on inflation or fuel prices*

*R: Registration fees*

*T: Title fees*

**Note:** In general, this chart identifies revenue sources used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. Toll facilities in Illinois, Kansas, Maine, New York, Ohio, Oklahoma, Pennsylvania, and Rhode Island, for example, are operated by state-level, quasi-public authorities or commissions. Tolls collected by Pennsylvania's Turnpike Commission, however, are allocated in part to funds administered by the DOT under state law, and New Jersey's Transportation Trust Fund receives allocations from contracts with quasi-public toll road authorities and other entities. Toll roads in Delaware are under the Delaware Transportation Authority, a corporation and instrumentality of the state that functions as a component unit of the DOT. Georgia, Indiana, and Kentucky plan to open toll facilities in the next year. See state profiles for additional details and statutory citations, revenues used for other modes, and revenues that are authorized in law but not currently in use.

State taxes on motor fuels are the largest single source of state revenues for highways, representing more than 30 percent of such revenues nationwide. Taxes on gasoline and diesel are also used by many states to pay for other kinds of transportation projects (see page 66). Also, the bulk of the Federal Highway Trust Fund, which provides critical aid to states for highway and transit programs, comes from Federal fuel taxes. This dependence on fuel tax revenues has contributed to the current transportation funding crisis. Over the past decade, fuel tax revenues have fallen in real terms due to changing driving habits and ever more fuel-efficient vehicles. Further, the Federal fuel tax and many state fuel taxes have remained at static, fixed cents-per-gallon rates that have declined in purchasing power as construction costs have risen.

To combat this, many states have structured their taxes to change over time. Some of these “variable-rate” taxes are periodically adjusted based on a measure of inflation such as a consumer or producer price index, while others are calculated as a percentage of wholesale or retail fuel prices, or by some other criterion. In some states, one or more variable components are assessed in addition to a fixed-rate tax, and in others, the entire tax on fuel is regularly recalculated (Table 24).

**Table 24. State Fuel Tax Models**

State	State Fuel Tax Model			
	Has a Fixed-Rate Tax	Has a Variable-Rate Tax		
		Indexed to Inflation	Percentage of Price	Other
<b>Alabama</b>	•			
<b>Alaska</b>	•			
<b>Arizona</b>	•			
<b>Arkansas</b>	•			
<b>California</b>	•		•	
<b>Colorado</b>	•			
<b>Connecticut</b>	•		•	
<b>Delaware</b>	•			
<b>Florida</b>	•	•		
<b>Georgia</b>		Until July 1, 2018 (see note)		Based on average vehicle fuel economy (see note)
<b>Hawaii</b>	•			
<b>Idaho</b>	•			
<b>Illinois</b>	•			
<b>Indiana</b>	•			
<b>Iowa</b>				Until July 1, 2020; based on fuel distribution percentage formulas; intended to be revenue-neutral (see note)



State	State Fuel Tax Model			
	Has a Fixed-Rate Tax	Has a Variable-Rate Tax		
		Indexed to Inflation	Percentage of Price	Other
Kansas	•			
Kentucky	•		•	
Louisiana	•			
Maine	•			
Maryland		•	•	
Massachusetts	•			
Michigan	Until Jan. 1, 2022 (see note)	Starting Jan. 1, 2022 (see note)		
Minnesota	•			
Mississippi	•			
Missouri	•			
Montana	•			
Nebraska	•		•	Adjusted to provide for legislative appropriations and debt service (see note)
Nevada	•			
New Hampshire	•			
New Jersey	•		•	
New Mexico	•			
New York	•	•	•	
North Carolina	Until Jan. 1, 2017 (see note)	Starting Jan. 1, 2017 (see note)		Starting Jan. 1, 2017; based on population (see note)
North Dakota	•			
Ohio	•		•	
Oklahoma	•			
Oregon	•			
Pennsylvania			•	
Rhode Island		•		
South Carolina	•			
South Dakota	•			
Tennessee	•			
Texas	•			
Utah		Begins the year after the actual price of fuel reaches the statutory price floor (see note)	•	
Vermont	•		•	
Virginia			•	
Washington	•			
West Virginia	•		•	
Wisconsin	•			
Wyoming	•			
District of Columbia			•	

**Note:** This categorization focuses on special taxes on motor fuels and does not reflect those states in which fuels are subject to a general sales tax. These states include Hawaii (where general excise taxes on motor fuel sales, like such taxes on all other transactions, are deposited to the state general fund) and Illinois, Indiana, and Michigan (where sales or use taxes on fuels are treated differently, including special allocations to transportation purposes; see state profiles). In Georgia, as of July 1, 2016, fuel taxes are annually adjusted based on the average fuel economy of all new vehicles registered in the state the previous year and, until July 1, 2018, the Consumer Price Index. Until July 1, 2020, Iowa's fuel taxes are to be adjusted annually based on fuel distribution percentage formulas, but these adjustments are intended to be revenue-neutral. The formula must be reviewed by a legislative interim committee at least every six years, with the next review due by Jan. 1, 2020. Michigan's fuel taxes will be indexed starting on Jan. 1, 2022, and North Carolina's fuel taxes will be annually adjusted based on population and the Consumer Price Index for energy costs starting on Jan. 1, 2017. Nebraska's fuel taxes include a variable component that is adjusted as a percentage of price, and another that is adjusted annually to provide for legislative appropriations and debt service. Utah's fuel taxes are annually adjusted based on the average rack price, and will also be indexed to the Consumer Price Index starting the year after the actual average rack price reaches the statutory price floor of \$2.45 per gallon. See state profiles for additional details and statutory citations.

Fuel taxes are not the only transportation revenues that states have structured to keep up with inflation. In Maryland, transit fares are indexed to the Consumer Price Index, as are some toll revenues in Florida. Pennsylvania indexes a number of transportation-related fees, and as of July 1, 2020, so will North Carolina (see state profiles).

Other state revenue sources have also been pursued in response to advances in vehicle fuel efficiency and the use of alternative fuels, which further reduce traditional fuel tax revenues. Most states tax at least some alternative fuels, such as propane or natural gas fuels, and several states assess special fees on electric, hybrid, or alternative fuel vehicles (see Table 23 and state profiles).

States have also shown great interest in the possibility of charging drivers based on the number of miles they drive, rather than the gallons of fuel they consume. Many states have studied these kinds of “mileage-based user fees,” and in July 2015, Oregon launched the nation's first real road usage charge. Oregon's [program](#) is designed to collect 1.5 cents per mile from up to 5,000 cars and light commercial vehicles, and to deposit the revenues to the state's highway fund. In addition, the Federal FAST Act (see page 19) created a [\\$95 million grant program](#) for states to “demonstrate user-based alternative revenue mechanisms that utilize a user fee structure to maintain the long-term solvency of the Highway Trust Fund.” This program may aid states in further exploring the potential of mileage-based fees.

### Restrictions on State Transportation Revenues and Funds

Nearly every state has laws that restrict the use of state fuel taxes and other revenues to transportation purposes. These laws can take the form of limiting the use of the revenues themselves (for example, by requiring all fuel tax proceeds to be used for certain transportation purposes) or restricting use of the funds and accounts into which the revenues are deposited (for example, by creating a trust fund into which fuel taxes are placed, and prohibiting use of the fund for any purpose other than transportation).

Just over half the states use one of these methods to dedicate their fuel tax revenues to roads and bridges only, either in the state constitution or in statute, sometimes with limited exceptions. Most of the rest dedicate their fuel taxes—again, sometimes with exceptions—to transportation purposes more broadly. States with other approaches include Texas, which directs one-fourth of its fuel taxes to the state's Available School Fund, and Alaska, which constitutionally prohibits the dedication of state revenues to any special purpose, unless Federally required or dedicated prior to statehood (Table 25; see state profiles for details and statutory citations).

**Table 25. Dedications of State Fuel Taxes in State Law**

State	Dedications of State Fuel Taxes				
	To Roads and Bridges Only		To Transportation Purposes		Other
	Constitutional	Statutory	Constitutional	Statutory	
<b>Alabama</b>	•				
<b>Alaska</b>					No restrictions
<b>Arizona</b>	•				
<b>Arkansas</b>	Constitutional and statutory				
<b>California</b>			Roads and bridges, fixed guideway transit		
<b>Colorado</b>	With a limited exception for local entities				
<b>Connecticut</b>				•	
<b>Delaware</b>				•	Session law, constitutional restriction pending
<b>Florida</b>				With exceptions	
<b>Georgia</b>	With an emergency exception				
<b>Hawaii</b>		Includes bikeways and trails			
<b>Idaho</b>	•				
<b>Illinois</b>				Roads and bridges, public transit	
<b>Indiana</b>		•			
<b>Iowa</b>	•				
<b>Kansas</b>	Constitutional and statutory				
<b>Kentucky</b>	•				
<b>Louisiana</b>			•		
<b>Maine</b>	•				
<b>Maryland</b>			Constitutional and statutory, with exceptions		
<b>Massachusetts</b>			Roads and bridges, public transit, with exceptions		
<b>Michigan</b>			At least 90 percent must be used for roads, streets, and bridges		
<b>Minnesota</b>	•				
<b>Mississippi</b>		With exceptions			
<b>Missouri</b>	•				
<b>Montana</b>	With exceptions				

State	Dedications of State Fuel Taxes				
	To Roads and Bridges Only		To Transportation Purposes		Other
	Constitutional	Statutory	Constitutional	Statutory	
Nebraska				Roads and bridges, public transit	
Nevada	•				
New Hampshire	•				
New Jersey			•		
New Mexico				With exceptions	
New York				•	
North Carolina				With exceptions	
North Dakota	•				
Ohio	•				
Oklahoma				•	
Oregon	•				
Pennsylvania	•				
Rhode Island				•	
South Carolina				•	
South Dakota	•				
Tennessee				With exceptions	
Texas					State constitution dedicates three-fourths of fuel tax revenues to roads and bridges and one-fourth to the Available School Fund
Utah	•				
Vermont				With exceptions	
Virginia				•	
Washington	•				
West Virginia	•				
Wisconsin			•		
Wyoming	•				
District of Columbia				•	

**Note:** See state profiles for additional details and statutory citations.

States have placed restrictions, not just on fuel taxes, but on a broad range of other transportation revenues. Common provisions in state laws include that vehicle-related taxes and fees must be used for roads and bridges, tolls must be spent on toll facilities, or certain revenues derived from rail, waterways, or aviation must be reinvested in those same modes (see state profiles). States must also align their restrictions with a [2014 Federal Aviation Administration ruling](#) that airport-related revenues, including state taxes on aviation fuels, must be used for aviation purposes.

In part because restrictions in state law have not always prevented the diversion of transportation revenues to other areas of the budget, states have taken various actions to further protect them. In 2014, for example, voters in Maryland and Wisconsin [approved constitutional protections](#) (or “lockbox” measures) on those states’ multimodal transportation funds. Since then, legislatures in Connecticut, Delaware, and Illinois have also taken steps in this direction. As a different approach, under Virginia’s 2013 transportation funding legislation, any provisions of the act that generate additional funding through state taxes or fees

will expire if any of the revenues are appropriated for, or transferred to, a non-transportation-related purpose (see state profiles for additional examples, details, and statutory citations).

At the same time, some states' protections on transportation revenues or funds include a kind of "escape clause" by which they can be overridden. Montana's constitution, which generally dedicates fuel taxes to road-related purposes, allows the legislature to appropriate them elsewhere upon a three-fifths vote of each chamber. Maryland's constitution now allows the state's multimodal Transportation Trust Fund to be used for other purposes only if the governor declares a fiscal emergency by executive order and, similar to Montana's law, if the transfer is approved by a three-fifths vote of each legislative chamber. Virginia statute allows the budget bill to divert revenues from the state's Transportation Trust Fund, but only if language is included that sets out a plan for repayment of the funds within three years (see state profiles).

### Revenue Sources Prohibited in State Law

State laws not only authorize and define, but also in some cases expressly prohibit, certain transportation revenue sources. Alabama's constitution, for example, prohibits taxes, tolls, and other wharfage fees on the navigable waterways of the state. Also, a number of states, including Minnesota, Nevada, and Rhode Island, do not allow some or all uses of tolls, while certain uses of tolls in Illinois, Indiana, Tennessee, and Utah are prohibited unless the legislature specifically approves them.

Beyond transportation-specific revenues, the Council of the District of Columbia may not tax the personal income of commuters, or any individual not a resident of the District, and Tennessee's constitution generally prohibits the use of lottery revenues, with limited exceptions, as well as any state income taxes except those in effect on Jan. 1, 2011. And, although it does not explicitly prohibit specific revenue sources aside from a statewide property tax, the "Taxpayer Bill of Rights" (TABOR) in the Colorado constitution does require the state to obtain voter approval to create, increase, or extend taxes, or to change tax policy in any way that causes a net tax revenue gain (see state profiles for additional examples, details, and statutory citations).

## State Finance Mechanisms

As transportation funding has become more constrained, states have turned to an array of finance mechanisms to stretch public dollars and support costly transportation infrastructure investments. As with revenue sources, state laws authorize, restrict, and sometimes expressly prohibit certain finance mechanisms for transportation uses.

### Finance Mechanisms for Transportation Uses

States currently use a variety of finance mechanisms for roads and bridges (Table 26) as well as for other transportation modes (see state profiles). These mechanisms, which borrow against or otherwise leverage state and Federal revenues, include the following:

- Bond issuances, by which states borrow money from investors with a promise of future repayment. These include general obligation bonds that are backed by the full faith and credit of the state and revenue bonds that are guaranteed by specific state revenue streams such as tolls.
- [Federal debt financing tools](#), including Build America Bonds, Grant Anticipation Revenue Vehicles (also known as GARVEEs or GARVEE bonds), and private activity bonds. Build America Bonds provided a mechanism in 2009 and 2010 by which states could elect to have the interest on certain bonds be taxable in return for a Federal interest subsidy. GARVEEs allow states to borrow against anticipated future Federal-aid receipts. Private activity bonds allow a state to issue tax-exempt debt on behalf of a private entity that is financing and delivering a transportation project.
- Federal credit assistance through the [Transportation Innovation Finance and Innovation Act \(TIFIA\) program](#), which provides direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance.

- Mechanisms that [leverage Federal aid](#), including [cash flow management tools](#) that allow states to begin projects using non-Federal funds while remaining eligible to be reimbursed with Federal aid at a later date (such as advance construction and partial conversion of advance construction) and [strategies](#) that give states more flexibility in how they provide their required match on Federal-aid projects (such as flexible match, tapered match, and toll credits).
- [State infrastructure banks](#), which are revolving infrastructure investment funds that can offer loans or other credit assistance to public and private sponsors of transportation projects, including state agencies such as DOTs. The initial capital for these banks can come from state or Federal sources.

In recent years, states have also explored innovative project delivery methods, such as public-private partnerships and design-build, for their potential to facilitate transportation improvements in lean times. In [public-private partnerships](#), private sector companies contract with the public sector to take on greater risks and responsibilities for delivering or financing infrastructure projects.

Depending on the project, public-private partnership arrangements may provide access to additional financing opportunities or create cost savings, but do not provide new revenues for states. Rather, the public still must repay any private investment in these projects with money that typically comes from traditional sources such as taxes or tolls. More than half the states have enacted laws that authorize public-private partnerships, and many have active projects (see state profiles).

Design-build, in which design and construction services are combined into a single fixed-fee contract, is sometimes considered a form of public-private partnership that can streamline project delivery and create efficiencies. Although design-build does not itself involve private financing, it may be used as a component of projects that do.

**Table 26. Finance Mechanisms Currently Used by States for Roads and Bridges**

State	Finance Mechanisms								
	State Bonding		Federal Tools				Innovative Project Delivery Methods		Other
	General Obligation Bonds	Revenue Bonds	Build America Bonds	GARVEE Bonds	Private Activity Bonds	TIFIA Credit Assistance	Design-Build	Public-Private Partnerships	
Alabama		•		•					Advance construction State infrastructure bank
Alaska	•						•	•	Advance construction State infrastructure bank
Arizona		•		•			See state profile	•	Advance construction
Arkansas	•			•			•		Advance construction
California	•		•	•		•	•	•	Advance construction State infrastructure bank
Colorado		•	•	See note	•	•	•	•	Advance construction Federal-aid matching: tapered match, toll credits (“soft match”) State infrastructure bank
Connecticut	•		•				•		Advance construction
Delaware	•	See note	See note	•		•	•		Advance construction



State	Finance Mechanisms								
	State Bonding		Federal Tools				Innovative Project Delivery Methods		Other
	General Obligation Bonds	Revenue Bonds	Build America Bonds	GARVEE Bonds	Private Activity Bonds	TIFIA Credit As- sistance	Design- Build	Public- Private Partner- ships	
Florida	•	•	•			•	•	•	Advance construction Federal-aid matching: toll credits (“soft match”) State infrastructure bank Land swaps or donations from land owners
Georgia	•	•		•		•	•	•	Advance construction State infrastructure bank
Hawaii		•					•		Advance construction
Idaho			•	•			•		Advance construction Partial conversion of advance construction Federal-aid matching: flexible match, tapered match, toll credits (“soft match”)
Illinois	•	•	•						Advance construction Federal-aid matching: toll credits (“soft match”)
Indiana		See note			•	•		•	Advance construction Partial conversion of advance construction Federal-aid matching: flexible match, tapered match, toll credits (“soft match”) Land swaps or donations from land owners
Iowa		See note	See note						Advance construction Federal-aid matching: tapered match
Kansas		•	•				•		Advance construction Partial conversion of advance construction Federal-aid matching: tapered match, toll credits (“soft match”) State infrastructure bank
Kentucky		See note	•	•		•	•		Advance construction Federal-aid matching: toll credits (“soft match”)
Louisiana	•	•	•			•	•		Advance construction Federal-aid matching: tapered match, toll credits (“soft match”)
Maine	•	•	•	•			•		Advance construction Federal-aid matching: toll credits (“soft match”) State infrastructure bank

State	Finance Mechanisms								
	State Bonding		Federal Tools				Innovative Project Delivery Methods		Other
	General Obligation Bonds	Revenue Bonds	Build America Bonds	GARVEE Bonds	Private Activity Bonds	TIFIA Credit As- sistance	Design- Build	Public- Private Partners- hips	
Maryland		•	•	•		•	•	See note	Advance construction Federal-aid matching: toll credits (“soft match”) Certificates of participation
Massachusetts	•	•	•	•			•	•	Advance construction Partial conversion of advance construction Federal-aid matching: toll credits (“soft match”)
Michigan		•	•	See note			•	•	Advance construction Partial conversion of advance construction Federal-aid matching: flexible match, tapered match, toll credits (“soft match”) State infrastructure bank
Minnesota	•						•		Advance construction Partial conversion of advance construction Federal-aid matching: flexible match State infrastructure bank
Mississippi	•	•	•	•			•		Advance construction
Missouri		•	•	See note			•		Advance construction State infrastructure bank
Montana				•			•		Advance construction Partial conversion of advance construction Federal-aid matching: flexible match Land swaps or donations from land owners
Nebraska									Advance construction
Nevada		•					•		Advance construction
New Hamp- shire	•	•	•	•		•	•		Advance construction Federal-aid matching: toll credits (“soft match”)
New Jersey			•	•					“Appropriation credit” bonds (see note) Advance construction Federal-aid matching: toll credits (“soft match”)
New Mexico		•		•			•		Advance construction Federal-aid matching: tapered match State infrastructure bank
New York	•		•				•		Advance construction

State	Finance Mechanisms								
	State Bonding		Federal Tools				Innovative Project Delivery Methods		Other
	General Obligation Bonds	Revenue Bonds	Build America Bonds	GARVEE Bonds	Private Activity Bonds	TIFIA Credit Assistance	Design-Build	Public-Private Partnerships	
North Carolina	•	•	•	•	•	•	•	•	Advance construction Partial conversion of advance construction Federal-aid matching: tapered match State infrastructure bank
North Dakota				•					Advance construction
Ohio	•		•	•		•	•	•	Advance construction Federal-aid matching: toll credits (“soft match”) State infrastructure bank
Oklahoma		See note	See note	•					Advance construction Federal-aid matching: toll credits
Oregon	•	•	•				•		Advance construction Federal-aid matching: tapered match State infrastructure bank
Pennsylvania	•	See note	See note		•		•	•	Advance construction Partial conversion of advance construction Federal-aid matching: toll credits (“soft match”) State infrastructure bank
Rhode Island	•		•	•					Advance construction Federal-aid matching: toll credits (“soft match”) State infrastructure bank
South Carolina	•	•					•	•	Advance construction Partial conversion of advance construction Federal-aid matching: flexible match, tapered match, toll credits (“soft match”) State infrastructure bank
South Dakota									Advance construction Partial conversion of advance construction State infrastructure bank Land swaps or donations from land owners
Tennessee							•		Advance construction
Texas	•	•	•		•	•	•	•	Advance construction Federal-aid matching: tapered match, toll credits (“soft match”) State infrastructure bank

State	Finance Mechanisms								Other
	State Bonding		Federal Tools				Innovative Project Delivery Methods		
	General Obligation Bonds	Revenue Bonds	Build America Bonds	GARVEE Bonds	Private Activity Bonds	TIFIA Credit Assistance	Design-Build	Public-Private Partnerships	
Utah	•		•				•		Advance construction State infrastructure bank
Vermont	•	•					•		Advance construction Federal-aid matching: tapered match State infrastructure bank
Virginia		•	•	•	•	•	•	•	Advance construction Federal-aid matching: toll credits (“soft match”) State infrastructure bank
Washington	•		•	•		•	•		Advance construction State infrastructure bank
West Virginia	•			•			•	•	Advance construction
Wisconsin	•	•	•						Advance construction Partial conversion of advance construction State infrastructure bank
Wyoming									Advance construction
District of Columbia	•			•			•	•	Advance construction

**Note:** In general, this chart identifies finance mechanisms used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. Exceptions include finance mechanisms used by the Delaware Transportation Authority, which functions as a component unit of the DOT; bonds issued by the Indiana Finance Authority, which acts as the finance authority (for bonding purposes) for the state of Indiana, including the DOT; bonds issued by the Kentucky Turnpike Authority and the Kentucky Public Transportation Infrastructure Authority, which are used specifically to finance projects under the DOT’s jurisdiction; bonds issued by the New Jersey Transportation Trust Fund Authority, which exists in part to finance the DOT’s capital program; bonds issued by the Oklahoma Capitol Improvement Authority, which exists in part to issue bonds for state highway infrastructure that are retired by payments made to the authority by the DOT; and bonds issued by the Pennsylvania Turnpike Commission, the proceeds of which have been used in part to make payments to the DOT for road purposes. The Colorado DOT’s GARVEE bonds will be fully repaid in FY 2017, and any further issuances will require new voter approval. Although the Iowa DOT received a one-time appropriation from revenue bonds (including Build America Bonds) for bridge repair in 2009, the debt was part of a large bond issue at the state level which was backed by wagering taxes, used for many purposes, and is not considered a DOT debt (see also page 75). In Maryland, public-private partnerships are currently in use for three projects, including travel plazas on an interstate. Michigan and Missouri have issued [indirect GARVEE bonds](#) only. New Jersey’s Transportation Trust Fund Authority issues bonds that are considered “appropriation credit” bonds rather than revenue bonds because actual yields from each of the revenue sources do not automatically flow to the Authority. Instead, the Legislature must appropriate specific revenue amounts each year. See state profiles for additional details and statutory citations, financing used for other modes, and mechanisms that are authorized in law but not currently in use (including state infrastructure banks that were established but are now inactive).

Bonds are among the most common finance mechanisms used by states to finance road and bridge projects, representing [billions of dollars](#) in outstanding debt nationwide. Five states, however, do not currently use bonding of any kind for transportation purposes, and their DOTs are debt-free. Three more states have issued only GARVEE bonds, and no others, for transportation purposes (Table 27).

**Table 27. States That Do Not Currently Use Bonds for Transportation Purposes**

No Use of Bonds for Transportation Purposes	Use of Grant Anticipation Revenue Vehicle (GARVEE) Bonds Only
Iowa (see note) Nebraska South Dakota Tennessee Wyoming	Idaho Montana North Dakota

**Note:** Although the Iowa DOT received a one-time appropriation from revenue bonds for bridge repair in 2009, the debt was part of a large bond issue at the state level which was backed by wagering taxes, used for many purposes, and is not considered a DOT debt. The Iowa DOT, therefore, is currently debt-free. See state profiles for additional details and statutory citations.

### Restrictions on State Transportation Finance Mechanisms

As with revenue sources, states have enacted many laws that place restrictions on transportation finance mechanisms. Many states, for example, have laws that limit the amount of debt that can be incurred, either up to a maximum dollar amount or as a percentage of total revenues. These limits vary across the states, and may apply to overall debt, general obligation debt, transportation-related debt, debt for specific purposes, or certain kinds of bonds. State statutes in Arkansas, California, Connecticut, Florida, Idaho, Maine, Maryland, New Hampshire, North Carolina, and the District of Columbia limit GARVEE bonding specifically. Also, many states require approval from the legislature or from voters for general obligation or revenue bonds, which are then restricted to the purposes and amounts detailed in the authorizing law (see state profiles for additional examples, details, and statutory citations).

In addition, some states have placed restrictions on the use of innovative project delivery methods such as design-build or public-private partnerships. Use of design-build is limited to a total number of projects in California and Kansas, and to an annual number of projects in Kentucky, Mississippi, Tennessee, and Texas. Georgia, Minnesota, and Missouri cap its use as a percentage of the total construction contracts awarded in a year, and Ohio and West Virginia set a maximum annual dollar amount. Statutory restrictions on the use of public-private partnerships [vary widely across the states](#), from what kinds of facilities and arrangements are authorized to how projects must be approved. All public-private partnerships in Delaware, Florida, Maine, and Missouri, for example, and some in Indiana, Kentucky, and Tennessee, require some form of legislative approval. In Missouri, public-private partnerships for any mode of transportation not explicitly identified in the authorizing statute must also be approved by a vote of the people (see state profiles).

### Finance Mechanisms Prohibited in State Law

Again, as with revenue sources, state laws in some cases explicitly prohibit certain finance mechanisms. Some state constitutions, in particular, proscribe certain forms of debt. For example, Colorado and Idaho's constitutions disallow general obligation debt generally, while Kansas prohibits its use for highways. In Georgia, where the constitution bars state agencies (but not authorities) from entering into any contract that constitutes a state of indebtedness, all funds must be available to the agency and encumbered when the contract is executed. The Nebraska constitution generally prohibits extending the credit of the state, although it does allow for bonds backed by specific revenues, including highway bonds, in limited cases (see state profiles for details and constitutional citations).

### Other State Funding and Finance Issues

State legislatures and DOTs interact around a number of other state transportation funding and finance issues, including the retention of excess transportation funds, the movement of funds between projects, and legislative efforts to control DOT costs.

### Retention and Expenditure of Excess Funds

At the end of a fiscal period, a state DOT may have unspent balances of transportation revenues in a state fund or account. In many cases, these revenues are retained in the fund, but the DOT's authority to spend them lapses and must be given again through new legislative appropriations. In others, the spending authority may carry forward automatically from year to year. In Kentucky, Minnesota, and New Jersey, some transportation appropriations have been accompanied by specific provisions in the budget bill that allow them to be carried forward, and Missouri's budget bill notes that some appropriations to the State Road Fund are estimated, which allows the DOT to spend revenues in excess of those appropriations without further legislative action (see state profiles for additional examples, details, and statutory citations).

### Movement of Funds Between Projects

States vary in how and when legislative approval is required for the DOT to move funds from one transportation project to another. In many states, the DOT can transfer funds between projects in the same program or expenditure category without the legislature's approval, but not between projects in different programs. DOTs also may need legislative approval to repurpose funds that the legislature has allocated to specific projects. Other examples of state approaches include the following (see state profiles for additional examples, details, and statutory citations):

- In Florida, the DOT must submit any work program amendments to affected counties, the governor, and the legislature. The governor may not approve the amendment until 14 days after legislative notification. The amendment is approved after the 14-day period if there is no legislative objection.
- In Georgia, state funds cannot be moved between budget programs without legislative approval. Beginning in FY 2017, however, the DOT will have additional flexibility over the funding of three programs—capital construction, capital maintenance, and local road assistance—with the authority to transfer up to 10 percent of state funds between these programs with the approval of the governor's Office of Planning and Budget.
- In Maryland, the annual budget bill requires the DOT to notify legislative budget committees of proposed changes to the transportation capital program that will add a new project or increase a project's total cost by more than 10 percent or \$1 million due to a change in scope, but legislative approval is not required.
- In Tennessee, the annual appropriations bill requires the DOT to notify select legislative committees, legislative leaders, and the individual senator and representative of the affected district concerning any approved project that is canceled.
- In Vermont, no approved project may be canceled without legislative approval. The DOT is, however, authorized to reallocate funds without further legislative approval in the event of cost overruns or emergency projects, although it is required to notify the relevant legislative committees in most such cases.
- In Washington, the DOT may shift funding between earmarked projects with approval from the governor's budget office. This process includes review by legislative staff. Also, under the biennial transportation appropriations bill, the state's director of financial management can authorize a transfer of appropriation authority between projects that are funded with certain appropriations, up to \$250,000 or 10 percent of the total project cost. These transfers must be reported to the legislature.

### Legislative Actions to Control DOT Costs

In addition to setting DOT expenditure limits in budget bills, legislatures have taken a number of other actions to control DOT costs. Many state laws, for example, set guidelines for the procurement process. These often require a DOT to award contracts based on the lowest and best bid, and may call for value engineering studies or life-cycle cost analyses for certain projects. Also, Michigan and South Dakota have placed statutory caps on DOT administrative expenses, as has New Jersey for salaries and



overhead, as a percentage of overall funding. Other state approaches include the following (see state profiles for additional examples, details, and statutory citations):

- In Michigan, state statute tasks the Transportation Asset Management Council with putting a pavement management system in place to prevent a disproportionate share of pavement on Federal-aid eligible roads from becoming due for replacement or major repair at the same time. Also, although not required, state law allows for pavement projects to evaluate the cost-effectiveness and performance of new construction methods, materials, or design.
- In Minnesota, for certain transportation contracts over \$100,000, state statute requires the DOT to prepare a comprehensive written estimate of the cost of having the same work done by department employees. For contracts of \$250,000 or more, the estimated contract costs—including DOT contract monitoring—must be lower than the costs of completing the project in-house for the contract to go forward.
- Under Missouri law, if any county, civil subdivision, or interested persons desire a road of a higher type, more expensive construction, or that is better in any way than the road the DOT proposes, those parties are responsible for the additional cost.
- In 2006, New Jersey's legislature created the Financial Policy Review Board "to assure fiscal discipline" for the Transportation Trust Fund Authority, which exists in part to finance the DOT's capital program. The board must certify annually that the authority adheres to statutory caps on bonding and permitted maintenance expenditures, as well as a statutory \$1.6 billion annual limit on total appropriations of state funds for project costs.
- North Carolina's 2015 appropriations act required the DOT to establish a baseline unit pricing structure for transportation goods used in highway maintenance and construction and prohibits any highway division from going over a baseline unit price set for that year by more than 10 percent. As part of a larger study, the act also required the DOT to develop a plan to eliminate at least 10 percent of its job positions that perform administrative, managerial, supervisor, or oversight functions.
- Although not required, Ohio law allows for contract clauses by which a contractor may propose a project change that, without impairing the project's essential functions and characteristics, saves the DOT time or money. If the proposal is adopted, at least half the resulting savings must go to the contractor.
- In Oregon, competitive bidding must be used for public improvement contracts, but the director of transportation may exempt transportation projects from this requirement if an alternative method results in cost savings or other public benefits. After completing a public improvement project over \$100,000 for which competitive bidding was not used, the contracting agency must evaluate the project, including a comparison of actual project costs with original cost estimates.

## State Involvement in Local Transportation Funding

Paying for transportation systems is a complex, intergovernmental process, in which states play a critical part. States direct significant amounts of the revenues they raise to local governments for road projects and other transportation uses, and enact legislation that allows local entities to assess their own taxes and fees to support infrastructure. These actions influence the overall state-local balance in transportation funding, which in turn can affect the demands placed on state transportation budgets.

Because state-local issues are especially complex and detailed, and differ greatly from state to state, only general overviews have been provided below. More extensive state-by-state details and statutory citations are available in the state profiles.

### Allocation of State Transportation Revenues to Local Entities

Local governments [own more than 75 percent](#) of the nation's public road miles, and also have responsibilities for public transit systems and other transportation modes. To support local road and bridge projects, notes the 2012 Oxford Handbook of State

and Local Government Finance, “substantial portions of state transportation budgets are often dedicated as formula payments to localities, or channeled into specific grant programs that seek to stimulate statewide goals and criteria.”

Nearly every state distributes a portion of its fuel taxes or other state transportation revenues to counties or municipalities according to statutory formulas that are based on each jurisdiction’s population, road miles, land area, number of registered vehicles, or other criteria. Exceptions include Alaska and Hawaii, which allocate state revenues to local entities through legislative appropriations, and Rhode Island, which does not currently have a state aid program. State legislatures have also appropriated funds to localities for specific purposes, including local matches for Federal projects, and a number of state DOTs award discretionary grants for project costs.

Many states also direct revenues to local governments for other modes of transportation besides roads and bridges. Some states allow their state aid formula distributions to be used for public transit or other projects as well as roads, while several states have separate statutory formulas or discretionary grant programs for providing transit assistance. In Mississippi, statutorily established committees, with DOT involvement, award discretionary grants to local entities for rail, port, airport, and transit projects through the state’s Multi-Modal Transportation Improvement Program (see state profiles for additional examples, details, and statutory citations).

### **Authorization of Local Revenue Sources in State Law**

Local governments use a wide range of revenue sources for transportation projects, such as general revenues, tolls, and a diverse array of local-option taxes and fees that have been authorized in state law. Local fuel taxes, registration fees, development impact fees, dedicated property and sales taxes, special assessment districts, severance taxes, and other sources have all been used for local transportation projects and services. In Nevada, counties with a population of 100,000 or more must allocate a portion of their property taxes to the state’s highway fund for highway projects in that county, and those with a population of 700,000 or more (currently Clark County) must, at the DOT’s request, issue bonds for up to \$300 million to assist with highway projects in that county.

Some states, including Alaska, Connecticut, Delaware, Maryland, and Rhode Island, do not authorize local revenue sources specifically for transportation, although other local revenues may be used for that purpose. In Alaska, most local taxes (like state taxes) cannot be dedicated to any special purpose. Municipalities may, however, adopt local vehicle registration taxes that, in practice, are typically used for transportation investments. They may also create special assessment districts to finance local capital improvements. In Rhode Island, state law directs towns to annually appropriate a portion of their general revenues to highway and bridge maintenance, and to include the appropriated amount in their annual tax levies. Rhode Island municipalities may also charge developers impact fees to pay for development-related capital improvements (see state profiles for additional examples, details, and statutory citations).

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Colorado .....	123	New York .....	358
Connecticut .....	133	North Carolina .....	368
Delaware .....	140	North Dakota .....	378
Florida .....	148	Ohio .....	385
Georgia .....	158	Oklahoma .....	394
Hawaii .....	167	Oregon .....	402
Idaho .....	174	Pennsylvania .....	413
Illinois .....	183	Rhode Island .....	423
Indiana .....	192	South Carolina .....	431
Iowa .....	201	South Dakota .....	440
Kansas .....	211	Tennessee .....	448
Kentucky .....	220	Texas .....	456
Louisiana .....	229	Utah .....	466
Maine .....	238	Vermont .....	475
Maryland .....	247	Virginia .....	483
Massachusetts .....	257	Washington .....	493
Michigan .....	265	West Virginia .....	505
Minnesota .....	277	Wisconsin .....	512
Mississippi .....	287	Wyoming .....	521
Missouri .....	296	District of Columbia .....	529
Montana .....	305		

# ALABAMA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	213,075 (155,300 rural, 57,775 urban)
	Bridges	16,095
	Toll facilities	Yes (roads: 3.1 miles; bridges: 3)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, vanpool, demand response
	Urban transit trips in 2013	7.5 million
<b>Rail</b>	Freight rail route miles	3,194
<b>Aviation</b>	Total airports	184
	Public-use airports	89
	Passengers boarded in 2013	2.3 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	81.7 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Alabama Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (35 members), House of Representatives (105 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Feb. to May
<b>Legislative Measures Introduced in 2016</b>	1,005
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation and Energy House Committee on Transportation, Utilities, and Infrastructure <ul style="list-style-type: none"> <li>Subcommittee on Transportation and Infrastructure</li> </ul> [Interim] Permanent Joint Transportation Committee

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Alabama Department of Transportation (ALDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Director of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	4,301
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Alabama Law Enforcement Agency has jurisdiction over driver's licensing functions, which are funded by driver's license fees. The Motor Vehicle Division of the Alabama Department of Revenue has jurisdiction over vehicle registration, and retains portions of registration fees to cover its costs.
<b>Includes Highway Patrol?</b>	Yes and no. The Alabama Law Enforcement Agency is responsible for highway patrol functions relating to traffic safety and motor carrier laws. These functions are funded by a portion of vehicle registration fees, driver's license fees, motor carrier fees, a \$28.5 million annual transfer from ALDOT's budget, and various cost reimbursement agreements with ALDOT to perform weight enforcement and project safety activities. The Alabama Law Enforcement Agency, the Alabama Department of Environmental Management, and ALDOT share jurisdiction over hazardous materials transportation.
<b>Jurisdiction Over Toll Facilities?</b>	No. Jurisdiction over toll roads is vested in the Alabama Toll Road, Bridge, and Tunnel Authority (Ala. Code §§23-2-140 et seq.).

## Other

<b>Other State-Level Transportation Entities</b>	Alabama State Port Authority (state agency)	The Alabama State Port Authority oversees the management and operation of the Alabama State Docks and is funded through revenues generated by port activities (Ala. Code §§33-1-1 et seq.). ALDOT collaborates with the port authority as necessary.
	Alabama Toll Road, Bridge, and Tunnel Authority (corporation/ instrumentality)	The Alabama Toll Road, Bridge, and Tunnel Authority, a quasi-public entity, is authorized to collect tolls but does not currently do so. The director of transportation is a member of the authority (Ala. Code §23-2-143).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Mainly formal. ALDOT interacts with the Legislature mostly in the context of legislative committee oversight activities that are required by statute. Each year, for example, the Legislature's Joint Transportation Committee must review and concur in the five-year highway plan, review the ALDOT budget, and issue reports about ALDOT performance (Ala. Code §29-2-4).
<b>DOT Legislative Liaison</b>	The head of ADOT's Media and Community Relations Bureau also acts as the government relations manager and, among other duties, serves as the main point of contact between the department and the Legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Ala. Code §§29-2-1 et seq.; Ala. Code tit. 4, 23, 32, and 33; portions of Ala. Code tit. 37; Ala. Const. art. IV, §111.06 (revenue restrictions); Ala. Const. art. XI, §§213.38 et seq. (bonding); portions of Ala. Code tit. 40 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. In Alabama, the governor may directly request legislative bill drafts, but only legislators may sponsor and introduce legislation. ALDOT must recommend any legislation it deems advisable in its annual report to the governor (Ala. Code §23-1-35 and §29-7-6).
	Advocacy and Lobbying	ALDOT advocates for the passage of certain bills and resolutions of interest to the department.
	Fiscal Notes or Policy Impact Statements for Legislative Use	ALDOT may provide information to the Legislative Fiscal Office for inclusion in fiscal notes prepared by the office.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The director of transportation is appointed by the governor, with no legislative involvement (Ala. Code §23-1-21).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The director of transportation serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Committee on Administrative Regulation Review reviews all proposed rules. The committee may approve or reject a rule. If the committee does not object within 35 days, the rule is automatically approved (Ala. Code §§41-22-1 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. ALDOT is subject to legislative audits conducted by the legislative Department of Examiners of Public Accounts. That department also conducts sunset reviews, but not of ALDOT.
<b>Required DOT Reports to the Legislature</b>	ALDOT makes an annual report to the governor, not to the Legislature. In this report, however, ALDOT must make legislative recommendations to the governor and the Legislature and furnish any information about road and bridge improvements that the governor and the Legislature deem expedient (Ala. Code §23-1-35). In addition, the Department of Finance submits quarterly reports to the Legislature concerning the operations of each state department (Ala. Code §41-19-10). These reports include information from ALDOT, mainly comparing budgeted expenditures to actual costs.
<b>Legislative Role in DOT Performance Management</b>	None besides the legislative audits and reporting requirements listed above.
<b>Other Legislative Oversight Mechanisms</b>	None.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins Oct. 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation and plan approval. ALDOT spending levels are set by the Legislature in the annual appropriation act. Federal transportation funds are allocated to ALDOT as lump sum appropriations to the department. The Joint Transportation Committee also approves the long-range highway plan, including the use of Federal funds.
	State Revenues	Legislative appropriation and plan approval. As with Federal funds, state transportation funds are allocated to ALDOT as lump sum appropriations and their use is authorized through legislative approval of the long-range highway plan.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2016 (approved)	
<b>Authorized Expenditures</b>	Capital outlay	\$762,540,908
	Personnel costs, benefits, and travel	\$199,925,655
	Repairs and maintenance	\$62,525,500
	Rentals and leases	\$37,934,439
	Utilities and communication	\$6,244,100
	Professional fees and services	\$79,714,556
	Supplies, materials, and operating expenses	\$115,506,527
	Transportation equipment operations	\$4,297,595
	Grants and benefits	\$32,147,975
	Equipment purchases	\$9,329,999
	Miscellaneous	\$121,475,000
	<b>Total</b>	<b>\$1,431,642,254</b>
<b>Revenue Sources</b>	Bond proceeds (ATRIP)	\$200,000,000
	Federal aid receipts	\$720,000,000
	Public road and bridge fund	\$488,721,573
	Federal aviation receipts	\$22,920,681
	<b>Total</b>	<b>\$1,431,642,254</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	ALDOT develops a five-year highway plan and is primarily responsible for determining investment priorities and selecting projects.
<b>Legislative Role in the Planning Process</b>	Substantial legislative role. The Legislature's permanent Joint Transportation Committee reviews and concurs in a long-range (five-year) highway plan, and must review and concur in any deviation from the intent of that plan.



## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel, highway use (fixed rate)	•	•	•							Ala. Code §40-17-325
Fuel taxes: marine use	•	•					•			Dedicated to marine activities (Ala. Code §40-17-359)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Ala. Code §40-17-325, §40-17-360)
Alternative fuel vehicle fees	•	•	•							Annual fees for vehicles that use liquefied natural gas or liquefied petroleum gas (Ala. Code §§40-17-160 et seq.); out-of-state vehicle operators that buy these fuels may pay either the annual fee or the current motor fuel tax rate
Vehicle registration fees	•	•	•							Ala. Code §40-12-242; a portion of registration fees are also used for traffic enforcement activities
Truck registration fees (based on gross vehicle weight)	•	•	•							Ala. Code §40-12-248
Oversize/overweight truck permit fees	•	•	•							Ala. Code §32-9-29
Outdoor advertising revenues	•	•	•			•				Includes permit fees, credited to the Public Road and Bridge Fund (Ala. Code §§23-1-270 et seq.); a portion of logo sign fees are allocated to supplement the aviation fuel tax revenues used for general aviation grants
State port and dock revenues	•	•					•			Alabama State Port Authority (Ala. Code tit. 33)
Airport property leases or sales	•	•				•				Ala. Code §23-1-358

## Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is

specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Alabama does not provide state-level revenues for public transit.
- State law authorizes the Alabama Toll Road, Bridge, and Tunnel Authority, a quasi-public agency, to collect tolls (Ala. Code §§23-2-140 et seq.), but it does not currently do so. The only toll roads in Alabama are four privately operated roads that do not generate revenues for the state.
- Ferry fares are neither specifically authorized in state law nor currently in use as state revenues, but they could provide funds to ALDOT under certain conditions. ALDOT contracts with a private company for ferry operation and maintenance. Under this contract, any fare revenues that the company collects above its costs are remitted to ALDOT, whereas any costs incurred above revenues are reimbursed to the firm by ALDOT. So far, costs have exceeded revenues.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of fuel tax revenues from highway users, except pump taxes, to public highways and bridges, including the enforcement of state traffic and vehicle laws (Ala. Const. art. IV, §111.06).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle-related revenues, except a vehicle-use tax that is imposed in lieu of a sales tax, to public highways and bridges, including the enforcement of state traffic and vehicle laws (Ala. Const. art. IV, §111.06). State statute dedicates taxes on fuels used for marine and aviation purposes to those modes (Ala. Code §40-17-359 and §40-17-360). No currently levied state taxes or fees may be used for transit. Attempts to change the constitution to allow funds to be used for transit have been unsuccessful.
<b>Dedicated or Restricted Transportation Funds</b>	Use of the State Highway Fund, which receives highway bond proceeds and other revenues appropriated to ALDOT, is restricted to transportation purposes (Ala. Code §23-1-62).
<b>Revenue Sources Prohibited in State Law</b>	Taxes, tolls, and other wharfage fees on the navigable waterways of the state are prohibited by the state constitution (Ala. Const. art. I, §24).

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•							Road Bonds; capped at \$25 million (Ala. Const. art. XI, §213.38 et seq.)
GARVEE bonds		•	•							Most recently issued in 2015
Advance construction		•	•							
Design-build	•	See notes	•							Authorized in statute (Ala. Code §§23-2-140 et seq.; 2016 Ala. Acts, Act 2016-257); not yet in use (see notes)

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Public-private partnerships	•	See notes	•							Authorized in statute for toll roads, bridges, tunnels, or ferries (Ala. Code §23-1-81, §§23-2-140 et seq.; 2016 Ala. Acts, Act 2016-257); not yet in use (see notes)
State infrastructure bank	•	•	•	•						Established in 2015; capitalized with state funds only; may be used for highway or transit projects (Ala. Code §§23-7-1 et seq.; 2015 Ala. Acts, Act 2015-50)

#### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- The only known public-private partnership in Alabama, the Foley Beach Express, was sponsored by a local entity. It was completed in 2000, including design-build components, and continues to be privately operated. No state-level design-build or public-private partnership projects were found. New state-level authorization was enacted into law in 2016 (2016 Ala. Acts, Act 2016-257).

<b>Transportation-Related Bonding</b>	Yes. Alabama mainly uses pay-as-you-go financing, but has done some bonding over the years.
<b>Restrictions on Finance Mechanisms</b>	Transportation-related bonds are issued under various funding authorities that have specifications for the issuance and use of bonds and bond proceeds. The state constitution caps road bonds at \$25 million (Ala. Const. art. XI, §§213.38 et seq.). State statutes establishing the state infrastructure bank also cover the issuance and use of debt or loans for transportation purposes (Ala. Code §§23-7-1 et seq.).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

#### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. No other approval beyond any material change in the five-year plan is needed to spend any funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	None.

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. As of Oct. 1, 2016, after set-asides, 55 percent of state gas tax revenues and 22 percent of supplemental gas taxes are distributed to counties by a statutory formula based on population. Ten percent of each county's share must be further distributed among its municipalities based on population (Ala. Code §40-17-359). In addition, revenues from 4.69 percent of an additional diesel tax, 13.87 percent of motor fuel inspection fees, and a portion of an additional gas tax are divided equally among the counties, while revenues from 0.93 percent of an additional diesel tax, 2.76 percent of motor fuel inspection fees, and a portion of an additional gas tax are distributed to municipalities based on population (Ala. Code §40-17-361 and §8-17-91). All these allocations must be used for road projects, per constitutional restrictions on the use of transportation revenues (Ala. Const. art. IV, §111.06). A county cannot use its allocations from additional taxes on gasoline and diesel on new construction unless its existing roads meet certain maintenance standards (Ala. Code §40-17-362).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to assess local fuel taxes and impact fees (Ala. Code tit. 45) as well as special property taxes for roads and bridges (Ala. Code §11-14-11). Cities with a population of 300,000 or more may adopt a 0.25 percent sales tax for public transit (Ala. Code §11-49B-22). Baldwin County and its constituent municipalities may charge developers impact fees to pay for development-related capital improvements (Ala. Code §§45-2-243.80 et seq.). Although not in statute, the Legislature has enacted special "local acts" that allow some counties to assess sales taxes for roads or transit.

# ALASKA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	33,007 (26,947 rural, 6,060 urban)
	Bridges	1,493
	Toll facilities	Yes (tunnels: 1)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, heavy rail, vanpool, demand response
	Urban transit trips in 2014	4.6 million
<b>Rail</b>	Freight rail route miles	Freight rail route miles: 506
<b>Aviation</b>	Total airports	747 (249 of which are state-owned)
	Public-use airports	400
	Passengers boarded in 2015	4.8 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	40.7 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Alaska Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (20 members), House of Representatives (40 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to Apr.
<b>Legislative Measures Introduced in 2016</b>	268 (out of 602 bills total introduced during the 2015-16 biennium)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation Senate Committee on Finance <ul style="list-style-type: none"> <li>Subcommittee on Transportation and Public Facilities</li> </ul> House Committee on Transportation House Committee on Finance <ul style="list-style-type: none"> <li>Subcommittee on Transportation and Public Facilities</li> </ul>

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Alaska Department of Transportation and Public Facilities (DOT&PF)
<b>Structure</b>	Organized mainly by transportation mode
<b>Leadership</b>	Commissioner of Transportation and Public Facilities (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	3,128
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, aviation, ports/waterways, pedestrian/bicycle, passenger and vehicle ferry service
<b>Includes DMV?</b>	No. The Division of Motor Vehicles is a division of the Alaska Department of Administration, and is funded by fees the department collects.
<b>Includes Highway Patrol?</b>	Yes and no. The Alaska State Troopers, a division of the Department of Public Safety, is responsible for most highway patrol functions. These functions are funded by state general funds and Federal funds that are received through the DOT&PF. The DOT&PF oversees commercial vehicle enforcement functions, supported by state general funds and commercial vehicle enforcement fees.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. The Anton Anderson Memorial Tunnel (also known as the Whittier Tunnel) and the Alaska Marine Highway ferry service, an integral part of the state's highway system, are both under the DOT&PF.

## Other

<b>Other State-Level Transportation Entities</b>	Alaska Railroad Corporation (corporation/ instrumentality)	The Alaska Railroad Corporation (ARRC) is a corporation and instrumentality of the state located within the Department of Commerce but with a separate and independent legal existence (Alaska Stat. §§42.40.010 et seq.). Transferred to the state from the Federal government in 1982, the ARRC was intended to be a self-sufficient, profit-making entity that would be run like a business, responsible for all its financial and legal liabilities. It carries both passengers and freight; the land is managed as an endowment; and under the transfer act, all revenue generated by that entity must be used for railroad-related purposes. The ARRC receives no state funding and no regular Federal funding. The commissioner of transportation and public facilities serves on the ARRC's board.
	Knik Arm Bridge and Toll Authority (corporation/ instrumentality)	The Knik Arm Bridge and Toll Authority (KABATA) is a corporation and instrumentality of the state within the DOT&PF, but with a separate and independent legal existence (Alaska Stat. §19.75.011 et seq.). KABATA will operate and maintain the Knik Arm Crossing and collect tolls for the DOT&PF once the facility is built and open to the public. The commissioner of transportation and public facilities serves on KABATA's board.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, proactive. The DOT&PF provides briefings to groups of legislators before construction season and before the legislative session. The DOT&PF also responds to legislative requests for information and provides educational sessions to House and Senate transportation committees. The DOT&PF employs a dedicated legislative liaison who acts as the main point of contact between the department and the Legislature.
<b>DOT Legislative Liaison</b>	The DOT&PF's legislative liaison, who reports directly to the commissioner of transportation, acts as the main point of contact between the department and the Legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Alaska Stat. tit. 2, 19, 28, 30, and 35; portions of Alaska Stat. tit. 42; Alaska Stat. §§44.42.010 et seq.; portions of Alaska Stat. tit. 36 (procurement); portions of Alaska Stat. tit. 37 and 43 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	No direct role. The governor, however, can directly introduce bills through the legislative Rules Committees, including bills that are relevant to the DOT&PF.
	Advocacy and Lobbying	DOT&PF representatives regularly give factual testimony and share their perspective on legislative measures, and department leadership advocate and provide information to the Legislature concerning bills proposed by the governor that relate to transportation or public facilities. The DOT&PF, however, has no formal lobbyist, and state law prohibits all executive officers and state employees from appearing before the Legislature to present requests or information pertaining to appropriations or revenue bills unless called upon to do so by the Legislature or a legislative committee (Alaska Stat. §44.17.080).
	Fiscal Notes or Policy Impact Statements for Legislative Use	By law, state agencies such as DOT&PF must prepare fiscal notes for bills that affect them (Alaska Stat. §24.08.035).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	Heads of state departments—including the commissioner of transportation and public facilities—are appointed by the governor, subject to confirmation by the majority of the members of the Legislature in joint session. Each department head is constitutionally required to be a U.S. citizen (Alaska Const. art. III, §25).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The commissioner of transportation and public facilities serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Administrative Regulation Review Committee reviews all proposed rules. The committee's role is mainly advisory, although state law allows it to suspend a rule under some circumstances (Alaska Stat. §§44.62.010 et seq. and §§24.20.400 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. The DOT&PF is subject to legislative audits conducted by the Division of Legislative Audit, and any legislator can request a special audit through the Legislative Budget and Audit Committee. The state conducts sunset reviews, but not of the DOT&PF.
<b>Required DOT Reports to the Legislature</b>	The DOT&PF is required to submit an annual report to the Legislature concerning energy efficiency (Alaska Stat. §44.42.067). The Alaska Marine Highway System, a division of the DOT&PF, must submit an annual revenue report (Alaska Stat. §19.65.070). The commissioner of transportation and public facilities must submit an annual report of expenditures and projections for the International Airports Construction Fund (Alaska Stat. §37.15.420). The Office of Management and Budget, in coordination with the Department of Administration, must annually report on unexpended capital appropriations, including for DOT&PF projects (Alaska Stat. §37.25.020). Legislative language in the FY 2017 capital budget also requires the DOT&PF to submit quarterly obligation reports for Federally-funded highway and airport projects.
<b>Legislative Role in DOT Performance Management</b>	The Legislature does not determine what the DOT&PF establishes as performance goals, but Alaska statute does require all state agencies including the DOT&PF to create such goals and to report on them annually to the Legislature (Alaska Stat. §37.07.050). The annual legislative session offers opportunities for deeper discussions on the department's performance.
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from the DOT&PF. As desired, the Legislature may also review non-legislative audits that the Department of Revenue conducts of the DOT&PF's International Airport System, Marine Highway System, and State Equipment Fleet.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.



## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to the DOT&PF as state legislative appropriations to departmental programs, broad spending categories, and specific projects.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to the DOT&PF as appropriations to departmental programs, broad spending categories, and specific projects.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> ), separate capital and operating budgets	
<b>Authorized Expenditures (Capital Budget)</b>	Capital projects (all projects listed individually)	\$1,378,278,250
	<b>Total</b>	<b>\$1,378,278,250</b>
<b>Revenue Sources (Capital Budget)</b>	Unrestricted general funds	\$39,500,000
	Designated general funds	\$33,000,000
	Other	\$91,192,000
	Federal	\$1,214,586,250
	<b>Total</b>	<b>\$1,378,278,250</b>
<b>Authorized Expenditures (Operating Budget)</b>	Administration and support	\$52,791,800
	Design, engineering, and construction	\$114,661,300
	State equipment fleet	\$33,841,700
	Highways, aviation, and facilities	\$159,654,600
	International airports	\$83,441,200
	Marine highway system	\$140,897,200
	<b>Total</b>	<b>\$585,287,800</b>
<b>Revenue Sources (Operating Budget)</b>	Unrestricted general funds	\$218,336,100
	Designated general funds	\$63,904,300
	Other	\$301,013,500
	Federal	\$2,033,900
	<b>Total</b>	<b>\$585,287,800</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	The DOT&PF develops long-range transportation and area plans that are used to develop the State-wide Transportation Improvement Program (STIP). There is a robust public involvement process for the STIP and area plans. The DOT&PF prepares the annual capital budget (for both Federal and non-Federal projects) for inclusion in the governor's budget request to the Legislature.
<b>Legislative Role in the Planning Process</b>	Moderate legislative role. The Legislature may modify or make changes to the governor's requested budget based on available funding and legislative priorities. The Legislature is also included in the public involvement process for the STIP and other transportation plans.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel, highway use (fixed rate)	•	•	•							Alaska Stat. §43.40.010
Fuel taxes: alternative fuels	•	•	•							Includes taxes on all alternative fuels for highway use except liquefied petroleum gas (Alaska Stat. §43.40.010)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Alaska Stat. §43.40.010)
Fuel taxes: watercraft	•	•					•			Alaska Stat. §43.40.010
Fuel taxes: snow vehicles and other non-highway use	•	•							•	May be appropriated for trails and shelters (Alaska Stat. §43.40.010)
Vehicle registration and title fees	•	•	•							Alaska Stat. §§28.10.411 et seq.
Industrial use highway permit fees		•	•							Authorized in state administrative code, not statute (Alaska Admin. Code tit. 17, §§35.010 et seq.)
Sales taxes on rental vehicles	•	•	•							Alaska Stat. §§43.52.010 et seq.
Tolls	•	•	•							Anton Anderson Memorial Tunnel (Whittier Tunnel) (Alaska Stat. §19.05.040, §37.05.146, §37.15.720)
Alaska Marine Highway revenues	•	•	See notes							Used for Alaska Marine Highway only (Alaska Stat. §19.65.050 et seq.)
Property leases or sales	•	•	•				•			Alaska Stat. §02.15.070, §19.05.070
Legislative appropriations (from budget reserve fund)	•	•	•	•		•	•	•		The budget reserve fund receives revenues from mineral-related court proceedings and investment income and may be appropriated for any public purpose for which appropriations are otherwise less than in the previous fiscal year (Alaska Const. art. IX, §17); has been used for transportation purposes

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General funds		•	•	•		•				Legislative appropriations; transit uses include the Alaska Marine Highway (the state ferry program)
Interest income	•	•	•			•	•			Interest earned on accounts in the general fund (Alaska Stat. §§37.10.070 et seq.)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- The state constitution prohibits dedication of any state revenues (Alaska Const. art. IX, §7). This chart represents how the state is known to be using these revenues in practice as of July 2016.
- The Alaska Marine Highway ferry service is considered to be an integral part of the state’s highway system.
- The Alaska Railroad Corporation, a quasi-public, self-sustaining entity with a separate legal existence, receives revenues from train and real estate services (Alaska Stat. §§42.40.010 et seq.) that it is required to use for railroad-related purposes.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	No restrictions. The state constitution prohibits the dedication of state revenues to any special purpose, unless Federally required or dedicated prior to statehood (Alaska Const. art. IX, §7). Thus, all state revenues are available for appropriation. State statute does direct fuel tax revenues to a special highway fuel tax account in the general fund, which may be appropriated for highways and ferries (Alaska Stat. §43.40.010).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution prohibits dedication of any state revenues (Alaska Const. art. IX, §7). State statute does direct revenues from taxes on aviation fuel to a special aviation fuel tax account in the general fund, which may be appropriated for airport purposes. The same law directs revenues from taxes on fuel used in boats and watercraft to a special account that may be appropriated for water and harbor facilities, and directs fuel tax revenues from snow vehicles and other non-highway uses to a special fund that may be appropriated for trails and shelters (Alaska Stat. §43.40.010).
<b>Dedicated or Restricted Transportation Funds</b>	Alaska has no transportation-dedicated trust funds or accounts. Legislative efforts to create a new, dedicated transportation fund, fed by state gas taxes and registration fees, have been unsuccessful.
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•	• Passenger and freight	•	•			Generally authorized in the constitution (Alaska Const. art. IX, §8); may be issued for any purpose, subject to legislative and voter approval; currently in use for transportation projects in several modes
Federal credit assistance: TIFIA	•		•							Authorized for highway construction and the Knik Arm Bridge, but not currently in use (Alaska Stat. §19.15.020, §37.15.225)
Advance construction		•	•							
Design-build	•	•	•							Alaska Stat. §36.30.200
Public-private partnerships	See notes	•	•							See notes
State infrastructure bank		•	•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; not authorized in state statute; one loan was issued to the Whittier Tunnel, which is currently in repayment status

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Alaska previously used GARVEE bonds, but closed its program with the Federal Highway Administration in 2016. The most recent issue had been in 2003.
- State law solely authorizes public-private partnerships for the Knik Arm Bridge and Toll Authority, which is an instrumentality of the state, not a state agency (Alaska Stat. §§19.75.111 et seq.), and which, further, is no longer seeking to enter into such partnerships. The Anton Anderson Memorial Tunnel (also known as the Whittier Tunnel), however, is currently run by a private entity under an operations and maintenance (O&M) concession agreement with the DOT&PF.
- The Knik Arm Bridge and Toll Authority was allocated private activity bonds (PABs) in 2007, but does not now plan to issue them.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds must be authorized by law and ratified by the voters (Alaska Const. art. IX, §8).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	No. Funds are authorized for expenditure until a project is completed. Any unspent funding upon project completion is administratively lapsed or re-appropriated by the Legislature.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. Legislative approval is required to move project funds from one appropriation to another. The commissioner of transportation and public facilities has the authority to approve moving funds between projects within a single appropriation.
<b>Legislative Actions to Control DOT Costs</b>	None.

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Legislative appropriations. Alaska has no formal statutory program for allocating state revenues to local entities for transportation projects. Some legislative appropriations for local transportation projects are included in the DOT&PF budget. Other relevant appropriations, such as for locally-owned roads or road maintenance areas, are established in the budgets for other state departments.
<b>Local Revenue Sources Authorized in State Law</b>	As with state taxes, most local taxes in Alaska cannot be dedicated to any special purpose. State statutes allow municipalities to adopt local vehicle registration taxes (Alaska Stat. §28.10.431), which in practice are typically used for transportation investments. Municipalities may also create special assessment districts to finance local capital improvements (Alaska Stat. §29.46.020).

# ARIZONA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	142,790 (81,848 rural, 60,942 urban)
	Bridges	8,035
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, light rail, vanpool, demand response
	Urban transit trips in 2013	100.3 million
<b>Rail</b>	Freight rail route miles	2,026
<b>Aviation</b>	Total airports	178
	Public-use airports	79
	Passengers boarded in 2013	22.3 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	0

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Arizona Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (30 members), House of Representatives (60 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to Apr.
<b>Legislative Measures Introduced in 2016</b>	1,247
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation House Committee on Transportation and Infrastructure [Task Force] Surface Transportation Funding Task Force (2016–17) All bills must also pass through both chambers' standing committees on rules.

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	Arizona Department of Transportation (ADOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	ADOT Director (serves on governor’s cabinet), State Transportation Board (within ADOT)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	4,548

<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, aviation
<b>Includes DMV?</b>	Yes. The Motor Vehicle Division is a division of ADOT and is supported by the State Highway Fund as part of the ADOT budget.
<b>Includes Highway Patrol?</b>	In general, no. The majority of highway patrol functions are handled by the Department of Public Safety. These functions are funded by vehicle-related taxes and fees that are not part of ADOT's budget, including appropriations from the Highway User Revenue Fund (Ariz. Rev. Stat. Ann. §28-6537 and §41-1752), as well as general funds and Federal funds. In addition, however, the director of ADOT is statutorily permitted to designate regular peace officers with like authority to other peace officers in Arizona or specialty peace officers whose powers are limited to the enforcement of motor vehicle laws and rules (Ariz. Rev. Stat. Ann. §28-369). These officers must meet the minimum requirements for peace officers established by the Arizona Peace Officer Standards and Training Board.
<b>Jurisdiction Over Toll Facilities?</b>	No. Arizona has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	Arizona Corporation Commission (state entity)	Among other duties, the Arizona Corporation Commission, an elected state body (Ariz. Const. art. XV), oversees railroad safety. It is funded mostly by state general funds.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, ongoing. ADOT gives formal testimony to committees about relevant legislation and participates in formal meetings with legislators and staff. Various legislative staff and ADOT communicate about transportation-related legislation before, during, and after it is introduced. Legislators and ADOT also have ongoing, informal interactions.
<b>DOT Legislative Liaison</b>	The deputy director for policy in ADOT's Government Relations Office also acts as the government relations specialist and, among other duties, serves as the main point of contact between the department and the Legislature.

## Transportation Governance

### Laws and Legislation

Transportation Laws	Ariz. Rev. Stat. Ann. tit. 28; Ariz. Const. art. IX, §11 and 14 to 16 (revenues and revenue restrictions); portions of Ariz. Rev. Stat. Ann. tit. 42 (revenues)	
DOT Role in the Legislative Process	Legislative Proposals	Occasional role. In Arizona, only legislators may request legislative bill drafts and sponsor and introduce legislation. An executive agency can propose a legislative measure, however, which may be sponsored and introduced by any legislator. The sponsor may note that the bill is “by request” of the agency.
	Advocacy and Lobbying	ADOT does not “lobby” for certain legislation, but will testify in committee hearings on bills that directly affect the department. During these meetings ADOT may sign in “for” a bill (especially if it was a bill run by the department’s request), but often will sign in “neutral” on a bill and speak to the bill’s potential affect on the department.
	Fiscal Notes or Policy Impact Statements for Legislative Use	ADOT prepares bill analyses for legislation that may affect the department. These often contain an estimate of the fiscal impact. Fiscal notes for official legislative use, however, can only be prepared by the Joint Legislative Budget Committee (Ariz. Rev. Stat. Ann. §41-1272).



## Legislative Oversight

<b>Appointment of DOT Leadership</b>	Both the ADOT director and the State Transportation Board are appointed by the governor and confirmed by the Senate. The State Transportation Board consists of one member from each transportation district with a population of less than 2.2 million and two members from each district with a population of 2.2 million or more. The current board has seven members. Members are appointed to staggered six-year terms and must meet statutory requirements for geographic representation, state residency, and taxpayer status (Ariz. Rev. Stat. Ann. §28-302, §28-361, and §38-211).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The ADOT director and the State Transportation Board both serve at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes (optional). The Joint Administrative Rules Oversight Committee may review any proposed or final rule. The committee's role is mainly advisory (Ariz. Rev. Stat. Ann. §§41-1046 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Both legislative audits and sunset reviews. ADOT is subject to legislative audits conducted by the Office of the Auditor General, which includes substantial follow-up on an agency's progress on meeting recommendations made in prior audits. The Joint Legislative Audit Committee may also direct the Auditor General or a joint legislative committee of reference to conduct a performance audit or special performance audit of any state agency (Ariz. Rev. Stat. Ann. §41-2953). In addition, Arizona state agencies, including ADOT, are scheduled for termination at least every 10 years unless affirmatively continued by the Legislature; this makes Arizona one of four states that conduct regular sunset reviews of its department of transportation. Sunset reviews are based on audits conducted by either the Office of the Auditor General or a joint legislative committee of reference, under the oversight of the Joint Legislative Audit Committee. ADOT was most recently reviewed in 2016, at which time it was continued until July 1, 2024 (Ariz. Rev. Stat. Ann. §§41-2951 et seq. and §41-3016.27; 2016 Ariz. Senate Bill 1207). The Joint Legislative Audit Committee is required to meet quarterly to oversee all audit functions of the Legislature and state agencies—including sunset, performance, special, and financial audits—and the preparation and introduction of legislation resulting from audit report findings. The committee is also charged with requiring state agencies to comply with its findings and directions regarding audits (Ariz. Rev. Stat. Ann. §41-1279).
<b>Required DOT Reports to the Legislature</b>	The ADOT director is required to submit an annual report concerning controlled access highways (Ariz. Rev. Stat. Ann. §28-363). ADOT's Motor Vehicle Division must deliver annual reports to the Governor's Office of Highway Safety, which in turn must report to the Legislature, on the number of ignition interlock devices in current use (Ariz. Rev. Stat. Ann. §28-1442). ADOT is required to submit a report on any attempt by the U.S. Department of Homeland Security to secure implementation of the Real ID Act of 2005 or the enhanced driver's license program (Ariz. Rev. Stat. Ann. §28-336 and §28-338). ADOT is also required by capital appropriations acts and other legislation to report annually on highway construction expenses from all sources, debt principal balance and debt service payment, capital outlay information, and Motor Vehicle Division wait times.
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, the Legislature has also enacted requirements for ADOT performance measurement and established some specific measures in state law (Ariz. Rev. Stat. Ann. §28-304, §28-306, §§28-503 et seq., and §28-6954).
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from ADOT. In addition, the Joint Legislative Budget Committee is statutorily required to ascertain facts and make recommendations to the Legislature relating to the state budget, revenues and expenditures of the state, future fiscal needs, and the organization and functions of state agencies or their divisions (Ariz. Rev. Stat. Ann. §41-1272).
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. Arizona is one of five states in which a legislative entity—in this case, the Joint Legislative Budget Committee—produces a comprehensive budget as an alternative to the governor’s proposal.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	No legislative role. Federal transportation funds flow directly to ADOT from the U.S. DOT with no state legislative involvement.
	State Revenues	Legislative appropriation. State transportation funds are allocated to ADOT as lump sum appropriations to the department.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 (approved), separate <b>capital</b> and <b>operating</b> budgets (see note)	
<b>Authorized Expenditures (Capital Budget)</b>	Building renewal	\$4,232,300
	Individual projects	\$381,724,900
	Non-appropriated fund expenditures	\$1,012,601,000
	<b>Total</b>	<b>\$1,398,558,200</b>
<b>Revenue Sources (Capital Budget)</b>	General fund	\$86,500,000
	State Aviation Fund	\$19,312,200
	State Highway Fund	\$280,145,000
	Other non-appropriated funds	\$342,567,000
	Federal funds	\$670,034,000
	<b>Total</b>	<b>\$1,398,558,200</b>
<b>Authorized Expenditures (Operating Budget)</b>	Personal services, employee-related expenditures, and travel	\$154,284,300
	Professional and outside services	\$5,100,500
	Equipment	\$3,695,400
	Other operating expenditures	\$40,937,600
	Attorney General legal services [special line item]	\$3,577,700
	Highway maintenance [special line item]	\$140,593,200
	Vehicles and heavy equipment [special line item]	\$18,474,600
	Other special line items	\$7,196,600
	Non-appropriated fund expenditures	\$108,889,800
<b>Revenue Sources (Operating Budget)</b>	<b>Total</b>	<b>\$482,749,700</b>
	General fund	\$50,400
	Other appropriated funds	\$373,809,500
	Other non-appropriated funds	\$107,448,800
	Federal funds	\$1,441,000
	<b>Total</b>	<b>\$482,749,700</b>

**Note:** The numbers in this chart are drawn from the **capital** and **operating** appropriations reports provided by Arizona’s Joint Legislative Budget Committee, which detail legislative appropriations and estimated non-appropriated expenditures.

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

ADOT administers the state highway system and coordinates transportation planning. ADOT develops an annual priority program of capital improvements for highway and aviation and a Five-Year Highway Construction Program based on extensive public participation and technical evaluation, which are approved by the State Transportation Board. The Multimodal Planning Division facilitates multimodal planning in cooperation with MPOs, Federal agencies, tribes, counties, cities, the public, and other stakeholders.

### Legislative Role in the Planning Process

Limited legislative role. The Legislature generally appropriates funds to the department as a lump sum and does not approve the capital program, although it can appropriate funds for specific transportation projects. The Legislature can amend statutes to conform state transportation planning processes to Federal requirements.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•							Ariz. Rev. Stat. Ann. §28-5606
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Ariz. Rev. Stat. Ann. §28-8344, §§42-5351 et seq.); used for aviation purposes pursuant to Federal Aviation Administration rules
Vehicle registration and title fees	•	•	•							Ariz. Rev. Stat. Ann. §28-2003
Truck registration fees (based on gross vehicle weight)	•	•	•							Ariz. Rev. Stat. Ann. §28-5433
Oversize/overweight truck permit fees	•	•	•							Allocated in part to the State Highway Fund (Ariz. Rev. Stat. Ann. §28-1143)
Truck permit fees, other	•	•	•							Includes single-trip permits (Ariz. Rev. Stat. Ann. §28-2325, §28-5863) and special 30-day permits (Ariz. Rev. Stat. Ann. §28-5864)
Vehicle license taxes	•	•	•							In lieu of ad valorem taxes (Ariz. Rev. Stat. Ann. §28-5801)
Sales taxes on rental vehicles	•	•	•							Rental vehicle surcharge (Ariz. Rev. Stat. Ann. §28-5810)
Driver's license fees	•	•	•							Allocated to the Highway User Revenue Fund (Ariz. Rev. Stat. Ann. §28-3002)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Rest area sponsorship	•		•							Authorized but not currently in use; authority expires July 1, 2019; revenues may be used for rest areas only (Ariz. Rev. Stat. Ann. §28-7059)
Flight property taxes	•	•				•				Ariz. Rev. Stat. Ann. §42-14255
Aircraft registration fees and license taxes	•	•				•				Ariz. Rev. Stat. Ann. §§28-8321 et seq.
Watercraft registration fees	•	•					•			Allocated to the State Lake Improvement Fund and the Law Enforcement and Boating Safety Fund (Ariz. Rev. Stat. Ann. §§5-321 et seq.)
General funds		•	•							Legislative appropriations for highway projects in FY 2017
Interest income	•	•	•			•				Highway User Revenue Fund, State Highway Fund, State Aviation Fund (Ariz. Rev. Stat. Ann. §28-6546, §28-6996, §28-8202)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- In general, Arizona does not provide state-level revenues for public transit. The exception to this is the Arizona State Lottery Commission’s annual distribution of multi-state Powerball proceeds to Maricopa County. Legislation enacted in 1993 (1993 Ariz. Sess. Laws, Chap. 1 [6th Spec. Sess.]) allocated at least 31.5 percent of Powerball proceeds to local public transit programs. This allocation was capped at \$18 million and was contingent upon the general fund receiving \$45 million in lottery revenues. These revenues were redirected to the general fund in 2010 (2010 Ariz. Sess. Laws, Chap. 12 [7th Spec. Sess.]). In 2011, however, the U.S. District Court ruled that the Legislature had to restore the distribution of public transit monies to Maricopa County because the distribution was part of the state’s implementation plan to ensure compliance with the Clean Air Act. As a result, the state must calculate Maricopa County’s share of 31.5 percent of statewide Powerball proceeds and distribute those monies to the county. This share was \$11.4 million in FY 2016.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of fuel tax revenues from highway users to highway and street purposes, including administration, traffic enforcement, traffic safety programs, and Arizona Highways magazine (Ariz. Const. art. IX, §14).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution dedicates revenues from vehicle-related taxes and fees, except a vehicle license tax that is imposed in lieu of ad valorem taxes, to highway and street purposes, including administration, traffic enforcement, traffic safety programs, and Arizona Highways magazine (Ariz. Const. art. IX, §14). State statute does dedicate a portion of vehicle license taxes to the Highway User Revenue Fund (Ariz. Rev. Stat. Ann. §28-5801).
<b>Dedicated or Restricted Transportation Funds</b>	Constitutionally restricted revenues are deposited into the Highway User Revenue Fund, from which ADOT receives most of its funding for highway projects via the State Highway Fund. Distribution of both funds is governed by state statute (Ariz. Rev. Stat. Ann. §§28-6533 et seq. and §28-6993). Use of the Aviation Fund, which receives various aviation-related revenues, is restricted to publicly owned and operated airports (Ariz. Rev. Stat. Ann. §28-8202).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•							State Highway Fund Bonds (Ariz. Rev. Stat. Ann. §§28-7501 et seq.)
GARVEE bonds	•	•	•							Authorized in state statute (Ariz. Rev. Stat. Ann. §§28-7611 et seq.); most recent issue for new money was in 2011
Federal credit assistance: TIFIA	•		•	•	• Pas-senger and freight		•			Authorized for public-private partnerships; not restricted by mode (Ariz. Rev. Stat. Ann. §28-7706); not currently in use
Advance construction		•	•							
Design-build	•	See Notes	•							Authorized in statute through Dec. 31, 2025 (Ariz. Rev. Stat. Ann. §§28-7361 et seq.); currently in use as a component of a public-private partnership (see notes)
Public-private partnerships	•	•	•	•	• Pas-senger and freight	•	•			Authorized in statute for various transportation modes (Ariz. Rev. Stat. Ann. §§28-7701 et seq.); used for one highway project (currently under construction) (see notes)
State infrastructure bank	•		•	•						Highway Expansion and Extension Loan Program (HELP) (Ariz. Rev. Stat. Ann. §§28-7671 et seq.); capitalized with Federal funds in 1996 and 1997 under the NHS Act pilot program; currently inactive

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Board funding obligations	•		•							Short-term obligations to be purchased by the State Treasurer and paid back from ADOT program funds; authorized in statute through 2019–20, but not currently in use (Ariz. Rev. Stat. Ann. §28-7678)

#### Notes:

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- ADOT’s [South Mountain Freeway](#) project, which is currently under construction, is a design-build-maintain project in which the design-build partners will also maintain the freeway for 30 years after construction. Although design-build is a component of this project, it is more commonly thought of as Arizona’s first highway public-private partnership. No other current design-build projects were found, but there have been at least two such projects in the last five years.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	The state constitution limits general obligation debt to \$350,000 (Ariz. Const. art. IX, §5).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

#### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Unspent operating budget appropriations revert to the State Highway Fund or Aviation Fund, each of which is administered by ADOT. No further authorization is required to spend these funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Generally, no.
<b>Legislative Actions to Control DOT Costs</b>	State procurement law includes low-bid requirements (Ariz. Rev. Stat. Ann. §§41-2501 et seq.). Also, the capital outlay bill prohibits the use of capital monies for state employee expenses.

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. After set-asides, 19 percent of the revenues in the state Highway User Revenue Fund go to counties and 27.5 percent to cities and towns. These funds are distributed using statutory formulas based on population and fuel sales. A further 3 percent of the fund is distributed to cities with a population of 3,000 or more, based on population (Ariz. Rev. Stat. Ann. §28-6538 and §28-6540). A portion of vehicle license taxes and rental car surcharges is also distributed to counties, cities, and towns, using statutory formulas based on population (Ariz. Rev. Stat. Ann. §28-5808).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to adopt property taxes and excise taxes on retail sales for road purposes (Ariz. Rev. Stat. Ann. §28-6712 and §§42-6105 et seq.). Cities and counties may establish special transportation-related taxing districts (Ariz. Rev. Stat. Ann. tit. 48) or charge development fees to pay for capital improvements that can include streets (Ariz. Rev. Stat. Ann. §9-463.05 and §11-1102).



# ARKANSAS

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	184,262 (147,784 rural, 36,478 urban)
	Bridges	12,668
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, light rail, streetcar, demand response
	Urban transit trips in 2015	6.2 million
<b>Rail</b>	Freight rail route miles	2,662
<b>Aviation</b>	Total airports	218
	Public-use airports	100
	Passengers boarded in 2015	1.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2015	5.3 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Arkansas General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (35 members), House of Representatives (100 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to Mar. (regular session, odd years), approx. Feb. to Mar. (fiscal session, even years)
<b>Legislative Measures Introduced in 2016</b>	278 (2016 fiscal session only; 2,061 bills were introduced in the 2015 regular session)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation, Technology, and Legislative Affairs <ul style="list-style-type: none"> <li>• Motor Vehicle and Highways Subcommittee</li> <li>• Waterways and Aeronautics Subcommittee</li> </ul>
	House Committee on Public Transportation <ul style="list-style-type: none"> <li>• Motor Vehicle and Highways Permanent Subcommittee</li> <li>• Public Transportation and Rail Permanent Subcommittee</li> <li>• Waterways and Aeronautics Permanent Subcommittee</li> </ul>
	Legislative Council <ul style="list-style-type: none"> <li>• Highway Commission Review and Advisory Subcommittee</li> </ul>
	[Task Force] Legislative Task Force on Intermodal Transportation and Commerce

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Arkansas State Highway and Transportation Department (AHTD)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	AHTD Director (does not serve on governor's cabinet), Highway Commission (independent body). The Highway Commission, although structurally separate from the AHTD, administers the department and appoints its director.
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	3,749
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, pedestrian/bicycle, ferries (AHTD operates one free vehicle ferry, the Peel Ferry on Bull Shoals Lake)
<b>Includes DMV?</b>	No. The Office of Driver Services and the Office of Motor Vehicles are divisions of the Arkansas Department of Finance and Administration and are supported by general funds, driver's license fees, and license plate fees, not out of AHTD's budget. Driver's license testing is conducted by the State Police.
<b>Includes Highway Patrol?</b>	Yes, in part. Arkansas has both a Highway Patrol, which is a division of the State Police, and a Highway Police, which is a division of AHTD. The Highway Patrol is supported by Federal funds, general funds, and special revenues that are not part of the AHTD budget. The Highway Police is responsible for, among other duties, motor carrier safety and hazardous materials enforcement and is funded out of AHTD's main operating fund.
<b>Jurisdiction Over Toll Facilities?</b>	Yes (in law but not in practice). State law authorizes the Highway Commission to levy tolls on turnpike projects (Ark. Code Ann. §27-90-203), but it does not currently do so. Arkansas has no toll facilities at present.

## Other

<b>Other State-Level Transportation Entities</b>	Arkansas Waterways Commission (state agency)	The Arkansas Waterways Commission is an independent statutory body (Ark. Code Ann. §§15-23-201 et seq.), supported by general funds and property taxes, that develops, promotes, and protects waterborne transportation in Arkansas. The Highway Commission, however, has the authority to develop and coordinate a balanced statewide unified transportation plan for all modes (Ark. Code Ann. §27-65-107).
	Arkansas Department of Aeronautics (state agency)	The Arkansas Department of Aeronautics is an independent statutory body (Ark. Code Ann. §§27-115-101 et seq.), supported by Federal funds, aviation fuel taxes, and other special revenues, that promotes and develops aviation projects. The Highway Commission, however, has the authority to develop and coordinate a balanced statewide unified transportation plan for all modes (Ark. Code Ann. §27-65-107).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, ongoing. A governmental relations office was established for AHTD in FY 2017. This office is responsible for legislative communication, development of legislation, and coordination of AHTD legislative activities with the legislature. The AHTD governmental relations officer, AHTD administration, and the General Assembly interact in person at transportation committee meetings. They also meet or communicate directly by phone or e-mail as needed. The governmental relations officer consults with AHTD administration, the Highway Commission, and legislators on policy issues, and with legislative staff about bill drafting or meetings. The governmental relations officer, who also acts as the state legislation specialist, monitors legislative activities and compiles data for required reports to the legislature.
<b>DOT Legislative Liaison</b>	The governmental relations officer is the main point of contact between the department and the General Assembly.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Ark. Const. amend. 42; Ark. Code Ann. tit. 27; Ark. Code Ann. §19-5-1126 (Arkansas Public Transit Trust Fund); Ark. Const. amend. 91 (revenues); portions of Ark. Code Ann. tit. 19 and 26 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. In Arkansas, only legislators may sponsor and introduce legislation. The Legislative Council, however, can authorize the Bureau of Legislative Research to assist state agencies in preparing legislation (Ark. Code Ann. §10-2-129). AHTD administration and the Highway Commission consult with legislative staff about bill drafting.
	Advocacy and Lobbying	No role.
	Fiscal Notes or Policy Impact Statements for Legislative Use	AHTD often prepares policy impact statements for proposed legislation for distribution to the General Assembly and interested parties. In addition, fiscal impact statements may be prepared and distributed as well. The Arkansas Department of Finance and Administration is statutorily charged with preparing fiscal impact statements, and AHTD is directed to assist as needed (Ark. Code Ann. §10-3-1405).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The five members of the Highway Commission are appointed to ten-year terms by the governor, by and with the advice and consent of the Senate and within constitutional and statutory requirements for geographic representation. All members must be qualified electors in Arkansas (Ark. Const. amend. 42; Ark. Code Ann. §27-65-104). The commission appoints the AHTD director, who must be “a practical business or professional person” (Ark. Const. amend. 42; Ark. Code Ann. §27-65-122).
<b>Legislature Able to Remove DOT Leaders?</b>	Yes, for some leaders. A commissioner may be removed by the governor for cause, following a prescribed process, or by a majority vote of the Senate after a hearing. The AHTD director can be removed by the commission.
<b>Legislative Review of Administrative Rules</b>	Yes and no. State law requires state agencies to submit proposed rules for review and approval by the Administrative Rules and Regulations Subcommittee of the Legislative Council, if requested (Ark. Const. amend. 92; Ark. Code Ann. §10-3-309). In general, however, AHTD is not considered a “state agency” subject to review and approval and does not submit rules for review. The exception is that, under new legislation enacted in 2016, the Highway Commission is now required to submit, for review by the Highway Commission Review and Advisory Subcommittee of the Legislative Council only, rules regarding the criteria for distribution of funds and the spending priority designated for highway construction contracts and public road construction projects (2016 Ark. Acts, 3rd. Ex. Sess., Act 1).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. AHTD is subject to audits conducted by the Division of Legislative Audit. Arkansas does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	The Highway Commission must submit a biennial report to the General Assembly responding to legislative questions and making recommendations for the improvement of the road system (Ark. Code Ann. §27-65-110). It must also provide the Highway Commission Review and Advisory Subcommittee of the Legislative Council with a report on the progress of each project of \$10 million or more, at least quarterly or as required by the subcommittee (2016 Ark. Acts, 3rd. Ex. Sess., Act 1). Special language in the annual highways and transportation appropriation act requires quarterly reporting of AHTD’s financial activities to the legislature.
<b>Legislative Role in DOT Performance Management</b>	None besides the reporting requirements listed above.
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from AHTD.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. Expenditures and agency requests are reviewed in biennial budget hearings, after which the Budget Committee recommends detailed appropriation levels to the General Assembly. The General Assembly enacts annual appropriation acts specific to the AHTD.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are appropriated to the AHTD through the annual highways and transportation appropriation act, which assigns funds at the level of departmental programs and broad spending categories.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to the AHTD through appropriations to departmental programs and broad spending categories. The General Assembly enacts appropriation authority by category to allow the AHTD to spend revenues, including any state revenue. State motor fuel taxes are earmarked as special revenues.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2016 (allotted) (see note)	
<b>Authorized Expenditures</b>	Employees Retirement	\$250,000,000
	NOAA Weather Warning Radio System	\$4,000
	Arkansas Public Transit Trust Fund	\$4,600,000
	Highway—Operations	\$1,987,031,616
	State Aid Roads	\$34,000,000
	Public Transportation Programs	\$346,393
	Roads/Bridges Maintenance and Grants	\$5,000,000
	State Aid Streets	\$30,000,000
	Arkansas Four-Lane Highway Construction	\$200,000,000
	Commercial Truck Safety and Education Program	\$3,000,000
	Regional Intermodal Transportation Authorities	\$25,000
	<b>Total</b>	<b>\$2,514,007,009</b>
<b>Revenue Sources</b>	[No data]	

**Note:** The numbers in this chart are drawn from AHTD's FY 2016 monthly expenditure summary by appropriation. They reflect the final allotted amounts, including any adjustments made after the original legislative appropriations.

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	The AHTD is responsible for all transportation planning processes and develops the Statewide Long-Range Intermodal Transportation Plan and the Statewide Transportation Improvement Program (STIP). The Highway Commission has final approval over both plans and projects to be funded, and solicits comments from other stakeholders. Projects are identified by various means, including by MPO plans and transit providers. Projects are selected based on an AHTD review of proposed needs and available funding.
<b>Legislative Role in the Planning Process</b>	Limited legislative role. The General Assembly has generally been minimally involved except that, at times, it has identified and earmarked state funds for desired projects. New legislation enacted in 2016, however, established the Highway Commission Review and Advisory Subcommittee of the Legislative Council, and tasked it with reviewing and publishing rules to be proposed by the Highway Commission regarding criteria for distribution of funds and the spending priority designated for highway construction contracts and public road construction projects (2016 Ark. Acts, 3rd. Ex. Sess., Act 1).

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•							Ark. Code Ann. §19-6-301, §26-55-205, §26-55-1002, §26-55-1006, §26-55-1201, §26-56-201, §26-56-502, §26-56-601
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied natural gas, hydrogen, electricity, and others (Ark. Code Ann. §19-6-301, §26-55-1201, §26-56-301, §26-56-502, §26-56-601, §26-62-109, §§26-62-201 et seq.)
Vehicle registration and title fees	•	•	•							Ark. Code Ann. §27-70-202
Truck registration fees (based on gross vehicle weight)	•	•	•							Ark. Code Ann. §27-14-601
Oversize/overweight truck permit fees	•	•	•							Allocated to the State Highway and Transportation Department Fund (Ark. Code Ann. §27-35-210)
Truck-related fees, other	•	•	•							Includes motor carrier registration processing fees, insurance filing fees, and temporary license plate fees; all allocated at least in part to the State Highway and Transportation Department Fund (Ark. Code Ann. §23-13-265, §27-14-1306)
Commercial driver-related fees	•	•	•							Includes commercial driving record fees, allocated to the State Highway Fund (Ark. Code Ann. §§27-23-117 et seq.) and penalties for employers who knowingly fail to check the Commercial Driver Alcohol and Drug Testing Database, allocated in part to the State Highway and Transportation Department Fund (Ark. Code Ann. §27-23-209)
Sales taxes on rental vehicles	•	•		•						75 percent of revenues are used for public transit (Ark. Code Ann. §19-5-1126, §26-63-302)
Severance taxes on natural gas	•	•	•							95 percent of revenues are used for highways and roads (Ark. Code Ann. §26-58-111, §27-70-202)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Sales taxes on aviation fuel, services, and parts	•	•				•				Includes sales taxes on aviation gasoline and jet fuel (Ark. Code Ann. §§26-52-101 et seq., §27-115-110)
Rail regulation fees	•	•	•							Allocated in part to the State Highway and Transportation Department Fund (Ark. Code Ann. §23-16-105)
Pine timber sales	•	•	•							50 percent of net proceeds from the sale of pine grown on state highway rights-of-way and other highway-related areas are credited to the State Highway and Transportation Department Fund (Ark. Code Ann. §22-5-101)
Tolls	•		•							State law authorizes the Highway Commission to levy tolls on turnpike projects (Ark. Code Ann. §27-90-203), but it does not currently do so
State general sales taxes	•	•	•							Temporary 0.5 percent sales and use tax; supports the \$1.3 billion Connecting Arkansas bond program (Ark. Const. amend. 91)
Rainy Day Fund		•	•							One-time \$40 million transfer in 2016 to the Arkansas Highway Transfer Fund; authorized in session law, not statute (2016 Ark. Acts, 3rd. Ex. Sess., Act 1)
General funds	•	•	•	•						Typically \$350,000 per year (derived from corporate franchise taxes) is legislatively appropriated for public transit; also, as of July 1, 2016, 25 percent of annual surplus general revenue collections will be deposited to the Arkansas Highway Transfer Fund (Ark. Code Ann. §19-5-406 and §19-6-832)
Interest income	•	•	•	•						Interest on all AHTD-administered funds (Ark. Code Ann. §27-70-204)

#### Notes:

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- Ad valorem taxes on water transportation companies in excess of \$2.5 million are credited to the Arkansas Port, Intermodal, and Waterway Development Grant Program Fund, which is administered by the Arkansas Waterways Commission (Ark. Code Ann. §15-23-205, §19-5-906, and §26-26-1616). This program's grants, however, are awarded to port and intermodal authorities, not used for the kind of state-level transportation activities described in this chart.
- State highway revenues are also used to support a state-operated vehicle ferry, the Peel Ferry on Bull Shoals Lake, which is considered part of the state highway system.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional and statutory, roads and bridges. The state constitution dedicates a portion of motor fuel tax revenues to the State Aid Street Fund (Ark. Const. amend. 91, §20). In addition, various provisions in state statute dedicate motor fuel tax revenues to public highways, including retiring highway indebtedness (Ark. Code Ann. §26-55-206, §26-55-1004, §26-56-109, §26-56-221, §26-56-504, §26-56-602, §26-56-804, §26-62-109, and §§27-70-201 et seq.).
<b>Restrictions on Other Transportation Revenues</b>	State statute designates vehicle registration and licensing fees, alternative fuel taxes, and 95 percent of the revenues from severance taxes on natural gas (in addition to motor fuel taxes) as special highway revenues to be used for roads and bridges (Ark. Code Ann. §§27-70-201 et seq.). State statute also requires 75 percent of revenues from a rental vehicle tax to be deposited into the Public Transit Trust Fund and used for public transit (Ark. Code Ann. §19-5-1126).
<b>Dedicated or Restricted Transportation Funds</b>	The Public Transit Trust Fund must be used for transit, and the State Highway and Transportation Department Fund for highways and bridges (Ark. Code Ann. §19-5-1126 and §27-70-207). The Department of Aeronautics Fund, which receives various aviation-related revenues, must be used for aviation (Ark. Code Ann. §27-115-110) and the new Arkansas Highway Transfer Fund, derived mostly from 25 percent of annual surplus general revenue collections, for highway construction and maintenance (Ark. Code Ann. §19-5-406 and §19-6-832).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•							Connecting Arkansas program; up to \$1.3 billion authorized for four-lane highway construction (Ark. Const. amend. 91)
GARVEE bonds	•	•	•							Authorized in statute until Dec. 31, 2017, for up to \$1.1 billion total; voter approval required (Ark. Code Ann. §27-64-504); most recently issued in 2014
Advance construction		•	•							
Design-build	•	•	•							Ark. Code Ann. §27-67-206



State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Public-private partnerships	•		•							The State Highway Commission is authorized to enter into some kinds of partnerships (Ark. Code Ann. §27-67-206; 2015 Ark. Acts, Act 704); not currently in use
State infrastructure bank			•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; not authorized in state statute; currently inactive

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	By state statute, GARVEE bonding is capped at a total of \$1.1 billion and may only be issued until Dec. 31, 2017, pending voter approval (Ark. Code Ann. §27-64-504). General obligation bonds are restricted as described in the ballot measures needed to authorize them.
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Balances remain in most AHTD funds at the end of the fiscal year, because they are special revenues that can only be used for the purposes authorized in state statute. No further approval is required to spend these funds other than the annual appropriation authority enacted by the General Assembly, which authorizes all expenditures.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	In general, no. Legislative approval is not required for the AHTD to move funds between projects. Legislative approval is required, however, to transfer funds from the Arkansas Highway Transfer Fund, which was established in 2016 to provide additional funding for highway construction and maintenance, to the Highway Account (Ark. Code Ann. §19-6-832).
<b>Legislative Actions to Control DOT Costs</b>	Actions include low-bid requirements for the Highway Commission in state law (Ark. Code Ann. §27-65-111 and §27-67-206).

## State Involvement in Local Transportation Funding

### Allocation of State Transportation Revenues to Local Entities

Statutory and other formulas, grants. After set-asides, 15 percent of state fuel taxes and other special highway revenues are distributed to counties by a statutory formula based on land area, population, and vehicle license fees. An additional 15 percent are distributed to cities and towns based on population. Funds can be used for roads, public transit, and other transportation projects (Ark. Code Ann. §§27-70-206 et seq.). Most severance taxes on natural gas are distributed to counties for according to the same formula, except for a small set-aside that must be used to make grants to counties for damages resulting from trucks and other heavy machinery used in the extraction of natural gas. These grants are distributed based on the number of active unconventional natural gas wells in each county (Ark. Code Ann. §26-58-124). Through the State Aid Road Fund, another portion of state fuel taxes is allocated to counties by a statutory formula based on land area and rural population (Ark. Code Ann. §27-72-305 and §27-72-309). A similar fund, the State Aid Street Fund, is distributed to cities by formulas that are set by a committee of mayors (Ark. Const. amend. 91, §20; Ark. Code Ann. §§27-72-401 et seq.).

### Local Revenue Sources Authorized in State Law

State statute authorizes cities and counties to adopt local vehicle registration taxes for road purposes (Ark. Code Ann. §§26-78-101 et seq.), form improvement districts to finance road or bridge projects (Ark. Code Ann. §14-86-802), or assess special sales taxes to fund public transit or capital improvements (Ark. Code Ann. §14-164-327, §14-164-338, §14-174-101, §26-73-112, §§26-74-201 et seq., and §§26-75-201 et seq.). Counties may levy property taxes for roads and bridges (Ark. Code Ann. §§26-79-101 et seq.). Municipalities may assess development impact fees to pay for public facilities that can include transportation systems (Ark. Code Ann. §14-56-103). Regional mobility authorities may collect tolls (Ark. Code Ann. §§27-76-101 et seq.) and intermodal authorities may form improvement districts with local assessments (Ark. Code Ann. §14-143-109).

# CALIFORNIA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	478,377 (235,354 rural, 243,023 urban)
	Bridges	25,318
	Toll facilities	Yes (roads: 134.8 miles; bridges: 8)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, heavy rail, light rail, commuter rail, cable car, ferry boat, streetcar, vanpool, demand response
	Urban transit trips in 2013	1.4 billion
<b>Rail</b>	Freight rail route miles	5,295
<b>Aviation</b>	Total airports	515
	Public-use airports	247
	Passengers boarded in 2013	89.1 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	230.2 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	California Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (40 members), Assembly (80 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, approx. Jan. to Sept. (odd years), Jan. to Aug. (even years)
<b>Legislative Measures Introduced in 2016</b>	2,600 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	<p>Senate Committee on Transportation and Housing</p> <p>Senate Committee on Budget and Fiscal Review</p> <ul style="list-style-type: none"> <li>Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation</li> </ul> <p>Assembly Committee on Transportation</p> <p>Assembly Committee on Budget</p> <ul style="list-style-type: none"> <li>Subcommittee No. 3 on Resources and Transportation</li> </ul> <p>[Select] Senate Select Committee on Passenger Rail</p> <p>[Select] Senate Select Committee on Ports and Goods Movement</p> <p>[Select] Assembly Select Committee on Improving Bay Area Transportation Systems</p> <p>[Select] Assembly Select Committee on Ports</p> <p>[Select] Assembly Select Committee on Rail</p> <p>[Select] Assembly Select Committee on Regional Transportation and Interconnectivity Solutions</p>

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	California Department of Transportation (Caltrans)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of the California State Transportation Agency (serves on governor's cabinet), Caltrans Director, California Transportation Commission (independent body). The California Transportation Commission is one of several state entities under the California State Transportation Agency, and is structurally separate from Caltrans.
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	19,044
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Department of Motor Vehicles is a separate state entity that is also under the California State Transportation Agency. It is funded by vehicle registration and driver's license fees, not out of Caltrans' budget.
<b>Includes Highway Patrol?</b>	No. The California Highway Patrol is a separate state entity that is also under the California State Transportation Agency. It is funded by vehicle registration and driver's license fees, not out of Caltrans' budget.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. Caltrans owns and operates seven toll bridges.

## Other

<b>Other State-Level Transportation Entities</b>	Board of Pilot Commissioners (state entity)	The Board of Pilot Commissioners is a separate state entity under the California State Transportation Agency, funded by user fees. The secretary of the California State Transportation Agency serves as an ex officio non-voting member (Cal. Harbors and Navigation Code §§1150 et seq.).
	California High-Speed Rail Authority (state entity)	The California High-Speed Rail Authority is a separate state entity under the California State Transportation Agency (Cal. Public Utilities Code §§185000 et seq.), funded by a voter-approved bond, revenue from the Cap-and-Trade Program, and Federal funds.
	Office of Traffic Safety (state entity)	The Office of Traffic Safety is a separate state entity under the California State Transportation Agency that was created to administer the state's traffic safety program (Cal. Vehicle Code §§2900 et seq.). It is funded by Federal funds.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. Through the budget process, legislators and legislative staff make formal requests to Caltrans for information and discuss budget issues in committee hearings. The Legislative Analyst's Office works with Caltrans to understand its budget each year, and then publishes its budget recommendations for the Legislature. Members of relevant legislative committees and other legislators frequently communicate directly with Caltrans about specific issues of interest. Caltrans' Office of External Affairs analyzes bills and can request bill proposals through the governor's office.
<b>DOT Legislative Liaison</b>	The assistant deputy director of legislative affairs in Caltrans' Office of External Affairs, among other duties, is the main point of contact between the department and the Legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Cal. Streets and Highways Code; Cal. Vehicle Code; portions of Cal. Public Utilities Code and Cal. Government Code; Cal. Const. art. XIX, §2 and §3 (revenue restrictions), art. XIXa (Public Transportation Account), and art. XIXb (Transportation Investment Fund); portions of Cal. Revenue and Taxation Code (revenues); numerous other state statutes and portions of the state constitution	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. In California, the governor's office can submit "administrative proposals" to the Legislature. Caltrans' Office of External Affairs can request such proposals through the governor's office. Bills must be sponsored and introduced by legislators.
	Advocacy and Lobbying	[No data]
	Fiscal Notes or Policy Impact Statements for Legislative Use	[No data]

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	Nine of the 13 members of the California Transportation Commission are appointed by the governor, with the advice and consent of the Senate. The governor must "make every effort" to ensure geographic representation among the members he appoints, but all members represent the state at large. The remaining four members are appointed by the Speaker of the Assembly and the Senate Committee on Rules, each of whom appoints one voting citizen member and one ex officio legislator member. All but ex officio members are appointed to staggered four-year terms and may not hold simultaneous elected office or serve on a public board or commission with business before the commission (Cal. Government Code §§14500 et seq.). The Caltrans director is appointed by the governor, subject to confirmation by the Senate (Cal. Government Code §14003). Caltrans is one of several entities that make up the California State Transportation Agency, under the oversight of a cabinet-level secretary. The secretary is appointed by the governor, subject to confirmation by the Senate (Cal. Government Code §13976).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The Caltrans director and secretary of the California State Transportation Agency hold office at the pleasure of the governor. No process is specified for removing members of the California Transportation Commission before the end of their respective terms of office.
<b>Legislative Review of Administrative Rules</b>	No. The executive Office of Administrative Law reviews proposed and existing rules (Cal. Government Code §§11340 et seq.). This office may sometimes be asked to submit reports to the Legislature, however, and the Legislature may also study and make recommendations regarding existing or proposed rules.
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. Caltrans is subject to audits conducted by the State Auditor's Office which, although not a legislative entity, generally conducts audits at the request of the Joint Legislative Audit Committee. The state conducts sunset reviews, but not of Caltrans.
<b>Required DOT Reports to the Legislature</b>	Caltrans is required to submit annual performance reports to the Legislature concerning State Transportation Improvement Program (STIP) project costs and delivery (Cal. Government Code §14524.16 and §14525.5), business signs near rural freeway exits (Cal. Streets and Highways Code §101.7), safety roadside rest areas (Cal. Streets and Highways Code §226.5), non-motorized transportation facilities (Cal. Streets and Highways Code §887.4), and any active design-build projects (Cal. Public Contract Code §6821). The California Transportation Commission submits an annual report of transportation capital outlay appropriations and transportation issues facing the state. It must include materials with this report that address bond-funded projects, the California Transportation Financing Authority, the Transportation Facilities Account, and local transportation construction (Cal. Government Code §14535, §64110, §8879.23, §8879.54, and §14529.7). Every year, the commission must also submit reports concerning Federal GARVEE bonds (Cal. Government Code §§14553.10) and, every six months, a report concerning the Trade Corridors Improvement Fund (Cal. Government Code §8879.52). The secretary of transportation must submit a report every four years concerning transportation fees (Cal. Vehicle Code §42276). A number of other reports are required intermittently or one-time as needed.

**Legislative Role in DOT Performance Management**

In addition to the reporting requirements and legislative audits listed above, the Legislature has enacted some requirements for Caltrans performance measurement in state law (Cal. Government Code §14526.4) and occasionally determines specific targets or goals for Caltrans to achieve.

**Other Legislative Oversight Mechanisms**

Legislative oversight of Caltrans occurs mainly through the budget committee process, which includes public hearings and an annual budget review, conducted by the California Legislative Analyst's Office. The Legislative Analyst's Office also periodically reviews Caltrans programs in depth, informs the Legislature of any concerns, and makes recommendations. In addition, policy committees often hold oversight hearings related to specific issues.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Annual budget; fiscal year begins July 1. Transportation programs receive state funding from several dedicated revenue sources. The Legislature can make some changes to the mix of transportation programs that are funded, but within various formulas, requirements, and restrictions on funding certain programs or the uses of certain revenues.

**Allocation of Transportation Revenues to the DOT**

Federal Revenues	Legislative appropriation. Although Federal transportation funds flow directly to Caltrans, the department needs a budget appropriation in order to have the authority to spend the funds. Appropriation authority is given in the state budget act under broad categories (e.g., support, local assistance, capital outlay, and others).
State Revenues	Legislative appropriation. As with Federal funds, state transportation funds essentially flow directly to Caltrans, but authority to spend the funds is given in the state budget act under broad categories. The governor and Legislature typically include some more specific budget bill language each year regarding the use of some state funds.

### State Transportation Budget

**Most Recently Enacted Transportation Budget**

Annual budget, FY 2017 ([enacted](#))

**Authorized Expenditures**

Aeronautics	\$7,524,000
Capital outlay support	\$1,772,543,000
Capital outlay projects	\$2,881,169,000
Local assistance	\$2,244,032,000
Program development	\$81,349,000
Legal	\$128,029,000
Operations	\$258,347,000
Maintenance	\$1,567,599,000
State and Federal mass transit	\$151,538,000
Intercity rail passenger program	\$394,491,000
Statewide planning	\$139,857,000
Regional planning	\$92,718,000
<b>Total</b>	<b>\$9,719,196,000</b>



<b>Revenue Sources</b>	State Transportation Fund (various accounts)	\$3,270,584,000
	Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (various accounts)	\$133,041,000
	Traffic Congestion Relief Fund	\$234,293,000
	Other state funds	\$108,692,000
	Federal trust fund	\$4,811,888,000
	Reimbursements	\$1,160,698,000
<b>Total</b>		<b>\$9,719,196,000</b>

**Note:** The California State Transportation Agency oversees and coordinates the activities of several state entities, including Caltrans, the California Transportation Commission, the High-Speed Rail Authority, the Department of Motor Vehicles, the California Highway Patrol, and the Board of Pilot Commissioners. Each entity has [its own detailed budget](#). This chart shows the budget for Caltrans only.

### Planning and Projects

#### Transportation Planning and Capital Project Selection Process

Caltrans develops the long-range plan for state highway repairs and expansion of the state's interregional network—and selects projects for the State Highway Operation Protection Program (SHOPP) and interregional projects for the State Transportation Improvement Program (STIP)—with input from local agencies (counties and MPOs). Local agencies develop long-range plans for their regions and select projects for the regional portion of the STIP with input from transit operators, other local governments, and sometimes Caltrans. Caltrans selects all state highway repair and rehabilitation projects and 25 percent of capacity expansion projects; county transportation agencies select 75 percent of capacity expansion projects. The California Transportation Commission is responsible for approving an entire program of projects, but cannot approve or reject individual projects. Occasionally, the governor's office or the secretary of transportation will request that Caltrans select certain projects.

#### Legislative Role in the Planning Process

Limited legislative role. Funds are appropriated on a program rather than project basis, so the Legislature has no role in planning or selecting specific projects. In some cases, the Legislature has had an indirect role by enacting policies that guide the transportation planning process.

### State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel, excise taxes (fixed rate)	•	•	•	•	• Passenger only					Cal. Revenue and Taxation Code §6201.8, §7360, §60050; Cal. Streets and Highways Code §2103
Fuel taxes: gasoline, excise taxes (variable rate—percentage of price)	•	•	•	•	• Passenger only					Additional tax on gasoline only; California's "fuel tax swap" replaced a 6 percent sales tax on gasoline with an excise tax that is annually adjusted to be revenue-neutral with the former sales tax (2011 Cal. Stats., Chap. 6; Cal. Revenue and Taxation Code §7360), which was intended to give the state more flexibility, as excise taxes can be used for debt service but sales taxes cannot



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: diesel, sales taxes	•	•		•	• Pas-senger only					Used for public transit and passenger rail (Cal. Revenue and Taxation Code §6051.8, Cal. Public Utilities Code §99312, §99315)
Fuel taxes: alternative fuels	•	•	•	•						Includes taxes on liquefied and compressed natural gas, liquefied petroleum gas, and others (Cal. Revenue and Taxation Code §§8651 et seq., §9301)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Cal. Revenue and Taxation Code §7392, §8352.3, §8651)
Fuel taxes: watercraft	•	•					•			Allocated to the Harbors and Watercraft Revolving Fund (Cal. Revenue and Taxation Code §8352.4)
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger only					Cal. Vehicle Code §§9400 et seq., Cal. Streets and Highways Code §2103
Boat launch fees	•	•					•			Used for boating safety, enforcement, operation, and maintenance programs (Cal. Public Resources Code §5010)
Off-highway motor vehicles service fees	•	•							•	Dedicated to off-highway motor vehicle activities until Jan. 1, 2018 (Cal. Vehicle Code §38225; Cal. Public Resources Code §5090.61)
Tolls	•	•	•							Revenues from state-owned toll bridges are used for work on those bridges (Cal. Streets & Highways Code §188.62)
Cap-and-Trade Program revenues	•	•	•	•	See notes	See notes	See notes	•	See notes	Used for public transit, passenger rail, pedestrian and bicycle facilities, and traffic light synchronization (see notes) (Cal. Streets and Highways Code §2581; Cal. Health and Safety Code §38570, §39719; Cal. Public Utilities Code §§99312 et seq.; Cal. Public Resources Code §75221, §75230)
Property leases or sales	•	•	•	•	• Pas-senger only					Cal. Streets and Highways Code §§104 et seq.
Interest income	•	•	•	•	• Pas-senger only			•		State Highway Account (Cal. Streets and Highways Code §207); used for highways, transit, passenger rail, and active transportation

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Revenues from vehicle registration fees, title fees, and driver’s license fees are used for the California Highway Patrol, the Department of Motor Vehicles, and environmental mitigation (Cal. Vehicle Code §§9250 et seq. and §14900), and pilotage fees and surcharges are allocated to the Board of Pilot Commissioners (Cal. Harbors and Navigation Code §§1190 et seq.). None of these revenue sources are used for the kinds of transportation activities described in this chart.
- The high-occupancy toll (HOT) lanes that are operated in California do not generate revenues at the state level.
- In 2013, the California Superior Court ruled that the Cap-and-Trade Program is a user fee and the proceeds must be used to further greenhouse gas reductions. This decision is currently under appeal. Revenues from the program are currently used for public transit, passenger rail, pedestrian and bicycle facilities, and traffic light synchronization, although it could be argued that other transportation-related activities are also eligible.
- State law requires the implementation of a Road Charge Pilot Program by Jan. 1, 2017 (Cal. Vehicle Code §§2090 et seq.), but no actual payments will be collected.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon) and variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges, fixed guideway transit. The state constitution restricts the use of fuel excise tax revenues from highway users to public streets and highways, including related facilities for non-motorized traffic, and fixed guideway transit projects (Cal. Const. art. XIX, §2). As amended by Proposition 22 in 2010, the constitution also prohibits the state from borrowing, diverting, or appropriating these revenues for any other purpose, either temporarily or permanently, and restricts the state’s authority to use fuel taxes to pay debt service on transportation bonds (Cal. Const. art. XIX, §4 and §6).
<b>Restrictions on Other Transportation Revenues</b>	The constitution restricts the use of vehicle-related revenues, except vehicle sales taxes and vehicle license fees, to the same purposes as fuel taxes, as well as to state administration and enforcement of traffic and vehicle laws and mitigation of the environmental effects of vehicle operation (Cal. Const. art. XIX, §3 and §8). State statute directs most of the diesel sales tax to public transit and mass transportation (Cal. Revenue and Taxation Code §6051.8 and §7102). State statute directs the use of various other transportation-related revenues to transportation purposes and, in some cases, to the general fund.
<b>Dedicated or Restricted Transportation Funds</b>	The constitution dedicates the Highway Users Tax Account to roads and fixed guideway transit projects (Cal. Const. art. XIX, §2) and the Public Transportation Account to transportation planning and public transit (Cal. Const. art. XIXa). As amended by Proposition 22 in 2010, the constitution declares these accounts to be trust funds and prohibits the state from borrowing or diverting revenues from them. Other special accounts are dedicated in statute to aeronautics (Cal. Public Utilities Code §21680) and other transportation purposes.
<b>Revenue Sources Prohibited in State Law</b>	[No data]

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•	• Pas-senger and freight		•			Proposition 1B of 2006; authorized \$19.925 billion total (Cal. Government Code §§8879.20 et seq.)
Build America Bonds		•	•							Issued in 2009
GARVEE bonds	•	•	•							Authorized in statute; may only be issued if total debt service is not more than 15 percent of Federal funding received (Cal. Government Code §§14550 et seq.); most recently issued in 2008
Federal credit assistance: TIFIA	See notes	•	•							Active loan(s), used for highway projects; authorized in state statute for seismic bridge retrofit projects (see notes) (Cal. Streets and Highways Code §31070)
Advance construction		•	•							
Design-build	•	•	•							Authorized for up to 10 highway projects; statute expires Jan. 1, 2024 (Cal. Public Contracts Code §§6820 et seq.); used for several projects
Public-private partnerships	•	•	•		• Pas-senger and freight					Authorized in statute for highway, street, rail, or related facilities (Cal. Streets and Highways Code §143); used by Caltrans for three highway projects
State infrastructure bank	•	•	•	•						Transportation Finance Bank (Cal. Government Code §64000); capitalized with Federal and state funds, now self-sustaining; authorized uses include highway, transit, or rail projects

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- The only explicit authorization for Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance that was found in state statute is for seismic bridge retrofit projects (Cal. Streets and Highways Code §31070). Actual state use of TIFIA has been for highway projects.

<b>Transportation-Related Bonding</b>	Yes. California mainly uses pay-as-you-go financing, but voters have approved several general obligation bonds over the years.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds are restricted as described in the ballot measures needed to authorize them. GARVEE bonds may only be issued if their annual debt service is not more than 15 percent of Federal transportation funding received (Cal. Government Code §14553.4). Design-build contracting may only be used for up to 10 highway projects, and the authorization expires Jan. 1, 2024 (Cal. Public Contracts Code §§6820 et seq.).
<b>Finance Mechanisms Prohibited in State Law</b>	[No data]

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes and no, depending on the type of appropriation. Support appropriations expire after one year. The budget bill specifies how long Caltrans has to encumber and then liquidate capital appropriations. Caltrans cannot spend appropriations for which the budget authority has expired and the designated project has been de-obligated unless additional authority is granted in the state budget act. Unspent dedicated transportation funds remain in state transportation accounts and are available for future transportation purposes.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No. Although no legislative approval is required, however, the California Transportation Commission must approve certain changes. Specifically, for capital allocations and project development work performed by an agency other than Caltrans, the commission is required to de-program funds on one project and reprogram them on another. For support allocations for project development work performed by Caltrans, the department has authority to move funds between projects without any approval.
<b>Legislative Actions to Control DOT Costs</b>	Actions include low-bid requirements for Caltrans in state law (Cal. Public Contract Code §10106 and §10180).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and grants. Both a portion of the base excise and variable excise taxes on motor fuels are distributed to cities and counties for road projects by a statutory formula based on population, vehicle registrations, and county road miles (Cal. Streets and Highways Code §§2103 et seq.). Another portion of the variable excise tax revenues go to the State Transportation Improvement Program, of which 75 percent is distributed to counties for regional transportation improvements by a statutory formula based on population and state highway miles (Cal. Streets and Highways Code §188.8). For transit assistance, local entities receive half the revenues from a state base sales tax on diesel, and all of an additional sales tax on diesel, by statutory formulas based on population and transit fare revenues (Cal. Public Utilities Code §§99312 et seq.; Cal. Revenue and Taxation Code §6051.8 and §7102). Additional transit capital and operations assistance is provided through grant programs that are funded by the state's greenhouse gas reducing Cap-and-Trade Program (Cal. Health and Safety Code §39719; Cal. Public Resources Code §75221 and §75230). Local transportation funds, which can be used for transit or roads, receive 0.25 percent of state general sales tax revenues. These funds are further distributed to local entities within counties based on population (Cal. Government Code §29530; Cal. Public Utilities Code §§99230 et seq.). The California Transportation Commission awards state funds to local entities through discretionary grants for active transportation projects such as pedestrian, bicycling, and Safe Routes to School projects. At least 25 percent of these funds must benefit disadvantaged communities (Cal. Streets and Highways Code §§2380 et seq.). Caltrans also may make allocations to local entities from the state's Aeronautics Account for airport projects (Cal. Public Utilities Code §§21680 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties, transit districts, and the Metropolitan Transportation Commission to levy local option fuel taxes (Cal. Revenue and Taxation Code §8502 and §9501; Cal. Public Utilities Code §99500). Counties may also assess county sales taxes and locally implemented state sales taxes for transportation purposes (Cal. Public Utilities Code §§180000 et seq.; Cal. Government Code §§29530 et seq.). A number of transit districts or transportation authorities are authorized to levy property and sales taxes (Cal. Public Utilities Code div. 10), and some of them are authorized to operate high-occupancy toll (HOT) lanes (Cal. Streets and Highways Code §§149.4 et seq.). Cities, counties, and local agencies may charge development impact fees to pay for capital improvements (Cal. Government Code §§66000 et seq.).

# COLORADO

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	184,666 (138,636 rural, 46,030 urban)
	Bridges	8,624
	Toll facilities	Yes (roads: 84.0 miles)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, light rail, vanpool, demand response
	Urban transit trips in 2013	109.7 million
<b>Rail</b>	Freight rail route miles	2,662
<b>Aviation</b>	Total airports	270
	Public-use airports	74
	Passengers boarded in 2013	27.2 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	0

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Colorado General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (35 members), House of Representatives (65 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to May
<b>Legislative Measures Introduced in 2016</b>	800 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation House Committee on Transportation and Energy Joint Committee on Transportation [Interim] Transportation Legislation Review Committee

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Colorado Department of Transportation (CDOT)
<b>Structure</b>	Organized mainly by functional activity. Two of CDOT's divisions are, however, dedicated to specific transportation modes (one to public transit and rail and one to aeronautics).
<b>Leadership</b>	CDOT Executive Director (serves on governor's cabinet), Transportation Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	3,000
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit (including a state-run bus service), freight and passenger rail, aviation, pedestrian/bicycle. CDOT's Division of Transit and Rail is responsible for the planning, development, operation, and integration of transit and rail into the statewide transportation system. In general, however, freight rail is regulated by the Public Utilities Commission in the Department of Regulatory Affairs and commuter rail and light rail are regulated by the Denver metro area's Regional Transportation District.
<b>Includes DMV?</b>	No. The Division of Motor Vehicles is a division of the Colorado Department of Revenue that is mostly funded by fee revenues and, for capital improvement projects such as the replacement of the driver's license and title and registration systems, general fund appropriations through the Capital Construction Fund. In FY 2017, the division will get a \$2 million "off the top" deduction from the Highway Users Tax Fund, some of which would ordinarily go to CDOT.
<b>Includes Highway Patrol?</b>	No. The Colorado State Patrol is a division of the Department of Public Safety. More than 90 percent of its funding, however, comes from the Highway Users Tax Fund as an expense related to the supervision of public highways (Colo. Const. art. X, §18; Colo. Rev. Stat. §24-33.5-220 and §43-4-201), which reduces the amount of revenue CDOT may receive from that fund. Other funding comes from user fees and revenue transfers from other state agencies.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. CDOT controls and operates some high-occupancy toll (HOT) lanes, and has entered into a public-private partnership for a state-owned corridor in which the private entity will collect toll revenues to maintain the road for 50 years.

## Other

<b>Other State-Level Transportation Entities</b>	None. Colorado has no state-level transportation entities outside of CDOT, the Transportation Commission, and those that perform DMV and highway patrol functions. Under CDOT, however, are two "enterprises," or quasi-private government-owned businesses: the Statewide Bridge Enterprise and the High-Performance Transportation Enterprise. Both have revenue streams that are exempt from the state's constitutional spending limit. The Transportation Commission is the board of directors for the Bridge Enterprise, and three commissioners serve on the board of the High-Performance Transportation Enterprise (Colo. Const. art. X, §20; Colo. Rev. Stat. §43-4-805 and §43-4-806).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Mainly formal. The General Assembly has formal, statutorily mandated interactions with CDOT through making required presentations and reports before legislative committees. CDOT's state legislative liaison serves as an information resource for legislators and legislative staff, coordinates statutorily required reports to legislative committees, advises CDOT and the Transportation Commission on pending issues before the legislature, represents CDOT in the capitol during legislative sessions, and is a key player in developing and advancing CDOT's legislative agenda.
<b>DOT Legislative Liaison</b>	The state legislative liaison in CDOT's Office of Policy and Government Relations acts as the main point of contact between the department and the legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Colo. Rev. Stat. §24-1-128.7; Colo. Rev. Stat. tit. 41 to 43; portions of Colo. Rev. Stat. tit. 40; Colo. Const. art. X, §18 (revenue restrictions); portions of Colo. Rev. Stat. tit. 39 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. CDOT's state legislative liaison develops the department's legislative agenda in close coordination with the governor's office, with the input of CDOT's executive management team and approval of the Transportation Commission. The state legislative liaison also works with legislators to develop legislative proposals. Only legislators, however, may sponsor and introduce bills.
	Advocacy and Lobbying	CDOT's state legislative liaison formally communicates CDOT's legislative needs and positions to legislators.
	Fiscal Notes or Policy Impact Statements for Legislative Use	By law, a state agency such as CDOT must provide information to the Legislative Council about the fiscal impact of a legislative proposal, when requested to do so in support of the council's preparation of a fiscal note (Colo. Rev. Stat. §2-2-322).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The 11 members of the Transportation Commission are appointed by the governor with the consent of the Senate. The members are appointed to four-year terms and must meet statutory requirements for geographic representation and residency (Colo. Rev. Stat. §43-1-106). The governor must consider appointment of one or more people with knowledge or experience in transit and at least one person with knowledge or experience in engineering. The governor is encouraged to include at least one member who is a person with a disability, has a family member with a disability, or is a member of an advocacy group for people with disabilities. The CDOT executive director also is appointed by the governor with the consent of the Senate (Colo. Rev. Stat. §43-1-103).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The CDOT executive director serves at the pleasure of the governor. Members of the Transportation Commission may be removed by the governor for cause (Colo. Const. art. 14, §6).
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Committee on Legal Services reviews all new and amended rules. Each rule expires on May 15 of the year after it is adopted, unless the General Assembly continues it in the annual legislative rule reviews bill (Colo. Rev. Stat. §§24-4-101 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. CDOT is subject to financial or performance audits conducted by the Office of the State Auditor, an agency within the state's legislative branch, at the request of legislative committees or individual legislators. The state conducts sunset reviews, but not of CDOT.



**Required DOT Reports to the Legislature**

Each year, CDOT must submit a transportation deficit report (Colo. Rev. Stat. §43-4-813) and other reports concerning highway revenues and expenditures (Colo. Rev. Stat. §43-4-206), the Law Enforcement Assistance Fund (Colo. Rev. Stat. §43-4-404), the Statewide Bridge Enterprise (Colo. Rev. Stat. §43-4-805), the High-Performance Transportation Enterprise (Colo. Rev. Stat. §43-4-806), motorcycle safety training (Colo. Rev. Stat. §43-5-506), and the Aviation Fund (Colo. Rev. Stat. §43-10-109). CDOT must also submit an annual joint report with the Colorado State Patrol concerning accidents in state highway work areas (Colo. Rev. Stat. §42-4-1612). CDOT's executive director is required to submit a comprehensive annual report of the department's operations (Colo. Rev. Stat. §43-1-103 and §24-1-136), an annual report concerning transportation revenue anticipation notes (Colo. Rev. Stat. §43-4-713), and a report at least once per year on the activities and recommendations of the Transportation Commission's Efficiency and Accountability Committee (Colo. Rev. Stat. §43-1-106).

**Legislative Role in DOT Performance Management**

In addition to the reporting requirements and legislative audits listed above, CDOT and other state agencies are required by Colorado's State Measurement for Accountable, Responsive and Transparent (SMART) Government Act (Colo. Rev. Stat. §§2-7-200.1 et seq.) to submit an annual performance plan that includes one- and three-year targets for metrics related to key department initiatives, and to present performance data on these metrics at various times throughout the year (currently, quarterly data is required). Metrics in CDOT's plan include bridge condition, pavement condition, fatalities on Colorado roadways, Maintenance Levels of Service and more.

**Other Legislative Oversight Mechanisms**

Other oversight mechanisms include legislative requests for information from CDOT. In addition, the General Assembly assigns topics to interim committees to study between legislative sessions. In 2015, for example, the Transportation Legislation Review Committee, which consists of the members of the House and Senate transportation committees and meets throughout the legislative interim, was directed to study strategic transportation projects, tire traction and congestion on I-70, and taxicab service (Colo. Rev. Stat. §43-2-145). CDOT also delivers several presentations to, and tours with, the Transportation Legislation Review Committee. Temporary interim committees can also be created to study special topics, such as the 2015 Off-Highway Vehicle Interim Committee.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No. CDOT does not receive resources to specifically support its compliance with legislative oversight requirements. These activities are covered under other budget line items, such as allocations to the executive director's office.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Annual budget; fiscal year begins July 1. Colorado is one of five states in which a legislative entity—in this case, the Joint Budget Committee—produces a comprehensive budget as an alternative to the governor's proposal. CDOT's portion of the governor's budget request is developed by the Transportation Commission, subject to approval by the governor.

**Allocation of Transportation Revenues to the DOT**

Federal Revenues	No legislative role. Federal transportation funds flow directly to CDOT from the U.S. DOT with no state legislative involvement.
State Revenues	Partial legislative appropriation. Most state transportation funds flow directly to CDOT with no legislative involvement, except that the entire CDOT budget is reflected in the budget bill for informational purposes. The General Assembly does make a few category-level appropriations for CDOT administration and other limited uses.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 (approved) (see note)	
<b>Authorized Expenditures</b>	"Maintain—Maintaining What We Have" (includes snow and ice control, road maintenance, traffic services, and safety projects)	\$588,080,815
	"Maximize—Safely Making the Most of What We Have" (includes transportation systems management and operations projects)	\$108,625,928
	"Expand—Increasing Capacity"	\$159,141,535
	"Deliver—Program Delivery/Administration"	\$79,788,266
	Pass-through funds/multi-modal grants: aeronautics	\$17,773,097
	Pass-through funds/multi-modal grants: highway	\$133,071,075
	Pass-through funds/multi-modal grants: transit	\$59,525,739
	Pass-through funds/multi-modal grants: infrastructure bank	\$420,804
	Transportation commission contingency/debt service	\$286,486,209
	<b>Total</b>	<b>\$1,432,913,468</b>
<b>Revenue Sources</b>	[No data]	

**Note:** The numbers in this chart are drawn from CDOT's final annual budget for FY 2017, updated June 2016. The State Bridge Enterprise and High Performance Transportation Enterprise have their own detailed budgets that are not included here.

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	Key priority decisions are made by the Transportation Commission, which sets budgetary priorities for and gives policy direction to CDOT. The commission declares and adopts transportation construction and program budgets and has the authority to change its short-term and long-term priorities, thus shifting funding among projects and regions within the state (Colo. Rev. Stat. §43-1-106). CDOT carries out an extensive planning process that includes local governments and other stakeholders in project selection and planning. State law requires CDOT, in cooperation with the state's five metropolitan planning organizations and 10 rural transportation planning regions, to produce a 20-year plan, updated every five years (Colo. Rev. Stat. §43-1-1103). Every four years, CDOT also updates its six-year Statewide Transportation Improvement Program (STIP), which identifies short-term project needs and priorities.
<b>Legislative Role in the Planning Process</b>	Limited legislative role. The General Assembly determines statutory funding formulas and overall authority, gives some direction regarding priorities, and enacts some project-specific appropriations. Specific project planning and approval, however, are delegated to the Transportation Commission.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	See notes				•		Colo. Rev. Stat. §39-27-102
Fuel taxes: alternative fuels	•	•	•	See notes				•		Includes taxes on liquefied and compressed natural gas and liquefied petroleum gas (Colo. Rev. Stat. §39-27-102)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Colo. Rev. Stat. §39-27-102)
Vehicle registration fees	•	•	•	•				•		Includes registration and license plate fees and surcharges; \$15 million of the road safety surcharge is allocated to transit, including bicycle and pedestrian facilities (Colo. Rev. Stat. §§42-3-211 et seq., §§42-3-301 et seq., §43-4-206, §43-4-804, §43-4-805, §43-4-811)
Special fees on electric vehicles	•	•	•	See notes				•		Allocated in part to the Highway Users Tax Fund (Colo. Rev. Stat. §42-3-304)
Fees on rental vehicles	•	•	•	See notes						Deposited to the Highway Users Tax Fund (Colo. Rev. Stat. §43-4-804)
Truck registration fees (based on gross vehicle weight)	•	•	•	See notes						Colo. Rev. Stat. §42-3-306
Oversize/overweight truck permit surcharges	•	•	•	See notes						Deposited to the Highway Users Tax Fund (Colo. Rev. Stat. §43-4-804)
Congestion pricing/high-occupancy toll (HOT) lanes	•	•	•					•		Revenues are used for the HOT lanes facilities (Colo. Rev. Stat. §42-4-1012)
Tolls	•		•							State law authorizes the state to collect tolls (Colo. Rev. Stat. §43-3-202, §43-4-808), but, aside from HOT lanes, it does not currently do so; all other toll facilities in Colorado are privately operated
Outdoor advertising revenues	•	•	•					•		Allocated to the State Highway Fund (Colo. Rev. Stat. §§43-1-401 et seq.)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Property sales	•	•	•	•				•		Colo. Rev. Stat. §43-1-211 allows CDOT to buy and sell land and buildings; Colo. Rev. Stat. §43-4-206 allows CDOT to use its appropriated transportation funding as necessary; through these statutes, CDOT is allowed to use revenues generated by land sales for transportation-related purposes
Misc. fines and penalties	•	•		See notes				•		Allocated to the Highway Users Tax Fund (Colo. Rev. Stat. §43-4-205)
General funds	•	•	•	See notes						Transfers to the Highway Users Tax Fund until FY 2020, under certain circumstances (see notes) (Colo. Rev. Stat. §24-75-219; 2009 Colo. Sess. Laws, Chap. 410; 2016 Colo. Sess. Laws, Chap. 88)
Interest income	•	•	•	See notes		•		•		Highway Users Tax Fund, Aviation Fund (Colo. Rev. Stat. §43-4-203, §43-10-109)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Local entities may use up to 15 percent of their Highway User Tax Fund allocations, which include fuel taxes and other revenues, on transit operations (Colo. Rev. Stat. §43-4-207, §43-4-208).
- Revenues from vehicle title fees are deposited to the Highway Users Tax Fund, but are then placed into the State Tiling and Registration System (Colo. Rev. Stat. §42-1-211) and moved to the Division of Motor Vehicles. As of 2016, driver’s license fees are also allocated fully to the Division of Motor Vehicles (2016 Colo. Sess. Laws, Chap. 139).
- Under state law, transfers from the general fund are linked to the state’s Taxpayer’s Bill of Rights (TABOR) surplus. Senate Bill 228, enacted in 2009, requires that when Colorado personal income growth reaches at least 5 percent, it triggers a five-year block of transfers from the general fund to the Highway Users Tax Fund and certain other funds. These transfers continue throughout the five years even if personal income growth drops below 5 percent, but the amounts can be reduced or eliminated depending on the size of the TABOR surplus as a percentage of general fund revenue collections. A five-year block of transfers began in FY 2016 and is scheduled to continue through FY 2020 (Colo. Rev. Stat. §24-75-219; 2009 Colo. Sess. Laws, Chap. 410 [Senate Bill 09-228]; 2016 Colo. Sess. Laws, Chap. 88 [House Bill 16-1416]).

- State statute still includes references to transfers to CDOT from a sales and use tax holding fund (Colo. Rev. Stat. §39-26-123), but these diversions only take place if the General Assembly chooses to allocate revenues to that fund. At present, transfers from the general fund are instead taking place under Senate Bill 228, enacted in 2009 (see above).
- Colorado does not currently provide state funding for ports/waterways or rail.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges (with local exception). The state constitution restricts the use of excise taxes on liquid motor fuels, except aviation fuel, to public highways (Colo. Const. art. X, §18). State statute does, however, allow local entities to use up to 15 percent of their Highway User Tax Fund allocations, which include fuel tax revenues, on transit operations (Colo. Rev. Stat. §43-4-207 and §43-4-208).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle-related fees or charges to highways (Colo. Const. art. X, §18). State statute does, however, direct \$10 million of the road safety surcharge to public transit, including bicycle and pedestrian facilities (Colo. Rev. Stat. §43-4-206), and allows local entities to use up to 15 percent of their Highway User Tax Fund allocations, which include vehicle-related revenues, on transit operations (Colo. Rev. Stat. §43-4-207 and §43-4-208). The constitution also restricts the use of aviation fuel taxes to aviation purposes (Colo. Const. art. X, §18).
<b>Dedicated or Restricted Transportation Funds</b>	Constitutionally restricted highway revenues are deposited into the Highway Users Tax Fund, distribution of which is directed by state statute (Colo. Rev. Stat. §§43-4-201 et seq.).
<b>Revenue Sources Prohibited in State Law</b>	Although it does not explicitly prohibit specific revenue sources, aside from a statewide property tax, the “Taxpayer Bill of Rights” (TABOR) in the Colorado constitution does require the state to obtain voter approval to create, increase, or extend taxes, or to change tax policy in a way that causes a net tax revenue gain (Colo. Const. art. X, §20).

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•							Statewide Bridge Enterprise and High-Performance Transportation Enterprise (Colo. Rev. Stat. §43-4-807)
GARVEE bonds	See notes	See notes	•							Authorized in 1999, up to certain limits (Colo. Rev. Stat. §§43-4-701 et seq.; 1999 Colo. Referendum A; See notes); most recent issue for new money was in 2004; to be fully repaid in FY 2017
Private activity bonds		•	•							Issued
Build America Bonds		•	•							Issued by the Colorado Bridge Enterprise in 2010
Federal credit assistance: TIFIA		•	•							Active loan(s), used for highway and bus rapid transit projects

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Advance construction		•	•					•		Also used on pedestrian and bicycle projects that use Federal Transportation Alternatives Program (TAP) funds
Federal-aid matching: tapered match		•	•					•		Also used on pedestrian and bicycle projects that use Federal Transportation Alternatives Program (TAP) funds
Federal-aid matching: toll credits (“soft match”)		•	•							
Design-build	•	•	•	•	• Passenger and freight	•		•		Authorized in statute for highways, transit, or other transportation projects (Colo. Rev. Stat. §§43-1-1401 et seq., §§43-4-801 et seq.); used for state road and transit projects
Public-private partnerships	•	•	•	•	• Passenger and freight					Authorized in statute for highways, bridges, tunnels, and other surface transportation projects (Colo. Rev. Stat. §§43-1-1201 et seq., §§43-3-202 et seq., §§43-3-401 et seq., §§43-4-801 et seq.); used by the state for a highway/transit project; See notes for other use
State infrastructure bank	•	•	•	•	• Passenger and freight	•				Capitalized with state and Federal funds; may be used for highway, transit, aviation, and rail projects (Colo. Rev. Stat. §43-1-113.5)

### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- In 1999, Colorado voters authorized CDOT’s executive director to issue GARVEE bonds, up to a maximum principal amount of \$1.7 billion and a maximum repayment cost of \$2.3 billion (Colo. Rev. Stat. §§43-4-701 et seq.; 1999 Colo. Referendum A). These bonds will be fully repaid in FY 2017. Any further GARVEE issuances will require new voter approval.
- A division within CDOT, the Colorado High Performance Transportation Enterprise, is the project sponsor for a managed lanes and bus rapid transit public-private partnership on U.S. 36. In addition, CDOT has been a project partner



or ex officio member, if not the project sponsor, for other public-private partnerships that include Denver Union Station and the E-470 Tollway.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	After the GARVEE bonds that were approved in 1999 (Colo. Rev. Stat. §§43-4-701 et seq.; 1999 Colo. Referendum A). are fully repaid in FY 2017, any further GARVEE issuances will require new voter approval.
<b>Finance Mechanisms Prohibited in State Law</b>	General obligation debt is prohibited by the state constitution (Colo. Const. art. XI, §1).

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes and no. Some funds automatically carry forward each fiscal year. In other cases, unexpended appropriations expire at the end of each fiscal year unless otherwise authorized. Roll-forward authorizations are approved by the state controller. When CDOT is authorized to retain excess funds, no further authorization is required to spend them.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	In general, no. The General Assembly does not have control over CDOT project lists, and so legislative approval is not required to move funds between projects in most circumstances (especially between highway projects). CDOT cannot move funds between some specific funding sources (such as rail to highway and vice versa) or between some projects that have specific authorizations, but neither has it sought authorization from the legislature to do so.
<b>Legislative Actions to Control DOT Costs</b>	Actions include statutory requirements that professional services be compensated at "fair and reasonable" rates (Colo. Rev. Stat. §24-30-1401 and §24-30-1404) and low-bid requirements for the construction of public projects, including highways and bridges (Colo. Rev. Stat. §§24-92-101 et seq.).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and grants. After set-asides, counties receive 26 percent, and municipalities 9 percent, of Highway User Tax Fund revenues for transportation projects. Revenues for counties are distributed by a statutory formula based on historical ratios, rural vehicle registrations, total vehicle registrations, county road lane miles, and bridge deck area. Distributions to cities and towns are based on urban vehicle registrations and street miles. Each local entity may spend up to 15 percent of their payment on transit operations (Colo. Rev. Stat. §43-4-207 and §43-4-208). CDOT awards discretionary grants to local entities for airport improvements (Colo. Rev. Stat. §43-10-108.5) and drunk driving prevention and law enforcement programs (Colo. Rev. Stat. §§43-4-401 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes regional transportation authorities to assess hotel, property, and sales taxes, and to establish special assessment districts. Local highway authorities may collect building permit fees. Either may adopt local option vehicle registration fees (Colo. Rev. Stat. §43-4-506, §43-4-605, and §43-4-608). Counties may collect property taxes for roads and bridges (Colo. Rev. Stat. §43-2-203) and, except for Regional Transportation District counties, sales taxes for transit uses (Colo. Rev. Stat. §29-2-103.5). The Regional Transportation District is authorized to assess its own sales tax (Colo. Rev. Stat. §32-9-119). Local improvement districts may assess sales taxes for street improvements (Colo. Rev. Stat. §30-20-604.5). Local governments may charge developers impact fees or similar charges to pay for capital improvements (Colo. Rev. Stat. §29-20-104.5).



# CONNECTICUT

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	45,815 (11,544 rural, 34,271 urban)
	Bridges	7,406
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, commuter rail, ferry boat, vanpool, demand response
	Urban transit trips in 2015	83.4 million
<b>Rail</b>	Freight rail route miles	616
<b>Aviation</b>	Total airports	49
	Public-use airports	20
	Passengers boarded in 2013	2.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	13.3 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Connecticut General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (36 members), House of Representatives (151 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to June (odd years), Feb. to May (even years)
<b>Legislative Measures Introduced in 2016</b>	1,115
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Joint Committee on Appropriations
	• Subcommittee on Transportation
	Joint Committee on Finance, Revenue, and Bonding
	• Transportation Bonding Subcommittee
	Joint Committee on Transportation

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Connecticut Department of Transportation (CTDOT)
<b>Structure</b>	Organized mainly by functional activity. One of CTDOT's five bureaus, however, is dedicated to a specific transportation mode (public transportation).
<b>Leadership</b>	Commissioner of Transportation (does not serve on governor's cabinet; the governor directs department heads through "commissioners' meetings")
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	3,352 authorized, 3,073 actual
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, pedestrian/bicycle. The Connecticut Airport Authority has jurisdiction over aeronautics, except that the commissioner of transportation has jurisdiction over any takings of property connected with airports (Conn. Gen. Stat. Ann. §13b-39).
<b>Includes DMV?</b>	No. The Department of Motor Vehicles is an independent state agency and receives its own appropriations from the state's Special Transportation Fund, not out of CTDOT's budget.
<b>Includes Highway Patrol?</b>	No. The Connecticut State Police is a division of the Department of Emergency Services and Public Protection and is funded by general funds. The Department of Motor Vehicles oversees law enforcement related to weigh station fines and safety. CTDOT's budget does not include appropriations for law enforcement.
<b>Jurisdiction Over Toll Facilities?</b>	No. Connecticut has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	Connecticut Port Authority (corporation/ instrumentality)	As of July 1, 2016, the state established the Connecticut Port Authority, a quasi-public agency, to which CTDOT will transfer ownership, jurisdiction, and authority over the state's ports and harbors (Conn. Gen. Stat. Ann. §§15-31a et seq.). The commissioner of transportation or designee serves on the authority's board of directors. The authority has its own revenue stream, as well as partial assistance from the state Special Transportation Fund that is appropriated through CTDOT's budget.
	Connecticut Airport Authority (corporation/ instrumentality)	The Connecticut Airport Authority, a quasi-public agency, has jurisdiction over aeronautics, including Bradley International Airport and five general aviation airports, except that the commissioner of transportation has jurisdiction over any takings of airport-related property (Conn. Gen. Stat. Ann. §13b-39). The commissioner of transportation or designee serves on the authority's board of directors. The authority has its own revenue stream, as well as partial assistance from the state Special Transportation Fund that is appropriated through CTDOT's budget.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. Communication between the General Assembly and CTDOT is open and transparent. CTDOT regularly briefs elected officials on department projects, programs, policies, and initiatives. The department submits statutorily required reports and testifies on legislation with an impact on transportation. CTDOT's legislative director advances the department's yearly legislative proposals, responds to legislative inquiries, and is in direct, frequent contact and communication with elected officials, their staff, and other administrative agencies on various issues throughout the year.
<b>DOT Legislative Liaison</b>	CTDOT's legislative director, who reports directly to the commissioner of transportation, is the main point of contact between the department and the General Assembly.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Conn. Gen. Stat. Ann. tit. 13a to 15; portions of Conn. Gen. Stat. Ann. tit. 12 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. CTDOT's legislative director annually solicits, develops, drafts, and submits legislative proposals for approval by the current administration. With administration approval, the department has bills introduced by the committee of cognizance. Bills must be sponsored and introduced by legislators.
	Advocacy and Lobbying	Yes. The department actively engages at the state and Federal level on legislation, regulations, and resolutions. CTDOT has two legislative liaisons who are the department's principal lobbyists. The commissioner of transportation and other staff members also may advocate for particular legislation.
	Fiscal Notes or Policy Impact Statements for Legislative Use	All bills in Connecticut must be accompanied by fiscal notes. State agencies are responsible for the fiscal notes on their own bill proposals (Conn. Gen. Stat. Ann. §2-17). State agencies must also, upon request, assist the Office of Fiscal Analysis in carrying out its duties, which include the preparation of fiscal notes (Conn. Gen. Stat. Ann. §2-71c).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The commissioner of transportation is appointed to a four-year term by the governor, with the advice and consent by resolution of either house of the General Assembly. State law requires each department head to be qualified by training and experience for the duties of the office (Conn. Gen. Stat. Ann. §§4-6 to 4-8).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The commissioner of transportation serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Legislative Regulation Review Committee reviews all proposed rules. The committee may approve or reject a rule. If the committee does not object within 65 days, the rule is automatically approved (Conn. Gen. Stat. Ann. §§4-170 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. CTDOT is subject to audits conducted by the legislative office of the Auditors of Public Accounts (Conn. Gen. Stat. Ann. §2-90). The state conducts sunset reviews (Conn. Gen. Stat. Ann. §§2c-1 et seq.), but not of CTDOT.
<b>Required DOT Reports to the Legislature</b>	All state agencies are required to submit a comprehensive annual report of their activities to the governor, copies of which are distributed to all legislators (Conn. Gen. Stat. Ann. §4-60). In addition, the commissioner of transportation must submit annual reports about state-operated ferries (Conn. Gen. Stat. Ann. §13a-252) and reductions in the number of consultants (Conn. Gen. Stat. Ann. §13b-20p).
<b>Legislative Role in DOT Performance Management</b>	No formal role besides the reporting requirements listed above. The Joint Committee on Transportation may ask CTDOT to testify on its progress in meeting the department's internally-determined performance goals. In practice, CTDOT generally presents an update on its performance measures during its annual oversight hearing with the committee. CTDOT may also share other performance updates with the committee as the latest data becomes available.
<b>Other Legislative Oversight Mechanisms</b>	The Joint Committee on Transportation holds an oversight hearing at the beginning of each legislative session during which the commissioner of transportation provides a comprehensive review of CTDOT's budget, operations, major projects and initiatives, and a "state of the DOT" for committee members. CTDOT regularly provides briefings of various projects, programs, and issues at the request or in anticipation of legislative inquiries in both formal and informal settings. Also, CTDOT annually provides the legislature its updated five-year capital plan that includes projects in all modes of transportation. Other oversight mechanisms include legislative requests for information from CTDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month budgets; fiscal year begins July 1. CTDOT submits budget requests to the executive branch Office of Policy and Management, which prepares the governor's budget proposal and submits it to the General Assembly for review and approval.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	No legislative role. Federal transportation funds flow directly to CTDOT from the U.S. DOT with no state legislative involvement.
	State Revenues	Legislative appropriation. State transportation funds are allocated to CTDOT as appropriations to departmental programs and broad spending categories.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	[No data]
<b>Authorized Expenditures</b>	[No data]
<b>Revenue Sources</b>	[No data]

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	CTDOT assesses existing transportation facilities biennially and since 2010 has been required to develop a master transportation plan every five years. CTDOT uses a structured planning process that requires the participation of regional entities and provides opportunities for public input.
<b>Legislative Role in the Planning Process</b>	Moderate legislative role. The General Assembly enacts laws that identify specific projects or programs for CTDOT to implement (see Conn. Gen. Stat. Ann. §13b-57h). The General Assembly also approves the five-year State Plan of Conservation and Development, which includes a transportation component. It does not, however, approve the master transportation plan. The legislature also has an indirect role inasmuch as state statute provides general guidelines for the planning process and conditions for approving projects.

### State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline (fixed rate and variable rate—percentage of price)	•	•	•	•	• Pas-senger and freight	•	•	•	•	The gasoline tax includes a fixed-rate component and the variable Petroleum Products Gross Receipts Tax, which is based on the whole-sale price; allocated to the Special Transportation Fund (Conn. Gen. Stat. Ann. §12-458, §12-587, §§13b-61 et seq.)
Fuel taxes: diesel (variable rate—percentage of price)	•	•	•	•	• Pas-senger and freight	•	•	•	•	The diesel tax is a variable tax that is annually adjusted based on the wholesale price; allocated to the Special Transportation Fund (Conn. Gen. Stat. Ann. §12-458, §12-458h, §12-587, §13b-61)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Vehicle registration and title fees	•	•	•	•	• Passenger and freight	•	•	•	•	Conn. Gen. Stat. Ann. §13b-59, §14-49, §14-49b, §14-192
Sales taxes on motor vehicle sales	•	•	•	•	• Passenger and freight	•	•	•	•	Conn. Gen. Stat. Ann. §12-431, §13b-61b
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Passenger and freight	•	•	•	•	Conn. Gen. Stat. Ann. §13b-59, §14-47
Property leases and sales	•	•	•	•	• Passenger and freight	•	•	•	•	Includes highway and airport property (Conn. Gen. Stat. Ann. §13b-59, §13b-42, §13a-80)
Pilot license fees (watercraft)	•	•	•	•	• Passenger and freight	•	•	•	•	Conn. Gen. Stat. Ann. §13b-59, §15-13
Misc. DMV and DOT fees and fines	•	•	•	•	• Passenger and freight	•	•	•	•	“License, permit, and fee” (LPF) revenues (Conn. Gen. Stat. Ann. §13b-59, §14-41, §14-50)
State general sales taxes	•	•	•	•	• Passenger and freight	•	•	•	•	A percentage goes to the Special Transportation Fund (Conn. Gen. Stat. Ann. §12-408; 2015 Conn. Acts, P.A. 15-244)
Interest income	•	•	•	•	• Passenger and freight	•	•	•	•	Special Transportation Fund (Conn. Gen. Stat. Ann. §13b-68)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- All transportation-related revenues go into the multimodal Special Transportation Fund, which in part supports state-run public transit, the DMV, and the Transportation for Employment Independence Program.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon) and variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation. By state statute, motor fuel tax revenues are deposited into the Special Transportation Fund (Conn. Gen. Stat. Ann. §§13b-59 et seq.), which is directed to be used for multimodal transportation purposes. In general, state statute directs the use of the fund into which the revenues are deposited, rather than the revenues themselves.
<b>Restrictions on Other Transportation Revenues</b>	State statute directs various transportation-related revenues to the Special Transportation Fund, to be used for multimodal transportation purposes (Conn. Gen. Stat. Ann. §13b-59).
<b>Dedicated or Restricted Transportation Funds</b>	The multimodal Special Transportation Fund receives revenues from various sources, primarily fuel taxes. State statute directs the use of the fund to transportation uses including CTDOT, debt service, the Department of Motor Vehicles, boating regulation and enforcement, and the state's Transportation for Employment Independence Program (Conn. Gen. Stat. Ann. §13b-69). Fund revenues, however, have often been transferred to the general fund. In 2013, a further statutory restriction on the fund's use was enacted, but it was repealed before it took effect (2013 Conn. Acts, P.A. 13-277; 2015 Conn. Acts, P.A. 15-5 [Spec. Sess.]). In 2015, the General Assembly adopted a resolution to propose a constitutional amendment that would restrict the fund's use (2015 Conn. House Joint Resolution 304), but not with enough votes to place the question on the 2016 ballot. As of July 2016, another resolution to place the question on the 2016 ballot was under consideration (2016 Conn. House Joint Resolution 1).
<b>Revenue Sources Prohibited in State Law</b>	[No data]

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds		•	•	•	• Pas-senger and freight	•	•	•		Authorized by session law (e.g., 2015 Conn. Acts, P.A. 15-1 [Spec. Sess.])
Revenue bonds	•	•				•				Conn. Gen. Stat. Ann. §15-101l, §15-120ff
Build Amer-ica Bonds		•	•	•	• Pas-senger and freight	•	•	•		Issued in 2009 and 2010 as special tax obligation bonds for transporta-tion infrastructure
GARVEE bonds	•		•							Authorized in state statute for up to \$1.3 billion (Conn. Gen. Stat. Ann. §13b-79r); not issued
Advance construction		•	•							
Design-build	•	•	•							Authorized in statute (Conn. Gen. Stat. Ann. §13a-95b, §13a-95c); used by the state for one pilot road project (in progress)
Public-private partnerships	•		•	•	• Pas-senger and freight	•	•			Authorized as part of a multi-sector law; eligible transportation projects include ports; legislative approval required for highway tolls (Conn. Gen. Stat. Ann. §§4-255 et seq.); not currently in use



**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	The General Assembly must approve the use of highway tolls as part of a public-private partnership (Conn. Gen. Stat. Ann. §4-259). GARVEE bonding is capped at \$1.3 billion (Conn. Gen. Stat. Ann. §13b-79r).
<b>Finance Mechanisms Prohibited in State Law</b>	[No data]

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. The Connecticut Special Transportation Fund maintains a cumulative surplus that is carried forward each year.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes, inasmuch as bond acts must be revised to reflect changes in state-funded capital projects.
<b>Legislative Actions to Control DOT Costs</b>	[No data]

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. State law requires an annual allocation to the Town Aid Road program for highway, public transit, or other approved purposes, to be distributed to towns by statutory formulas based on improved road miles, unimproved road miles, and population (Conn. Gen. Stat. Ann. §§13a-175a et seq.). The General Assembly appropriated \$60 million to the program for FY 2015. CTDOT also awards discretionary grants to towns for local bridge projects (Conn. Gen. Stat. Ann. §§13a-175p et seq.) and local transportation capital improvements in urban areas (2013 Conn. Acts, P.A. 13-239). Connecticut does not have organized county governments.
<b>Local Revenue Sources Authorized in State Law</b>	State statute does not authorize local revenue sources specifically for transportation. Most locally-generated transportation funds are drawn from general revenue sources such as local property taxes.



# DELAWARE

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	13,876 (6,277 rural, 7,599 urban)
	Bridges	875
	Toll facilities	Yes (roads: 46.7 miles; bridges: 1)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, streetcar, vanpool, demand response
	Urban transit trips in 2013	11.2 million
<b>Rail</b>	Freight rail route miles	250
<b>Aviation</b>	Total airports	30
	Public-use airports	10
	Passengers boarded in 2013	52,752
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	14.4 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Delaware General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (21 members), House of Representatives (41 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to June
<b>Legislative Measures Introduced in 2016</b>	500 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Energy and Transit Senate Committee on Highways and Transportation Senate Committee on Public Safety House Committee on Public Safety and Homeland Security House Committee on Transportation/Land Use and Infrastructure

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Delaware Department of Transportation (DelDOT)
<b>Structure</b>	Organized mainly by functional activity. Operating as a division of DelDOT, however, is a subsidiary corporation dedicated to a specific transportation mode (the Delaware Transit Corporation).
<b>Leadership</b>	DelDOT Secretary (serves on governor's cabinet), Council on Transportation (independent body, advisory only)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	1,509 operating, 309 capital
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, passenger rail, aviation, pedestrian/bicycle. The Delaware Transit Corporation functions as an operating division of DelDOT.
<b>Includes DMV?</b>	Yes. The Division of Motor Vehicles is a division of DelDOT and is funded by the Transportation Trust Fund.
<b>Includes Highway Patrol?</b>	No. The Delaware State Police is a division of the Department of Safety and Homeland Security, and is funded by general funds.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. The state's toll roads are under the authority of the Delaware Transportation Authority, which functions as a component unit of DelDOT.

## Other

<b>Other State-Level Transportation Entities</b>	Delaware Transportation Authority (corporation/instrumentality)	The Delaware Transportation Authority is a corporation and instrumentality of the state that was established to create an economical, efficient, and unified multimodal state transportation system (Del. Code Ann. tit. 2, §§1301 et seq.). The authority's principal role is to provide financing to DelDOT and, as a result, it functions as a blended component unit of the department. The authority's actions, including the issuance of debt, are taken by resolution of the DelDOT secretary, the department's director of finance, and the Transportation Trust Fund administrator.
	Delaware Transit Corporation (corporation/instrumentality)	The Delaware Transit Corporation (DTC) is a quasi-public subsidiary corporation of the Delaware Transportation Authority and instrumentality of the state (Del. Code Ann. tit. 2, §1307). Although a legally separate entity, DTC functions as an operating division of DelDOT, with the DTC's chief executive officer reporting directly to the DelDOT secretary. The DTC is funded by transit operating revenues and through the Transportation Trust Fund.
	Delaware River and Bay Authority (bi-state agency)	The Delaware River and Bay Authority, a bi-state government agency of Delaware and New Jersey (Del. Code Ann. tit. 17, §§1701 et seq.), maintains and operates five regional airports, the Cape-May Lewes Ferry, and the Delaware Memorial Bridge Twin Span. It is funded by operating revenues and investments.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. DelDOT uses the budget process to communicate its goals and project directions to the General Assembly. DelDOT attends executive and legislative budget meetings. Ongoing communication occurs as issues arise and projects proceed, through public and one-on-one meetings, letters, e-mails, and phone calls. DelDOT employs a dedicated legislative liaison.
<b>DOT Legislative Liaison</b>	DelDOT's legislative liaison acts as the main point of contact between the department and the General Assembly. Senior leadership within the department is heavily involved as well.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Del. Code Ann. tit. 2, 17, 21, and 23; Del. Code Ann. tit. 29, ch. 84; portions of Del. Code Ann. tit. 30 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. DelDOT and other state agencies can work with the Department of Justice to draft bills (Del. Code Ann. tit. 29, §2504). Draft bills are then typically released to a legislator or to legislative staff to be advanced through the legislative process.
	Advocacy and Lobbying	No.
	Fiscal Notes or Policy Impact Statements for Legislative Use	DelDOT provides information to the Office of the Controller General, so that office can prepare the notes or statements.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The DelDOT secretary is appointed by the governor, with the advice and consent of the Senate and within statutory requirements for qualifications. Preference must be given to a state resident provided such person is acceptable and equally qualified (Del. Code Ann. tit. 29, §8403). The nine members of the advisory Council on Transportation are appointed to staggered three-year terms by the governor, within statutory requirements for partisan balance, state residency, and geographic representation. Members cannot work for or own more than 1 percent of the stock of any public carrier or be engaged in any other business that is incompatible with their council duties (Del. Code Ann. tit. 29, §8409).	
<b>Legislature Able to Remove DOT Leaders?</b>	No. The DelDOT secretary and members of the Council on Transportation serve at the pleasure of the governor.	
<b>Legislative Review of Administrative Rules</b>	Yes (optional). The chair of a standing committee may call a committee meeting to review a rule during the interim, and the Joint Sunset Committee may choose to review an agency's rules during legislative session (Del. Code Ann. tit. 29, §910 and §10212). These reviews are optional, mainly advisory, and typically cover only a handful of agencies per year.	
<b>Legislative Audits or Sunset Reviews</b>	Neither. The Office of Auditor of Accounts, an elected office within the executive branch, is responsible for financial audits in the state. The legislative Joint Sunset Committee has the power to initiate a sunset review of any state entity (Del. Code Ann. tit. 29, §§10201 et seq.), but has not reviewed DelDOT.	
<b>Required DOT Reports to the Legislature</b>	State law requires the secretary of transportation and the Council on Transportation to submit annual reports to the General Assembly (Del. Code Ann. tit. 29, §8410 and §8415). DelDOT must submit one annual report with the Capital Transportation Plan (Del. Code Ann. tit. 29, §8419) and another concerning real property (Del. Code Ann. tit. 17, §137).	
<b>Legislative Role in DOT Performance Management</b>	None besides the reporting requirements listed above.	
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from DelDOT.	
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.	

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. The governor outlines priorities in an annual recommended budget, which must be approved by the General Assembly.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative approval of plan and budget. Federal transportation funds are allocated through legislative approval of DelDOT's Capital Transportation Plan and operating budget.
	State Revenues	Legislative approval of plan and budget. State transportation revenues are dedicated to the Transportation Trust Fund to support DelDOT's operations and capital plan. Legislative approval of the department's Capital Transportation Plan and operating budget, however, are still required.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 (enacted), separate capital and operating budgets	
<b>Authorized Expenditures (Capital Budget)</b>	Road system	\$352,303,585
	Grants and allocations	\$22,680,000
	Transit system	\$63,292,322
	Support system	\$70,616,449
	<b>Total</b>	<b>\$508,892,356</b>
<b>Revenue Sources (Capital Budget)</b>	State authorization	\$265,147,698
	Federal authorization	\$238,630,880
	Other funding	\$5,113,778
	<b>Total</b>	<b>\$508,892,356</b>
<b>Authorized Expenditures (Operating Budget)</b>	Office of the Secretary	\$13,903,100
	Technology and innovation	\$15,773,600
	Planning	\$5,223,500
	Maintenance and operations	\$65,748,600
	Delaware Transportation Authority	\$183,745,600
	Transportation solutions	\$17,685,900
	Motor vehicles	\$40,414,300
	<b>Total</b>	<b>\$342,494,600</b>
<b>Revenue Sources (Operating Budget)</b>	General fund	\$5,000,000
	Transportation Trust Fund	\$337,494,600
	<b>Total</b>	<b>\$342,494,600</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	DelDOT annually updates its Statewide Transportation Improvement Program (STIP), which also is the state's six-year Capital Transportation Plan. The STIP is adopted by the Council on Transportation.
<b>Legislative Role in the Planning Process</b>	Substantial legislative role. Each year, DelDOT's updated Capital Transportation Plan and operating budget must be approved by the legislative Joint Capital Improvement Committee and Joint Finance Committee, then by the full legislature. In addition, the state has a Community Transportation Fund from which individual legislators can annually authorize funds for road and drainage projects in their districts. This fund allows lawmakers to address small transportation projects that may not meet DelDOT priorities.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•	• Pas-senger and freight	•	•			Del. Code Ann. tit. 30, §5110, §5132
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight	•	•			Del. Code Ann. tit. 21, §307, §2151, §2305
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger and freight	•	•			Del. Code Ann. tit. 21, §307, §2151
Oversize/overweight truck permit fees	•	•	•	•	• Pas-senger and freight	•	•			Del. Code Ann. tit. 21, §4504
Tolls	•	•	•	•	• Pas-senger and freight	•	•			Collected by Delaware Transportation Authority (Del. Code Ann. tit. 2, §§1301 et seq.) (see notes), allocated in part to the Transportation Trust Fund; also authorized for public-private partnerships (Del. Code Ann. tit. 2, §2006)
Transit fares/operating revenues	•	•		•						Delaware Transit Corporation (Del. Code Ann. tit. 2, §§1301 et seq.) (see notes)
Property leases and sales	•	•	•	•	• Pas-senger and freight	•	•			Del. Code Ann. tit. 17, §148
Interest income	•	•	•	•	• Pas-senger and freight	•	•			Any funds of the Delaware Transportation Authority (Del. Code Ann. tit. 2, §1309) (see notes)

## Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. For Delaware, however, revenues of the Delaware Transportation Authority, which functions as a component unit of DelDOT, and the Delaware Transit Corporation, which functions as an operating division of DelDOT, are included. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education

programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- The Delaware River and Bay Authority, a bi-state government agency of Delaware and New Jersey (Del. Code Ann. tit. 17, §§1701 et seq.) maintains and operates five regional airports, the Cape-May Lewes Ferry, and the Delaware Memorial Bridge Twin Span. It is funded by operating revenues and investments.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Session law (constitutional pending), multimodal transportation. By state statute, fuel tax revenues from highway users must go solely to the Transportation Trust Fund and may not be transferred to the general fund (Del. Code Ann. tit. 2, §1415). Other restrictions have been placed on the fund into which the revenues are deposited, rather than on the revenues themselves.
<b>Restrictions on Other Transportation Revenues</b>	State statute prohibits motor carrier registration fees from being transferred to the general fund (Del. Code Ann. tit. 2, §1416). Toll revenues must be used first for the toll facility (Del. Code Ann. tit. 2, §2006).
<b>Dedicated or Restricted Transportation Funds</b>	In 2015, the General Assembly enacted two measures to limit the use of the multimodal Transportation Trust Fund, which receives various highway and transit revenues, including fuel taxes. Senate Bill 167 restricts the fund’s use to roads, public transit, and other transportation purposes through Nov. 8, 2016, unless another use is approved by a three-fourths vote in each legislative chamber through a bill that is not an annual budget act, bond and capital improvement act, or grants-in-aid act. Senate Bill 166 would add a similar restriction to the constitution (Del. Const. art. VIII, §12, pending). Unlike in any other state, Delaware’s legislature can amend the constitution without a vote of the people if two consecutive General Assemblies pass the amendment. Senate Bill 166 was the first passage.
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•	• Pas-senger and freight	•	•			General authorization given in statute (Del. Code Ann. tit. 29, §§7401 et seq.); specific authorizations given in the annual “Bond Bill”
Revenue bonds	•	•	•	•	• Pas-senger and freight	•	•			General authorization given in statute (Del. Code Ann. tit. 2, §1405); issued by the Delaware Transportation Authority (see note); specific authorizations given in the annual “Bond Bill”
Build America Bonds		•	•	•	• Pas-senger and freight	•	•			Issued in 2010 by the Delaware Transportation Authority (see note)
GARVEE bonds		•	•							Authorized for a specific project by 2009 session law, not statute (Vol. 77 Del. Laws, Chap. 223); issued in 2010

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Federal credit assistance: TIFIA		•	•							Active loan(s), used for a highway project
Advance construction		•	•							
Design-build	•	•	•	•	• Pas-senger and freight	•	•			Authorized in statute for Transportation Trust Fund projects (Del. Code Ann. tit. 29, §6970A; Vol. 80 Del. Laws, Chap. 107) and public-private partnership projects (Del. Code Ann. tit. 2, §2003); currently in use for a highway project
Public-private partnerships	•		•	•	• Pas-senger and freight	•	•			Authorized in statute for various transportation modes; legislative approval required (Del. Code Ann. tit. 2, §§2001 et seq.); not currently in use
State infrastructure bank			•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; not authorized in state statute; currently inactive

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. For Delaware, however, finance mechanisms used by the Delaware Transportation Authority, which functions as a component unit of DelDOT, are included. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	The General Assembly must approve all public-private partnership projects (Del. Code Ann. tit. 2, §2003).
<b>Finance Mechanisms Prohibited in State Law</b>	None.



## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, with legislative approval. DelDOT can roll over any excess funds to the next fiscal year with approval of the Capital Transportation Plan. DelDOT requires additional legislative approval to spend excess funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes. Once changes are approved by the legislative Bond Bill Committee, they go to the full legislature for approval.
<b>Legislative Actions to Control DOT Costs</b>	DelDOT is bound by state procurement laws, including those related to life-cycle cost analyses and low-bid requirements (Del. Code Ann. tit. 29, §6909A and §6962).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. The General Assembly annually appropriates a portion of the Delaware Transportation Trust Fund to Municipal Street Aid. DelDOT distributes these revenues to municipalities by a statutory formula based on population and road mileage (Del. Code Ann. tit. 30, §§5161 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	State statute does not authorize local revenue sources specifically for transportation. Cities and counties may, however, levy real estate transfer taxes for capital improvements and infrastructure, which can include transportation projects (Del. Code Ann. tit. 9, §8102; Del. Code Ann. tit. 22, §1601).

# FLORIDA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	272,435 (77,508 rural, 194,927 urban)
	Bridges	12,225
	Toll facilities	Yes (roads: 740.0 miles; bridges: 14)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, heavy rail, light rail, commuter rail, monorail, streetcar, vanpool, demand response
	Urban transit trips in 2014	277.5 million
<b>Rail</b>	Freight rail route miles	2,900
<b>Aviation</b>	Total airports	501
	Public-use airports	128
	Passengers boarded in 2015	80.3 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	99.1 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Florida Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (40 members), House of Representatives (120 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, approx. Mar. to May
<b>Legislative Measures Introduced in 2016</b>	1,800 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Appropriations <ul style="list-style-type: none"> <li>Subcommittee on Transportation, Tourism, and Economic Development</li> </ul> Senate Committee on Transportation           House Committee on Appropriations <ul style="list-style-type: none"> <li>Transportation and Economic Development Appropriations Subcommittee</li> </ul> House Committee on Economic Affairs <ul style="list-style-type: none"> <li>Highway and Waterway Safety Subcommittee</li> <li>Transportation and Ports Subcommittee</li> </ul>

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Florida Department of Transportation (FDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (does not serve on governor's cabinet), Florida Transportation Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	6,379
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation/spaceports, ports/waterways, pedestrian/bicycle. The Florida Rail Enterprise is housed within FDOT.
<b>Includes DMV?</b>	No. The Department of Highway Safety and Motor Vehicles, an independent state agency, performs driver's licensing and vehicle registration functions. These functions are funded by driver's license fees and other fee revenues.
<b>Includes Highway Patrol?</b>	No. The Florida Highway Patrol is a division of the Department of Highway Safety and Motor Vehicles. Highway patrol functions are funded by state general funds, Federal funds, and fee revenues.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. Florida's Turnpike Enterprise is housed under FDOT. Expressway authorities, however, are separate regional entities.

## Other

<b>Other State-Level Transportation Entities</b>	Space Florida (corporation)	Space Florida is an independent special district, corporation, and subdivision of the state with jurisdiction over aerospace activities (Fla. Stat. Ann. §§331.301 et seq.). It is funded by general funds and other minor sources.
	Department of Environmental Protection—Recreational Trails Program (state agency)	Recreational trails are managed in part by a program within the state Department of Environmental Protection, funded out of the state Transportation Trust Fund and various trust fund sources.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through leadership. Members of FDOT's leadership team—which includes the secretary, chief of staff, director of legislative programs, communications director, and director of the Office of Work Program and Budget—interact with legislators and committee staff during the interim, appear before committees during session, and pursue the department's policy and funding issues. FDOT's Office of Legislative Programs also provides information to legislators and staff.
<b>DOT Legislative Liaison</b>	The FDOT leadership team and the Office of Legislative Programs serve as the main points of contact between the department and the Legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Fla. Stat. Ann. §20.23; Fla. Stat. Ann. tit. 22 to 26; portions of Fla. Stat. Ann. tit. 27; Fla. Const. art. VII, §17 (bonding); portions of Fla. Stat. Ann. tit. 14 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	No direct role. In Florida, only legislators may request legislative bill drafts and sponsor and introduce legislation.
	Advocacy and Lobbying	Eight members of FDOT’s leadership team are registered lobbyists who can actively advocate for FDOT initiatives.

### Fiscal Notes or Policy Impact Statements for Legislative Use

FDOT prepares its own bill analyses, each of which includes a statement of policy and fiscal impact on the Federal, state, and local levels. These are sent to the Florida Legislature for review and shared with the public online. Legislative committee staff use these analyses to formulate the official legislative analysis for each piece of transportation-related legislation. However, FDOT's analyses represent the department's official position on a piece of legislation.

## Legislative Oversight

### Appointment of DOT Leadership

The nine members of the Florida Transportation Commission are appointed to four-year terms by the governor, subject to confirmation by the Senate and within statutory requirements for geographic representation, state citizenship, and voter registration. Each member must possess business managerial experience in the private sector and cannot have any interest in FDOT awards up to two years after their service. The secretary of transportation is appointed by the governor from among three people nominated by the commission, subject to confirmation by the Senate. The secretary must meet statutory requirements for qualifications (Fla. Stat. Ann. §20.23).

### Legislature Able to Remove DOT Leaders?

No. The secretary of transportation serves at the pleasure of the governor. No process is specified for removing members of the Florida Transportation Commission before the end of their respective terms of office.

### Legislative Review of Administrative Rules

Yes. The Joint Administrative Procedures Committee reviews all proposed rules and may examine any existing rule. The committee's role is mainly advisory (Fla. Stat. Ann. §120.545).

### Legislative Audits or Sunset Reviews

Legislative audits only. FDOT is subject to audits and other accountability activities conducted by the Auditor General and the Office of Program Policy Analysis and Government Accountability (OPPAGA), both within the legislative branch. From 2006 to 2011, Florida also had a legislative sunset review process, but FDOT was not reviewed before the enacting statute was repealed (2006 Fla. Laws, Chap. 2006-146; 2007 Fla. Laws Chap. 2007-161; 2011 Fla. Laws, Chap. 2011-34).

### Required DOT Reports to the Legislature

FDOT must submit annual reports to the Legislature concerning claims settlements (Fla. Stat. Ann. §337.221), turnpike projects (Fla. Stat. Ann. §338.2275), and debt and debt-like contractual obligations (Fla. Stat. Ann. §339.139). At least every five years, the department must complete an updated state rail plan, accompanied by a report to the Legislature regarding the status of the plan (Fla. Stat. Ann. §341.302). In addition, the Florida Transportation Commission must submit annual reports about implementation of the Strategic Intermodal System Plan (Fla. Stat. Ann. §339.64) and FDOT performance and productivity (Fla. Stat. Ann. §334.045).

### Legislative Role in DOT Performance Management

In addition to the reporting requirements listed above, the Legislature has enacted requirements in state law for the Florida Transportation Commission to establish objectives and measures for, and evaluate, FDOT's performance and productivity (Fla. Stat. Ann. §334.045; this statute also requires the related report to the Legislature that is listed above). Also, state law requires each state executive agency to develop an annual long-range program plan to achieve state goals. The five-year plan must include program objectives, standards to measure progress, prior year performance data, and other performance measurement information, and must be posted online (Fla. Stat. Ann. §216.013).

### Other Legislative Oversight Mechanisms

Other oversight mechanisms include legislative requests for information from FDOT.

### Resources Provided to DOT to Support Compliance with Oversight Requirements?

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation and program approval. Federal transportation funds are allocated to FDOT as state legislative appropriations to departmental programs. They are also allocated through approval of the FDOT work program, which is submitted to the Legislature as part of the legislative budget request. Occasionally, a legislative proviso may direct how Federal funding may be used.
	State Revenues	Legislative appropriation and program approval. As with Federal funds, state transportation funds are allocated to FDOT as appropriations to departmental programs and through approval of the FDOT work program.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2016 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Transportation systems development	\$2,887,880,446
	Florida Rail Enterprise	\$222,217,699
	Highway operations	\$5,605,425,520
	Executive direction and support services	\$89,364,410
	Information technology	\$45,220,788
	Florida's Turnpike Enterprise	\$1,241,254,498
	<b>Total</b>	<b>\$10,091,363,361</b>
<b>Revenue Sources</b>	Trust funds (various)	\$10,091,363,361
	<b>Total</b>	<b>\$10,091,363,361</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	FDOT is responsible for coordinating and preparing statewide and local government transportation plans. FDOT collaboratively develops the regularly updated Florida Transportation Plan, which establishes long-range transportation goals and objectives, and a five-year work program. Projects are selected from priority lists provided by MPOs, transportation planning organizations, and counties. Funding selections are based on project readiness, scope, and eligible available funding. The selections are also communicated to Florida's citizens through public hearings with opportunities to provide feedback. The Florida Transportation Commission performs an in-depth evaluation of the Florida Transportation Plan. The Legislature approves the five-year work program.
<b>Legislative Role in the Planning Process</b>	Substantial legislative role. The Legislature has defined various planning requirements in statute, including principles to be considered in planning and developing an integrated, balanced state transportation system (Fla. Stat. Ann. §334.046), the roles of MPOs, transportation planning organizations, and public participation in the planning process (Fla. Stat. Ann. §339.155), and the development of a fiscally balanced five-year work program (Fla. Stat. Ann. §339.135). The Legislature does not play a significant role in project selection, inasmuch as projects are selected based on local and statewide priorities. The Legislature does have a significant role in the review and approval of the five-year work program and appropriation of funds.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate and variable rate—indexed)	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated to multimodal State Transportation Trust Fund; taxes on both gasoline and diesel include a fixed-rate component and two variable components that are indexed to the Consumer Price Index, a “fuel sales tax” and the State Comprehensive Enhanced Transportation System Tax (Fla. Stat. Ann. §206.41, §206.608, §206.87)
Fuel taxes: alternative fuels (fixed rate and variable rate—indexed)	•		•	•	• Pas-senger and freight	•	•	•		Starting Jan. 1, 2019, natural gas fuels will be taxed, including a fixed-rate component and two variable components that are indexed to the Consumer Price Index (Fla. Stat. Ann. §206.9955)
Fuel taxes: aviation fuels (fixed rate)	•	•				•				Includes taxes on aviation gasoline and jet fuel; allocated to State Transportation Trust Fund; (Fla. Stat. Ann. §206.9825, §206.9845); set aside for aviation programs in compliance with Federal Aviation Administration rules
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight	•	•	•		Fla. Stat. Ann. §319.32, §320.08, §320.20
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger and freight	•	•	•		Fla. Stat. Ann. §320.08, §320.20
Oversize/overweight truck permit fees	•	•	•	•	• Pas-senger and freight	•	•	•		Fla. Stat. Ann. §316.550
Surcharge on rental vehicles	•	•	•	•	• Pas-senger and freight	•	•	•		Fla. Stat. Ann. §212.0606
Tolls (indexed)	•	•	•							Used by FDOT and the Florida Turnpike for highway purposes and related debt; tolls from non-turnpike facilities are indexed to the Consumer Price Index (Fla. Stat. Ann. §338.165, §338.231)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Congestion pricing/high-occupancy toll (HOT) lanes	•	•	•	•						Revenues can be used for specified highway purposes or express bus service on the HOT lanes facility (Fla. Stat. Ann. §338.166)
Passenger rail fares	•	•			• Passenger only					Fla. Stat. Ann. §341.838
Documentary stamp revenues	•	•	•	•	• Passenger and freight	•	•		•	Portions allocated to transit, intermodal projects (including spaceports), and the Florida Rail Enterprise (Fla. Stat. Ann. §201.15)
Interest income	•	•	•	•	• Passenger and freight	•	•	•		State Transportation Trust Fund (Fla. Stat. Ann. §339.08)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Revenues from license plate fees and driver’s license fees are used for the Department of Highway Safety and Motor Vehicles (Fla. Stat. Ann. ch. 320 and 322), not for the kinds of transportation activities described in this chart.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon) and variable rate (indexed)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation (with exceptions). Most fuel tax revenues for state use are deposited into the State Transportation Trust Fund, which is dedicated by statute to multimodal transportation purposes, by way of the Fuel Tax Collection Trust Fund. Exceptions include transfers to the Fish and Wildlife Conservation Commission, the Department of Environmental Protection, and the Agricultural Emergency Eradication Trust Fund. At least 10 percent of specified fuel and diesel tax revenues that are deposited in the State Transportation Trust Fund must be used for public transit and rail capital projects (Fla. Stat. Ann. §206.606, §206.608, and §206.9945).



**Restrictions on Other Transportation Revenues**

Shares of vehicle registration fee revenues are directed to highway and port projects (Fla. Stat. Ann. §320.20). After set-asides, a portion of documentary stamp proceeds are directed to the State Transportation Trust Fund, then distributed to various transportation purposes including small county programs, major projects, and \$60 million to the Florida Rail Enterprise, as required by state statute (Fla. Stat. Ann. §201.15). Toll revenues from state highways must be used for the toll facility, related debt, or state highway projects in the same county (Fla. Stat. Ann. §338.165). Toll revenues from the Florida Turnpike must be used for turnpike projects or debt (Fla. Stat. Ann. §338.231). Revenues from high-occupancy toll lanes must be used for the toll facility, related debt, express bus service on those lanes, or other specified purposes (Fla. Stat. Ann. §338.166).

**Dedicated or Restricted Transportation Funds**

State statute directs that all revenues in the State Transportation Trust Fund must be used for transportation purposes. All modes including roads and bridges, transit, aviation, rail, ports, and bicycle and pedestrian facilities are supported by revenues that flow through this fund from various transportation-related sources. At least 15 percent of the fund's revenues must be used for public transit (Fla. Stat. Ann. §206.46, §339.08, §311.07, §320.20, and §339.81). The Legislature does, however, occasionally transfer money from the State Transportation Trust Fund to non-transportation purposes. The last time this occurred was in FY 2011–12, when a portion was transferred to the State School Trust Fund.

**Revenue Sources Prohibited in State Law**

None.

**State Finance Mechanisms**

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•							Includes right-of-way acquisition and bridge construction bonds (Fla. Const. art. VII, §17; Fla. Stat. Ann. §215.605, §337.276)
Revenue bonds	•	•	•		• Passenger and freight	•	•			Fla. Const. art. VII, §11; includes turnpike revenue bonds (Fla. Stat. Ann. §338.227), toll revenue bonds for FDOT facilities (Fla. Stat. Ann. §338.165), toll revenue bonds for high-occupancy toll (HOT)/express lanes (Fla. Stat. Ann. §338.166), seaport bonds (Fla. Stat. Ann. §339.0801), fixed guideway bonds, which have not been used (Fla. Stat. Ann. §215.615), and bonds issued by the Florida Department of Transportation Financing Corporation (see notes)
Build America Bonds		•	•							Issued in 2009 as turnpike revenue bonds
GARVEE bonds	•		•							Authorized in state statute; debt service capped at 10 percent of Federal highway aid apportionments (Fla. Stat. Ann. §215.616); not issued

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Federal credit assistance: TIFIA	See notes	•	•	•	• Pas-senger only	See notes	See notes			Active loan(s), used for highway and intermodal projects (see notes)
Advance construction	See notes	•	•		• Freight only					
Federal-aid matching: toll credits ("soft match")	See notes	•	•	•	• Freight only					
Design-build	•	•	•		• Pas-senger and freight					Authorized in statute for limited access highways, bridges, or rail (Fla. Stat. Ann. §337.11); used by the state for several road projects
Public-private partnerships	•	•	•	•	• Pas-senger and freight	•	•			Authorized in statute for various transportation modes; legislative approval required (Fla. Stat. Ann. §334.30, §337.251, §§338.22 et seq., §348.0004); used for several projects
State infrastructure bank	•	•	•	•	• Pas-senger and freight	•	•			Two separate accounts: a Federally capitalized account that can be used for highways and transit, and a state-capitalized account that can also be used for rail, airports, and ports (Fla. Stat. Ann. §339.55, §215.617)
Land swaps or donations from land owners	•	•	•	•	• Pas-senger and freight	•	•	•		Fla. Stat. Ann. §337.25

### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."
- In 2016, legislation was enacted to create the Florida Department of Transportation Financing Corporation, a governmental corporation that will act as a conduit issuer of debt for FDOT (Fla. Stat. Ann. §339.0809; 2016 Fla. Laws, Chap. 2016-181). Debt will be secured by contractual commitments under which FDOT will make payments to the corporation in exchange for financing services. According to a [legislative bill analysis](#), this arrangement will in effect allow the issuance of debt to finance transportation projects for which FDOT currently lacks the legal authority to issue bonds.

- Florida's use of Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance has included projects that provide intermodal ground access to the Miami International Airport and tunnel access to the Port of Miami.
- Although Florida's use of TIFIA is not specifically authorized in state law, its use is broadly permitted under a statutory provision that allows the use of innovative finance techniques, including Federal loans, for public private-partnerships (Fla. Stat. Ann. §334.30[7]). Similarly, the use of advance construction is considered to fall under the state's authority to receive Federal reimbursement for projects or project phases (Fla. Stat. Ann. §339.12[6]) and the use of toll credits, or "soft match," under a provision relating to state matches for Federal-aid funds (Fla. Stat. Ann. §339.135[3][c]).
- In Florida, private activity bonds (PABs) have been used by private entities, not by the state.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	Debt service for bonds related to right-of-way acquisition and bridge construction is limited to 7 percent of the revenues deposited into the State Transportation Trust Fund, up to \$275 million (Fla. Stat. Ann. §206.46). FDOT must manage all levels of debt to ensure that not more than 20 percent of total projected available state and Federal revenues from the State Transportation Trust Fund, together with any local funds, are committed to debt and certain debt-like contractual obligations in any given year (Fla. Stat. Ann. §339.139). No more than \$10 billion of bonds may be outstanding to pay for approved turnpike projects (Fla. Stat. Ann. §338.2275). The Legislature must approve public-private partnership projects as part of FDOT's work plan, and additional approvals are required for leases of existing toll facilities, turnpike projects, or agreements with terms of more than 75 years. No more than 15 percent of total Federal and state funding in any given year for the State Transportation Trust Fund may be obligated for public-private partnerships (Fla. Stat. Ann. §334.30, §§338.22 et seq., and §348.0004). GARVEE debt service is capped at 10 percent of Federal highway aid apportionments to FDOT (Fla. Stat. Ann. §215.616).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, with legislative approvals. The transportation work program is required by law to plan projects to deplete available revenues, and the Joint Legislative Budget Commission must approve carrying forward any work program budget authority that is not yet committed (Fla. Stat. Ann. §339.135). Operating cash reverts to the trust fund from which it was appropriated and is available to FDOT to plan its use and to the Legislature for re-appropriation (Fla. Stat. Ann. §216.301). When FDOT is authorized to retain excess funds, authorization to spend them must be obtained in a future request.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes. FDOT must submit any work program amendments to affected counties, the governor, and the Legislature. The governor may not approve the amendment until 14 days after legislative notification. The amendment is approved after the 14-day period if there is no legislative objection.
<b>Legislative Actions to Control DOT Costs</b>	Actions include low-bid requirements and other procurement guidelines (Fla. Stat. Ann. §337.11 and §337.025).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	<p>Statutory formulas, legislative appropriations, and grants. Florida levies three state taxes specifically for local road projects: the constitutional fuel tax, the county fuel tax, and the municipal fuel tax. The constitutional fuel tax and county fuel tax are distributed to counties by a statutory formula based on area, population, and tax collections (Fla. Const. art. XII, §9; Fla. Stat. Ann. §206.47 and §206.60). In addition, FDOT is decentralized into seven districts, which receive portions of rental car surcharge revenues (Fla. Stat. Ann. §212.0606) and, through the Transportation Regional Incentive Program, allocations of documentary stamp revenues that are distributed by a statutory formula based on counties' population and fuel tax collections (Fla. Stat. Ann. §339.2819). FDOT also awards state-funded discretionary grants to local entities through the Small County Road Assistance Program, the County Incentive Grant Program, the Small County Outreach Program, and the Enhanced Bridge Program for Sustainable Transportation (Fla. Stat. Ann. §§339.2816 et seq. and §339.285). Except for the Small County Road Assistance Program, each of these grant programs requires a local match, with exceptions granted to fiscally constrained rural counties (Fla. Stat. Ann. §288.019 and §288.0656). The Small County Road Assistance Program may take local matches into consideration but does not require them (Fla. Stat. Ann. §339.2816).</p>
<b>Local Revenue Sources Authorized in State Law</b>	<p>In addition to state fuel taxes that are levied for local use, Florida statute also authorizes several local option fuel taxes (Fla. Stat. Ann. §206.41, §206.87, §336.021, and §336.025). Counties may establish community development districts that are authorized to assess property taxes or special assessments for public works projects, including streets (Fla. Stat. Ann. §190.021). Some counties may levy discretionary sales surtaxes for transportation purposes (Fla. Stat. Ann. §212.055). Regional transit authorities may assess property taxes (Fla. Stat. Ann. §163.570). Counties, municipalities, and special districts may charge developers impact fees to pay for development-related capital improvements (Fla. Stat. Ann. §163.31801).</p>

# GEORGIA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	270,335 (159,435 rural, 110,900 urban)
	Bridges	15,176
	Toll facilities	No (see notes)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, heavy rail, ferry boat, inclined plane, van-pool, demand response
	Urban transit trips in 2013	161.1 million
<b>Rail</b>	Freight rail route miles	4,653
<b>Aviation</b>	Total airports	331
	Public-use airports	107
	Passengers boarded in 2013	46.5 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	37.6 million

### Notes:

- These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.
- As of October 2016, Georgia has no toll facilities besides high-occupancy toll (HOT) lanes, as the tolls on GA 400 were discontinued in 2013. An additional 42 miles of managed toll lanes are planned to open in 2017 and 2018.

## Organizational Facts

### Legislature

<b>Name</b>	Georgia General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (56 members), House of Representatives (180 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to Apr.
<b>Legislative Measures Introduced in 2016</b>	4,800 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Appropriations <ul style="list-style-type: none"> <li>• Subcommittee on Economic Development</li> <li>• Subcommittee on Public Safety</li> <li>• Subcommittee on Transportation</li> </ul> Senate Committee on Public Safety Senate Committee on Transportation House Committee on Appropriations <ul style="list-style-type: none"> <li>• Subcommittee on Economic Development</li> <li>• Subcommittee on Public Safety</li> </ul> House Committee on Motor Vehicles House Committee on Public Safety and Homeland Security House Committee on Transportation Joint Metropolitan Atlanta Rapid Transit Overview Committee (MARTOC)

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	Georgia Department of Transportation (GDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Commissioner of Transportation (does not serve on governor’s cabinet; Georgia has no formal cabinet system), State Transportation Board (independent body), Director of Planning (GDOT Division of Planning only)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	3,941
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Georgia Department of Driver Services is an independent state agency, funded primarily by state general funds. It also receives a minimal amount from motorcycle safety course fees. The Motor Vehicle Division is a division of the Georgia Department of Revenue, funded solely by state general funds.
<b>Includes Highway Patrol?</b>	No. The Georgia State Patrol is under the Department of Public Safety, funded by state general funds as well as motor carrier fines and fees. GDOT does collect and retain a small percentage of permit fees to offset repairs to weigh stations.
<b>Jurisdiction Over Toll Facilities?</b>	No. The State Road and Tollway Authority has that jurisdiction.

### Other

<b>Other State-Level Transportation Entities</b>	State Road and Tollway Authority (corporation/instrumentality)	The State Road and Tollway Authority is an instrumentality and public corporation of the state that is distinct from, but administratively attached to, GDOT. The authority is responsible for financing transportation initiatives and operating toll roads. It is funded by Federal funds, fuel taxes, toll revenues, and operations. The commissioner of transportation is a member of the authority’s five-member board (O.G.C.A. §45-15-13 and §§32-10-60 et seq.).
	Georgia Ports Authority (corporation/instrumentality)	The Georgia Ports Authority is an instrumentality and public corporation of the state that is administratively attached to the Department of Economic Development. It is funded by customer revenues, property leases, and a minute portion from operations. The authority also issues general obligation bonds for projects such as deepenings and equipment (O.G.C.A. §45-15-13 and §§52-2-1 et seq.)
	Georgia Regional Transportation Authority (corporation/instrumentality)	The Georgia Regional Transportation Authority is an instrumentality and public corporation of the state that is administratively attached to the Department of Community Affairs. The authority manages land transportation and air quality in metro Atlanta. It is funded by state appropriations, Federal funds, and transit fares (O.G.C.A. §§50-32-1 et seq.).
	Georgia Rail Passenger Authority (corporation)	The Georgia Rail Passenger Authority (currently defunct) was established as a public corporation, distinct from but administratively attached to GDOT, to develop passenger rail and public transit projects (O.G.C.A. §§46-9-270 et seq.).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through dedicated liaisons. GDOT meets regularly with members of the General Assembly and must submit several reports every year to the House and Senate transportation committees. Most legislative-GDOT communication occurs through the department's Office of Policy and Government Affairs, which includes a director and liaisons to assist in communicating with the House and the Senate. This office oversees GDOT's legislative agenda, testifies in legislative hearings, and responds to numerous legislative and constituent inquiries and concerns.
<b>DOT Legislative Liaison</b>	GDOT's Office of Policy and Government Affairs acts as the main point of contact between the department and the General Assembly.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Ga. Const. art. IV, §4; O.C.G.A. tit. 6, 32, 40; portions of O.C.G.A. tit. 12, 13, 45, 46, 50, and 52; Ga. Const. art. III, §9, ¶VI (revenue restrictions); portions of O.C.G.A. tit. 48 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. GDOT's board of directors approves any departmental legislation developed through internal review. Only legislators, however, can request a finalized legislative draft and formally sponsor and introduce legislation.
	Advocacy and Lobbying	GDOT does not retain or employ lobbyists. Approval of GDOT's legislative agenda by its board of directors constitutes the department's endorsement. Requests for information are handled by GDOT's Office of Policy and Government Affairs.
	Fiscal Notes or Policy Impact Statements for Legislative Use	By law, state agencies such as GDOT must provide information and assistance to the Office of Planning and Budget and the state auditor, upon request, for the preparation of fiscal notes (O.C.G.A. §28-5-42).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The 14 members of the State Transportation Board, who represent congressional districts, are elected to five-year terms by a majority vote of the state legislators in their respective districts. The board, in turn, appoints the commissioner of transportation (Ga. Const. art. IV, §4; O.C.G.A. §32-2-20). The director of planning is appointed by the governor to serve a term that coincides with the governor's, subject to approval by both the House and Senate transportation committees (O.C.G.A. §32-2-43).
<b>Legislature Able to Remove DOT Leaders?</b>	Yes, for some leaders. Members of the State Transportation Board can be recalled by the state legislators in their respective districts. The State Transportation Board can remove the commissioner of transportation. The director of planning serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules are assigned to a standing committee for review. If a committee opposes a rule, a resolution to override it is introduced for consideration by the full legislature. Otherwise, the rule is automatically approved (O.C.G.A. §50-13-4).
<b>Legislative Audits or Sunset Reviews</b>	Neither. Audits are generally conducted by the Performance Audit Operations Division in the Department of Audits and Accounts, which is not a legislative entity, although reviews can be requested by individual legislators. Georgia does not conduct sunset reviews of state agencies or programs.



**Required DOT Reports to the Legislature**

GDOT must submit annual reports to the General Assembly concerning a design-build projects (O.C.G.A. §32-2-81), the Roadside Enhancement and Beautification Fund (O.C.G.A. §32-6-75.2), and the outdoor advertising program (O.C.G.A. §32-6-74), as well as quarterly reports about its public-private partnership activities (O.C.G.A. §32-2-80). GDOT must also annually submit a ten-year strategic plan that outlines the use of department resources for the upcoming fiscal years (O.C.G.A. §32-5-27.1). The director of planning is required to submit annual reports to the legislature concerning progress on construction projects valued at \$10 million or more, value engineering studies on all projects with costs exceeding \$50 million (O.C.G.A. §32-2-41.2), and progress on the Statewide Strategic Transportation Plan (O.C.G.A. §32-2-41.1).

**Legislative Role in DOT Performance Management**

In addition to the reporting requirements listed above, GDOT submits performance goals, metrics, and outcomes to the governor's Office of Planning and Budget as part of the budget development process. This information is included in the annual Governor's Budget Report, which is used and approved by the General Assembly in the appropriations process. The General Assembly also tracks and measures GDOT's progress through Budget and Fiscal Affairs Oversight Committee hearings.

**Other Legislative Oversight Mechanisms**

Other oversight mechanisms include legislative requests for information from GDOT. Also, while there is no formal sunset process, the governor's Office of Planning and Budget, as part of preparing the governor's annual budget, performs a zero-based budget analysis on a rolling list of budget programs. This ensures a cycle that will review the entire budget for spending justifications and incorporate adjustments and savings into the governor's budget recommendation to the General Assembly. The General Assembly may also review audits conducted by the Department of Audits and Accounts.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Annual budget; fiscal year begins July 1. Each year, the General Assembly passes and the governor signs two separate budgets. The primary one is the budget for the upcoming fiscal year. The other is the "amended" fiscal year budget, which makes adjustments to the current fiscal year to account for changes in school enrollment and for other unanticipated needs that arise.

**Allocation of Transportation Revenues to the DOT**

Federal Revenues	Legislative appropriation. Most Federal transportation funds are allocated to GDOT as state legislative appropriations to departmental budgetary programs and broad spending categories (e.g., state highway construction or maintenance). Some Federal funding is sent directly to GDOT, in which case it is received and recognized through a budget amendment.
State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to GDOT as appropriations to departmental budgetary programs.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Capital construction projects	\$1,678,795,154
	Capital maintenance projects	\$293,168,959
	Construction administration	\$169,799,165
	Data collection, compliance, and reporting	\$12,403,223
	Departmental administration	\$78,952,804
	Intermodal	\$85,562,631
	Local maintenance and improvement grants	\$165,562,234
	Local road assistance administration	\$96,597,611
	Planning	\$16,453,554
	Routine maintenance	\$454,011,607
	Traffic management and control	\$97,707,637
	Payments to State Road and Tollway Authority	\$252,212,858
	<b>Total</b>	<b>\$3,401,227,437</b>
<b>Revenue Sources</b>	Federal funds and grants	\$1,593,146,310
	State funds: motor fuel funds	\$1,660,064,000
	State funds: state general funds	\$54,479,424
	Other funds	\$92,777,470
	Intra-state government transfers	\$760,233
	<b>Total</b>	<b>\$3,401,227,437</b>

**Note:** In the FY 2017 budget (2016 Ga. Laws, Act 517), GDOT was also appropriated a total of \$845,677 in state general funds to finance Georgia Regional Transportation Authority projects and facilities through the issuance of up to a total of \$6.8 million in general obligation bonds. An additional \$9.3 million was appropriated to finance GDOT projects and facilities through the issuance of up to a total of \$108.0 million in general obligation bonds.

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	The director of planning works with many planning partners to develop the state's transportation plans and overall transportation investment priorities. GDOT helps to develop, evaluate, and prioritize specific projects for inclusion in the Statewide Transportation Improvement Program (STIP), which lists Federally-funded transportation projects outside MPO boundaries and is typically developed annually. The STIP is approved by the governor, the State Transportation Board, and the U.S. DOT. GDOT also works with each MPO to develop a draft Transportation Improvement Program (TIP), which must be approved by the MPO and the governor. The TIPs are included in the STIP by reference. As required by state law (O.C.G.A. §32-2-41.1), GDOT also creates a Statewide Strategic Transportation Plan that combines the traditional transportation analyses of a long-range transportation plan with a strategic business case for transportation investment. The document includes growth trends and projections, economics, existing conditions, future needs, and an investment strategy for transportation in the state.
<b>Legislative Role in the Planning Process</b>	Limited legislative role. The General Assembly is given the opportunity to comment on the draft STIP each year. In addition, the General Assembly can choose to emphasize rail, airports, transit, or other modes in its annual appropriations to GDOT for intermodal programs.

# State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (variable rate—indexed, other)	•	•	•							Starting July 1, 2016, both taxes will be annually adjusted based on the average fuel economy of all new vehicles registered in the state the previous year and, until July 1, 2018, the Consumer Price Index (O.C.G.A. §48-9-3)
Fuel taxes: alternative fuels (variable rate—indexed, other)	•	•	•							Includes taxes on liquefied petroleum gas, compressed natural gas, and others; adjusted and allocated the same way as gasoline and diesel taxes (O.C.G.A. §48-9-2, §48-9-3)
Fuel taxes: jet fuel, sales and use taxes	•	•				•				Dedicated to aviation purposes, to the extent required to comply with Federal law (O.C.G.A. §48-8-3)
Special fees on heavy vehicles	•	•	•	•	• Pas-senger and freight	•	•			Annual heavy vehicle highway impact fee, enacted in 2015; to be used for multimodal transportation purposes (O.C.G.A. §40-2-151.1; 2015 Ga. Laws, Act 46)
Oversize truck permit fees	•	•	•							After defraying costs of enforcement, revenues may be used for road maintenance (O.C.G.A. §32-6-28)
Tolls	•		•							Revenues used for toll facilities (O.C.G.A. §32-10-64); not currently in use (see notes)
Congestion pricing/ high-occupancy toll (HOT) lanes	•	•	•							Revenues used for toll facilities (O.C.G.A. §32-10-64, §40-6-54)
Hotel fees	•	•	•	•	• Pas-senger and freight	•	•			\$5 per night fee, enacted in 2015, to be used for multimodal transportation purposes (O.C.G.A. §48-13-50.3; 2015 Ga. Laws, Act 46)
General funds	See notes	•	•	•	• Pas-senger and freight	•	•	•	•	Legislative appropriations; represents a small portion of GDOT's overall budget
Interest income	•	•	•							Interest earned on fuel tax revenues is restricted to road uses (O.C.G.A. §50-17-63)

## Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- A special registration fee for electric vehicles (which is to be adjusted based on average fuel efficiency and, until July 1, 2018, the Consumer Price Index) was enacted in 2015. The revenues, however, are directed to the general fund and are not dedicated in law to transportation purposes (O.C.G.A. §40-2-151; 2015 Ga. Laws, Act 46).
- The use of general funds for state expenses generally, but not for transportation purposes specifically, is authorized by the Georgia constitution (Ga. Const. art. III, §9, ¶13). The appropriation of general funds to transportation purposes is authorized by session law, not state statute.
- As of October 2016, Georgia has no toll facilities besides high-occupancy toll (HOT) lanes, as the tolls on GA 400 were discontinued in 2013. An additional 42 miles of managed toll lanes are planned to open in 2017 and 2018.

<b>State Fuel Tax Model</b>	Variable rate (indexed and adjusted based on average vehicle fuel economy)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges (with emergency exception). The state constitution restricts use of motor fuel tax revenues to roads and bridges, except that they may, by executive order, be used for defense or relief purposes if an invasion or major catastrophe is declared by the governor (Ga. Const. art. III, §9, ¶VI). State statute further states that these revenues may not be used for public transit, rail, or aviation (O.C.G.A. §§32-9-1 et seq.)
<b>Restrictions on Other Transportation Revenues</b>	State statute dedicates the revenues from new hotel fees and heavy vehicle highway impact fees, both enacted in 2015, to transportation purposes that include roads, bridges, public transit, rails, airports, buses, seaports, and related debt (O.C.G.A. §40-2-151.1 and §48-13-50.3). As of July 1, 2017, jet fuel taxes are dedicated to aviation purposes, to the extent required to comply with Federal law (O.C.G.A. §48-8-3).
<b>Dedicated or Restricted Transportation Funds</b>	The State Public Transportation Fund, which receives fuel tax and other revenues, must be used for roads and bridges, including debt and GDOT operating expenses (O.C.G.A. §§32-5-20 et seq.).
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•						Generally authorized in state statute; requires further legislative approval (O.C.G.A. §50-17-23); includes \$175 million for public transit and bridges in FY 2016 and an additional \$100 million for bridges in FY 2017
Revenue bonds	•	•	•							Authorized in state statute (O.C.G.A. §32-10-90)

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
GARVEE bonds	•	•	•							Authorized in state statute (O.C.G.A. §32-10-90, §32-10-90.1); most recently issued in 2009
Federal credit assistance: TIFIA		•	•							Active loan(s), used for a highway project
Advance construction		•	•							
Design-build	•	•	•		• Pas-senger and freight					Authorized for highways, bridges, and rail; capped at 50 percent of the total amount of construction projects awarded in the previous fiscal year (O.C.G.A. §32-2-81); used by the state for several road and bridge projects
Public-private partnerships	•	•	•	•	• Pas-senger and freight	•	•			Authorized in statute; not restricted by mode (O.C.G.A. §32-2-41, §32-2-78 et seq.); used by the state for a road project
State infrastructure bank	•	•	•	•	• Pas-senger and freight	•	•	•		Georgia Transportation Infrastructure Bank; capitalized with state funds only; may be used for highway, airport, rail, transit, harbor, waterway, or bicycle projects (O.C.G.A. §§32-10-120 et seq.)

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>Transportation-Related Bonding</b>	Yes. In FY 2016, the General Assembly bonded \$175 million for public transit and for bridge repair, replacement, and renovation. In FY 2017, an additional \$100 million in bonds was provided for bridges.
<b>Restrictions on Finance Mechanisms</b>	The General Assembly must approve any general obligation debt (O.C.G.A. §50-17-23). GDOT may use design-build for no more than 50 percent of the total amount of construction projects awarded in the previous fiscal year (O.C.G.A. §32-2-81).
<b>Finance Mechanisms Prohibited in State Law</b>	State agencies (but not authorities) are prohibited from entering into any contract that constitutes a state of indebtedness (Ga. Const. art. VII, §4, ¶VIII). All funds must be available to the agency and encumbered when the contract is executed.

## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, for some funds. GDOT can retain excess motor fuel funds. To be spent, these funds must be amended into the GDOT budget in a subsequent fiscal year as “prior year funds” in the same program.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes, for some funds. The General Assembly does not appropriate funds to specific projects, but rather to broad budget programs such as capital maintenance or capital construction. State funds cannot be moved between budget programs without legislative approval. Federal funds can be moved between programs with the approval of the governor’s Office of Planning and Budget. Beginning in FY 2017, however, GDOT will have additional flexibility over the funding of three programs—capital construction, capital maintenance, and local road assistance—with the authority to transfer up to 10 percent of state funds between these programs with the approval of the governor’s Office of Planning and Budget (2016 Ga. Laws, Act 517).
<b>Legislative Actions to Control DOT Costs</b>	Investment policies and benchmarks are developed by GDOT annually through the Statewide Strategic Transportation Plan, which is reviewed by the General Assembly and the governor (O.C.G.A. §32-2-41.1). Except for contracts awarded for design-build projects and public-private partnerships, all contracts are awarded to the lowest reliable bidder and value engineering studies are to be performed on all projects with costs that exceed \$50 million (O.C.G.A. §32-2-41.2, §32-2-69, §32-2-79, and §32-2-81).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	DOT formulas. By law, the Local Maintenance and Improvement Grant program must be allocated between 10 percent and 20 percent of state motor fuel tax revenues each year for local road projects. These funds are distributed to cities and counties by a formula that the GDOT director of planning is responsible for creating, within statutory guidelines (O.C.G.A. §32-5-27). The current formula is based on road miles and population. The program requires a local match of 30 percent or, in regions that have levied a special district transportation sales and use tax, 10 percent (O.C.G.A. §48-8-244).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties or special districts to levy local option sales taxes for transportation purposes (O.C.G.A. §§48-8-240 et seq. and §§48-8-260 et seq.). Four counties in the metropolitan Atlanta area, including the city of Atlanta, are authorized by state law and a local constitutional amendment to levy a special local option sales tax for the Metropolitan Atlanta Rapid Transit Authority (the “MARTA tax”) (O.C.G.A. §32-9-13; MARTA Act of 1965 [as amended]). Counties with a population of 550,000 or more may impose special property assessments upon private developers to cover the costs of street repairs associated with a development project (O.C.G.A. §36-1-18). Counties and municipalities may charge development impact fees to pay for capital improvements (O.C.G.A. §§36-71-1 et seq.).



# HAWAII

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	9,744 (3,334 rural, 6,410 urban)
	Bridges	1,168
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, demand response
	Urban transit trips in 2013	73.1 million
<b>Rail</b>	Freight rail route miles	0
<b>Aviation</b>	Total airports	32
	Public-use airports	15
	Passengers boarded in 2015	16.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2015	20.9 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Hawaii Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (25 members), House of Representatives (51 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to May
<b>Legislative Measures Introduced in 2016</b>	3,200 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Public Safety, Intergovernmental, and Military Affairs Senate Committee on Transportation and Energy Senate Committee on Ways and Means House Committee on Finance House Committee on Transportation

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	Hawaii Department of Transportation (DOT)
<b>Structure</b>	Organized mainly by transportation mode
<b>Leadership</b>	DOT Director (serves on governor’s cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	2,261 authorized



<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	No. Hawaii is the only state in which no part of state government issues driver's licenses or registers vehicles. These functions are instead carried out by counties, funded in part by county fees. The state does, however, reimburse counties out of the State Highway Fund for direct costs related to these functions. Also, the Motor Vehicle Safety Office in the DOT's Highways Division coordinates Federal grants for the Commercial Driver's License Driver Improvement Program and the Commercial Driver's License Information System.
<b>Includes Highway Patrol?</b>	Yes and no. Because of its geography, Hawaii is the only state without a state highway patrol. Most highway patrol functions are instead carried out by county police, funded by the various counties. The state does oversee the enforcement of laws related to motor carriers and hazardous materials transportation, funded by the State Highway Fund and Federal funds.
<b>Jurisdiction Over Toll Facilities?</b>	No. Hawaii has no toll facilities.

### Other

<b>Other State-Level Transportation Entities</b>	None. Hawaii has no state-level transportation entities besides the DOT. In Hawaii, counties perform many transportation activities.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. The DOT exchanges formal and informal written and oral communications with individual legislators and legislative committees. DOT officials testify at, make presentations for, and otherwise attend relevant legislative hearings during the legislative session and interim. The Staff Services office within the Highways Division is responsible for reviewing and making recommendations about legislation, helping to draft bills, coordinating legislative testimonies, and advising changes in law.
<b>DOT Legislative Liaison</b>	The DOT director's office, as well as the deputy directors' offices in the department's Airport Division, Highways Division, and Harbors Division, are the main points of contact between the DOT and the Legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Hawaii Rev. Stat. §26-19; Hawaii Rev. Stat. tit. 15 and 17; portions of Hawaii Rev. Stat. tit. 12; portions of Hawaii Rev. Stat. tit. 14 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. In Hawaii, bills proposed by the executive branch, known as "administration bills," are typically introduced by the Senate President with a postscript that they were introduced "by request" of the agency. The Staff Services office in the Highways Division assists in drafting bill proposals for the DOT.
	Advocacy and Lobbying	Yes. It is common for the DOT to lobby for or against, advocate for or against, and submit testimony on specific bills and resolutions being considered by the Legislature.
	Fiscal Notes or Policy Impact Statements for Legislative Use	The DOT has no official role in preparing fiscal notes or policy statements, unless specifically asked by the Legislature regarding a specific project or if relevant information is contained within testimony submitted by the DOT to the Legislature on a specific bill or resolution.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	Department heads, including the DOT director, are appointed by the governor with the advice and consent of the Senate (Hawaii Rev. Stat. §26-31).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The governor may remove the DOT director from office.
<b>Legislative Review of Administrative Rules</b>	No. Agencies are encouraged to seek help from the Legislative Reference Bureau to meet the state's formatting requirements for rules, but this does not affect a rule's status or content.
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. The Office of the Auditor, an independent, nonpartisan agency within the legislative branch, performs periodic audits of executive departments including the DOT. Legislative bills and resolutions may also request audit or performance data from the DOT. The state conducts sunset reviews, but not of the DOT.
<b>Required DOT Reports to the Legislature</b>	Every state agency, including the DOT, must submit an annual report to the Legislature addressing its goals, objectives, policies, action plan, and process for measuring performance (1999 Hawaii Sess. Laws, Act 100). The DOT must also submit annual reports concerning progress on its work plan (Hawaii Rev. Stat. §279A-6), use of the Transportation Improvement Special Fund (Hawaii Rev. Stat. §264-19), Safe Routes to School (Hawaii Rev. Stat. §291C-3), bikeway projects (Hawaii Rev. Stat. §264-18), and, through 2018, customer facility charges on rental cars at airports and related projects (2008 Hawaii Sess. Laws, Act 226). Under some circumstances, the DOT must submit a report on airport rates and charges (Hawaii Rev. Stat. §261-7).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, the governor is required to submit an <a href="#">annual "variance report"</a> that compares estimated and actual expenditures, performance, and program size for all state programs, including transportation (Hawaii Rev. Stat. §37-75). The Legislature may adjust the DOT's budget based on the variance report or other performance reports, or request further information to assess performance.
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from the DOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	Yes. Requirements for DOT reports to the Legislature or other legislative mandates have in some cases received separate appropriations.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month budgets; fiscal year begins July 1. The state constitution and statutes prescribe a biennial budget, but in practice, a budget is submitted each year.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation and plan approval. Federal transportation funds are allocated to the DOT as lump sum appropriations to the department or as appropriations to departmental programs, broad spending categories, or specific projects. Use of Federal funds is further subject to legislative approval of the DOT transportation plan. The DOT, via a budget proviso, is allowed to increase Federal appropriation ceilings when the Legislature is not in session, thus effectively allowing Federal funds to flow directly to Hawaii's DOT from the U.S. DOT during the interim. All such actions must be reported to the Legislature with details about why the appropriation was not sought during the normal legislative budgeting cycle.
	State Revenues	Partial legislative appropriation and plan approval. Some state transportation funds flow directly from revenue sources to the DOT with no legislative involvement. Others are allocated to the DOT as lump sum appropriations to the department or as appropriations to departmental programs, broad spending categories, or specific projects. As with Federal funds, use of all state funds is subject to legislative approval of the DOT transportation plan.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Supplemental appropriations act, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Airports (various)	\$692,067,889
	General aviation	\$12,876,006
	Airports administration	\$271,872,892
	Harbors (various)	\$633,084,187
	Harbors administration	\$90,218,614
	Highways (various)	\$359,794,331
	Highways administration	\$204,195,644
	Highway safety	\$15,768,723
	General administration	\$27,110,791
	Aloha Tower Development Corporation	\$1,842,173
	<b>Total</b>	<b>\$2,308,831,250</b>
<b>Revenue Sources</b>	[No data]	

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	The governor and the DOT are responsible for short- and long-term planning with input from various public and private stakeholder groups, such as the Hawaii Harbor Users Group and MPOs.
<b>Legislative Role in the Planning Process</b>	Substantial legislative role. The Legislature approves all appropriations for operating costs and capital improvements, including for specific projects. It also must approve the DOT's transportation plan.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•					•	•	Deposited to State Highway Fund for roads and bikeways, except 0.3 percent (up to \$250,000) for trail management (Hawaii Rev. Stat. §243-4, §§248-8 et seq.)
Fuel taxes: alternative fuels	•	•	•					•	•	Includes taxes on liquefied petroleum gas and other alternative fuels; allocated the same way as diesel taxes (Hawaii Rev. Stat. §243-4)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on all aircraft fuels (Hawaii Rev. Stat. §248-8, §261-5)
Fuel taxes: boats	•	•							•	Used for comprehensive statewide boating program (Hawaii Rev. Stat. §200-8, §248-8)
Vehicle registration and title fees	•	•	•					•		Combined registration and title fee; deposited to State Highway Fund (Hawaii Rev. Stat. §249-31)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
State vehicle weight tax	•	•	•					•		Applies to passenger and commercial vehicles; deposited to State Highway Fund (Hawaii Rev. Stat. §249-33)
Sales taxes on rental vehicles	•	•	•					•		Surcharge taxes on rental vehicles, tour vehicles, and car-sharing vehicles; deposited to State Highway Fund (Hawaii Rev. Stat. §§251-1 et seq.)
Property rentals and leases	•	•	•					•		Highway-related property; revenues deposited to State Highway Fund (Hawaii Rev. Stat. §248-10)
Fines for use of a mobile electronic device while driving	•	•	•					•		Deposited to State Highway Fund (Hawaii Rev. Stat. §291C-137)
Passenger facility charges	•	•				•				Used for airport capital improvement projects (Hawaii Rev. Stat. §261-5.5)
Rental motor vehicle customer facility charges	•	•				Rental car uses only				Used for airport rental car facilities and services (Hawaii Rev. Stat. §261-5.6)
Airport operation and use fees	•	•				•				Hawaii Rev. Stat. §261-7
Harbor revenues	•	•					•			Includes dockage and wharfage fees, pipeline tolls, and others; used for harbors (Hawaii Rev. Stat. §266-17, §266-19)
General funds		•	•					•		Authorized by session law, not state statute; one-time transfer of \$37 million to State Highway Fund in FY 2017 (2016 Hawaii Sess. Laws, Act 195)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do

not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Hawaii also collects state general excise taxes on motor fuel sales. These, however, like such taxes on all other transactions, are deposited to the state general fund.
- Hawaii does not provide state-level revenues for public transit.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Statutory, roads and bridges, bikeways, and trails. Most state motor fuel taxes are deposited into the State Highway Fund for roads and bikeways. In general, state statute directs the use of the fund into which the revenues are deposited, rather than the revenues themselves. An exception is that 0.3 percent of fuel tax revenues, up to \$250,000, are allocated directly to the Department of Land and Natural Resources for trail management (Hawaii Rev. Stat. §248-8).
<b>Restrictions on Other Transportation Revenues</b>	State statute allocates various transportation-related revenues to the State Highway Fund and to funds dedicated to aviation, boating, and harbor activities. In general, state statute directs the use of the funds into which the revenues are deposited, rather than the revenues themselves.
<b>Dedicated or Restricted Transportation Funds</b>	The State Highway Fund, which receives revenues from various sources including fuel taxes, must be used for roads and bikeways (Hawaii Rev. Stat. §248-9). Three funds are dedicated to airport projects: the Passenger Facility Charge Special Fund for airport capital improvements, the Rental Motor Vehicle Customer Facility Charge Special Fund for airport rental car facilities and services, and the Airport Revenue Fund, which receives all other aviation-related revenues, for airport purposes generally (Hawaii Rev. Stat. §248-8 and §§261-5 et seq.). The Harbor Special Fund is dedicated to harbors (Hawaii Rev. Stat. §266-19) and the Boating Special Fund, which is supported by boat fuel tax revenues, to the comprehensive statewide boating program (Hawaii Rev. Stat. §200-8 and §248-8).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•			•	•			Generally authorized by statute; further legislative approval required (Hawaii Rev. Stat. §39-53); currently in use for roads, airports, and harbors
Lease revenue certificates of participation	•	•				•				Special limited obligations of the state; authorized in statute for all state agencies, with approval of the director of finance (Hawaii Rev. Stat. §§37D-1 et seq.); currently in use for energy efficiency retrofitting at airports through performance contracting (Hawaii Rev. Stat. §36-41); payable from aviation-related revenue

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Advance construction		•	•							
Design-build	•	•	•							Authorized in statute for all state agencies (Hawaii Rev. Stat. §103D-303); used by the DOT for road projects

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	Revenue bonds must be approved by the Legislature (Hawaii Rev. Stat. §39-53).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, inasmuch as all excess funds are retained by the respective DOT division. Retained excess funds can be spent for the same purposes as the original appropriation without additional approvals. These funds can only be authorized to be spent for other purposes through a legislative appropriation, unless budget proviso flexibility provisions apply.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes. Budget provisos allow for DOT flexibility to transfer funds for existing projects when the Legislature is not in session, provided that all transfers are reported in detail to the Legislature. Unless otherwise indicated as part of a lump sum appropriation, funding for new projects must be re-appropriated in the following year’s budget.
<b>Legislative Actions to Control DOT Costs</b>	Actions include provisions in Hawaii Public Procurement Code related to low-bid requirements, competitive bidding, and value engineering incentives (Hawaii Rev. Stat. §§103D-101 et seq.).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Legislative appropriations. The state allocates transportation funds to local entities through state legislative appropriations.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to levy local option fuel taxes and vehicle weight fees for transportation purposes (Hawaii Rev. Stat. §243-5 and §249-2). State law also provides for county bicycle registration fees, to be used for bikeways (Hawaii Rev. Stat. §249-14). The state administers a local option 0.5 percent surcharge on the state sales and excise tax, which counties may establish for transit projects (Hawaii Rev. Stat. §46-16.8). So far, this surcharge has been implemented by one county, the City and County of Honolulu, for rail projects. Counties may charge developers impact fees to pay for state highway improvements and other public facilities (Hawaii Rev. Stat. §§46-141 et seq. and §264-121 et seq.).



# IDAHO

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	100,317 (88,262 rural, 12,055 urban)
	Bridges	4,369
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, vanpool, demand response
	Urban transit trips in 2013	2.7 million
<b>Rail</b>	Freight rail route miles	1,623
<b>Aviation</b>	Total airports	228
	Public-use airports	126
	Passengers boarded in 2015	3.4 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	763,000

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Idaho Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (35 members), House of Representatives (70 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to Mar.
<b>Legislative Measures Introduced in 2016</b>	557
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation House Committee on Transportation and Defense

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	Idaho Transportation Department (ITD)
<b>Structure</b>	Organized mainly by transportation mode
<b>Leadership</b>	Director of ITD (serves on governor’s cabinet), Idaho Transportation Board (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	1,678
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle



<b>Includes DMV?</b>	Yes. The Division of Motor Vehicles is a division of ITD, funded out of ITD's budget by fees on vehicle and driver's license transactions.
<b>Includes Highway Patrol?</b>	No. The Idaho State Police, an independent state agency, carries out highway patrol functions. It is funded by state general funds, a transfer of 5 percent of the Highway Distribution Account (about \$17 million annually), and some direct fees for background checks and other services.
<b>Jurisdiction Over Toll Facilities?</b>	Yes (in law but not in practice). State law authorizes the Idaho Transportation Board to levy tolls on turnpike projects (Idaho Code §40-405), but it does not currently do so. Idaho has no toll facilities at present.

## Other

<b>Other State-Level Transportation Entities</b>	None. Idaho has no state-level transportation entities besides ITD, the Idaho Transportation Board, and (for highway patrol functions) the Idaho State Police.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. ITD's executive leadership and governmental affairs manager communicate with legislators face-to-face, by phone, and by e-mail throughout the year, and often attend the Legislature during session. ITD conducts legislative outreach meetings at each of its six district offices in December and invites legislators to attend meetings of the Idaho Transportation Board when the board tours the state each year. The department's Governmental Affairs Office monitors relevant legislation and assigns it to subject matter experts for analysis. These analyses are often shared with the governor's office and legislative sponsors. ITD also interacts with the Legislature around its own legislative proposals. Legislators routinely request information from various ITD staff.
<b>DOT Legislative Liaison</b>	ITD's executive leadership and Governmental Affairs Office serve as the main points of contact between the department and the Legislature. Other ITD staff also serve as sources of information for legislators.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Idaho Code tit. 21, 40 and 49; portions of Idaho Code tit. 62 and 70; Idaho Const. art. VII, §17 (revenue restrictions); portions of Idaho Code tit. 63 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. ITD prepares legislative proposals each year that, after being approved by the governor's office, are submitted to the Legislature as part of an executive legislation package. At the beginning of the legislative session, these bills are delivered to the appropriate committees to be introduced into the legislative process. ITD staff frequently assist the legislative sponsors of these bills.
	Advocacy and Lobbying	ITD staff do not lobby, but they do provide testimony concerning the department's legislative proposals and other relevant bills.
	Fiscal Notes or Policy Impact Statements for Legislative Use	ITD prepares fiscal notes for its own legislative proposals, and sometimes for other bills when requested by legislators.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The seven members of the Idaho Transportation Board are appointed by the governor, subject to confirmation by the Senate and within statutory requirements regarding state citizenship, residency, partisan balance, and geographic representation. No member may hold any other political office, and each must be “well informed and interested in the construction and maintenance of public highways and highway systems.” At least one member must have special experience or expertise in aeronautics. Six members represent designated districts for alternating six-year terms, and the seventh is appointed from the state at large to serve as chairman of the board for an indefinite period (Idaho Code §§40-301 et seq.). The director of ITD is appointed by the Idaho Transportation Board within broad statutory guidelines for knowledge and experience (Idaho Code §40-503).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The governor can remove members of the Idaho Transportation Board for cause, following a prescribed process (Idaho Code §40-305). The chair of the Idaho Transportation Board serves at the pleasure of the governor, and the director of ITD serves at the pleasure of the Idaho Transportation Board.
<b>Legislative Review of Administrative Rules</b>	Yes. Temporary, pending, or final rules are subject to review by the relevant legislative standing committees, and proposed rules submitted during the interim between legislative sessions are subject to review by the germane joint subcommittees. The full Legislature may approve or reject a rule by concurrent resolution. In most cases, if the Legislature does not object, a rule is automatically approved. A temporary rule adopted during a legislative session, however, expires the following year unless the Legislature approves it by concurrent resolution. Also, no pending rule or portion thereof imposing a fee or charge can become final and effective until it has been approved by concurrent resolution. In addition, all agency rules expire on July 1 of each year unless extended by statute (Idaho Code §§67-5201 et seq. and §67-454).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. ITD is subject to audits conducted by the Legislative Audits Division of the Legislative Services Office, which is required to conduct a full audit of all state agencies every three years. In addition, the Legislature requested that the legislative Office of Performance Evaluations conduct a comprehensive performance audit of ITD in 2009, with follow-up reports in 2011 and 2012. Idaho does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	All state agencies, including ITD, are required to submit an annual performance report that includes information about revenues, expenditures, services provided, strategic goals, and progress on key performance indicators (Idaho Code §67-1904). In addition, legislation enacted in 2015 (2015 Idaho Sess. Laws, Chap. 341) requires ITD to submit an annual report concerning additional fuel tax and registration fee revenues generated by that legislation, as well as ongoing maintenance funding needs. The Idaho Transportation Board submits an annual report to the Legislature about the Grant Anticipation Revenue Vehicle (GARVEE) Transportation Program (Idaho Code §40-315).
<b>Legislative Role in DOT Performance Management</b>	No formal role besides the reporting requirements listed above. Additionally, the Legislative Services Office has access, with or without prior notice, during regular operating hours to any records or other documents maintained by any state agency relating to their expenditures, revenues, operations and structure (Idaho Code §67-703).
<b>Other Legislative Oversight Mechanisms</b>	The Legislature creates interim committees to study various issues, although none are currently studying transportation topics. Other oversight mechanisms include legislative requests for information from ITD.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. The Legislature reviews and approves the departmental budget that is recommended by the governor, who receives the initial departmental budget request from the Idaho Transportation Board.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to ITD as state legislative appropriations to departmental programs or broad spending categories. These appropriations are based on ITD's budget request and the governor's recommended budget, but the Legislature makes the final determination in the department's annual appropriation bill.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to ITD as appropriations to departmental programs or broad spending categories. These appropriations are also based on ITD's budget request and the governor's recommended budget, but the Legislature makes the final determination.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Administration	\$27,997,800
	Capital facilities	\$3,345,000
	Aeronautics	\$2,753,300
	Motor vehicles	\$35,315,500
	Highway operations	\$194,886,900
	Contract construction and right-of-way acquisition	\$391,586,600
	<b>Total</b>	<b>\$655,885,100</b>
<b>Revenue Sources</b>	State Highway Fund (dedicated—state)	\$347,612,400
	State Highway Fund (Federal)	\$301,086,800
	State Highway Fund (local)	\$4,386,400
	State Aeronautics Fund (dedicated—state)	\$2,250,200
	State Aeronautics Fund (Federal)	\$322,200
	State Aeronautics Fund (billing)	\$227,100
	<b>Total</b>	<b>\$655,885,100</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	Project ideas are developed through a coordinated, cooperative process involving many stakeholders, including local and tribal governments. ITD identifies and selects projects according to existing priorities. Projects are confirmed through the public involvement process during the annual update of the Statewide Transportation Improvement Program (STIP). Also, under the new Strategic Initiatives Program, ITD will select a number of highway and bridge projects for special funding based on their return on investment related to safety, mobility, economic opportunity, bridge maintenance and repair, and the purchase of public right-of-way. Funding that the Legislature provided for this program (through transfers of surplus cash balances from the general fund) will sunset in May 2017 (Idaho Code §40-719; 2015 Idaho Sess. Laws, Chap. 341). The program itself, however, will continue with funding from other sources.
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## Legislative Role in the Planning Process

Limited legislative role. The Legislature generally has little involvement in transportation planning beyond appropriating funds and approving the departmental budget. In 2006, the Legislature selected a number of large expansion projects and approved the use of Federal Grant Anticipation Revenue Vehicle (GARVEE) financing for their construction; this program ended in 2016, and the debt is scheduled to be paid off in 2031. Also, in 2015, the Legislature established the Strategic Initiatives Program, including broad criteria for project selection based on return on investment (Idaho Code §40-719; 2015 Idaho Sess. Laws, Chap. 341).

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel, highway use (fixed rate)	•	•	•							Idaho Code §63-2402; 2015 Idaho Sess. Laws, Chap. 341
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied petroleum gas, liquefied and compressed natural gas, hydrogen, and others; assessed and allocated the same way as diesel taxes (Idaho Code §63-2401, §63-2402)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Idaho Code §63-2408)
Fuel taxes: other non-highway use	•	•	•		Grade crossings only		•		•	\$250,000 used for highway-rail crossings, \$100,000 for bridge inspections, and small shares for waterways, parks and recreation, search and rescue, and off-road vehicle facilities and enforcement (Idaho Code §63-2412)
Vehicle registration and title fees	•	•	•							Idaho Code §49-402, §40-701; 2015 Idaho Sess. Laws, Chap. 341
Truck registration fees (based on gross vehicle weight)	•	•	•							Idaho Code §49-434, §40-701; 2015 Idaho Sess. Laws, Chap. 341
Oversize/overweight truck permit fees	•	•	•							Idaho Code §§49-1004 et seq.
Truck permit fees, other	•	•	•							Includes temporary permits (Idaho Code §49-432) and hazardous materials transportation permits (Idaho Code §49-2002)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Special fees on hybrid and electric vehicles	•	•	•							Idaho Code §49-457, §40-701; 2015 Idaho Sess. Laws, Chap. 341
Tolls	•		•							State law authorizes the Idaho Transportation Board to collect tolls (Idaho Code §40-405), but it does not currently do so; the state has no toll roads at present
Cigarette taxes	•	•	•							Until July 1, 2019, \$4.7 million per year pays the state match of GARVEE debt service; a further share goes to the State Highway Account (Idaho Code §40-718, §63-2520; 2014 Idaho Sess. Laws, Chap. 115 and 337)
Aircraft registration fees	•	•				•				Idaho Code §21-114
Non-restricted fee revenues, State Highway Account		•		•						Vehicle Investment Program; legislative appropriations of \$312,000 per year for rural transit and services for seniors and persons with disabilities
General funds	•	•	•							From April 2015 to May 2017, half the excess cash balance in the general fund goes to the Strategic Initiatives Program (Idaho Code §40-719; 2015 Idaho Sess. Laws, Chap. 341)
Interest income	•	•	•			•				Highway Distribution Account, State Highway Account, GARVEE Capital Project Fund, Strategic Initiatives Program Fund, State Aeronautics Fund (Idaho Code §40-701, §40-702, §40-718, §40-719, §21-211)

**Note:** In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of fuel tax revenues from highway users to highways, including debt and traffic supervision, and prohibits diversion to any other purpose (Idaho Const. art. VII, §17).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle registration fees to highways, including debt and traffic supervision, and prohibits diversion to any other purpose (Idaho Const. art. VII, §17). Of total fuel tax revenues from all sources (except aviation and jet fuels), \$250,000 is used annually for highway-rail crossings, \$100,000 for local bridge inspections, and small percentages for waterways, parks and recreation, search and rescue, and off-road vehicle facilities and enforcement (Idaho Code §63-2412).
<b>Dedicated or Restricted Transportation Funds</b>	State statute dedicates the State Highway Account to highway purposes. The State Highway Account receives various revenues, including fuel tax revenues and a share of cigarette taxes, via the Highway Distribution Account. Distribution of both funds is governed by state statute (Idaho Code §§40-701 et seq.). The State Aeronautics Fund, which receives aviation-related revenues including aviation and jet fuel taxes, must be used for aviation purposes (Idaho Code §21-211 and §63-2412).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
GARVEE bonds	•	•	•							Authorized in state statute; legislative approval required for total amount and projects; total debt capped at 30 percent of Federal-aid highway funding received unless otherwise approved (Idaho Code §40-315); most recent issue for new money was in 2014
Build America Bonds	See notes	•	•							Issued under the state's GARVEE bond program in 2010
Advance construction		•	•							Used on a limited basis
Partial conversion of advance construction		•	•							Used on a limited basis
Federal-aid matching: flexible match		•	•							Used on a limited basis
Federal-aid matching: tapered match		•	•							Used on a limited basis

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Federal-aid matching: toll credits ("soft match")		•	•							Used on a limited basis
Design-build	•	•	•							Authorized in statute; combined use of design-build and construction manager/general contractor contracts is capped at 20 percent of ITD's annual highway construction budget (Idaho Code §40-904); used for several road and bridge projects

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."
- Although Build America Bonds are not specifically authorized in state statute, the GARVEE program under which they were issued in 2010 is (Idaho Code §40-315).

<b>Transportation-Related Bonding</b>	No, except for GARVEE bonds. Idaho is one of three states that has borrowed against future Federal-aid funding through the use of GARVEE bonds, but otherwise does not currently use bonding for transportation projects.
<b>Restrictions on Finance Mechanisms</b>	The Legislature has the authority to approve the total amount of GARVEE bonds each year, and GARVEEs may only be used for projects that are approved in statute. Total debt is capped at 30 percent of Federal-aid highway funding received unless otherwise approved (Idaho Code §40-315). Combined use of design-build and construction manager/general contractor contracts cannot exceed 20 percent of ITD's annual highway construction budget (Idaho Code §40-904).
<b>Finance Mechanisms Prohibited in State Law</b>	The state constitution prohibits general obligation debt (Idaho Const. art. VIII, §1).



## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. The ITD is provided re-appropriation or carry-over authority for any unexpended and unencumbered balances of the State Highway Fund appropriated for the Contract Construction and Right-of-Way Acquisition program. No further approval is required to spend these funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. Legislative appropriations are controlled at the program level, not by project. The ITD can transfer funds between projects in the same program without legislative approval, but not between programs.
<b>Legislative Actions to Control DOT Costs</b>	Actions include low-bid requirements and other procurement guidelines in state statute (Idaho Code §§40-901 et seq.).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. Local entities receive 38 percent of the funds deposited into the State Highway Distribution Account, including state fuel taxes and other revenues, and 40 percent of the revenues from fuel tax increases, registration fee increases, and new fees on electric and hybrid vehicles that were enacted in 2015. Of these revenues, after set-asides, 30 percent is distributed to cities by a statutory formula based on population. The remainder is distributed to counties and their highway districts based on vehicle registrations and improved highway miles. All funds must be used for highway maintenance (Idaho Code §40-701, §40-709, and §63-2412; 2015 Idaho Sess. Laws, Chap. 341).
<b>Local Revenue Sources Authorized in State Law</b>	State statutes allow counties to assess local vehicle registration fees for highway purposes (Idaho Code §40-827). Counties and highway districts may levy special property taxes for highway and bridge projects (Idaho Code §40-801) and counties or cities may levy property taxes for airport construction and maintenance (Idaho Code §21-404). Local governments may charge development impact fees to pay for capital improvements, including road and bridge projects (Idaho Code §§67-8201 et seq.).

# ILLINOIS

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	306,086 (195,545 rural, 110,542 urban)
	Bridges	26,674
	Toll facilities	Yes (roads: 374.5 miles; bridges: 4)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, heavy rail, commuter rail, ferry boat, street-car, vanpool, demand response
	Urban transit trips in 2013	674.2 million
<b>Rail</b>	Freight rail route miles	Freight rail route miles: 6,986
<b>Aviation</b>	Total airports	465
	Public-use airports	105
	Passengers boarded in 2013	43.4 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	106.5 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Illinois General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (59 members), House of Representatives (118 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	5,100 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	<p>Senate Committee on Transportation</p> <ul style="list-style-type: none"> <li>• Subcommittee on Amtrak</li> <li>• Subcommittee on Special Issues</li> <li>• Subcommittee on Transportation Innovation</li> </ul> <p>House Committee on Appropriations—Public Safety</p> <p>House Committee on Intermodal Infrastructure</p> <p>House Committee on Revenue and Finance</p> <ul style="list-style-type: none"> <li>• Towing Oversight Subcommittee</li> </ul> <p>House Committee on Tollway Oversight</p> <p>House Committee on Transportation—Regulation, Roads, and Bridges</p> <ul style="list-style-type: none"> <li>• Railroad and Air Subcommittee</li> <li>• Registration and Regulation Subcommittee</li> </ul> <p>House Committee on Transportation—Vehicles and Safety</p> <ul style="list-style-type: none"> <li>• License Plates Subcommittee</li> <li>• Signs and Signals Subcommittee</li> </ul>

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and

Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	Illinois Department of Transportation (IDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor’s cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	5,449
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Driver Services Department and the Vehicle Services Department are both departments under the Illinois Secretary of State’s Office. That agency is funded by a combination of general fund appropriations and appropriations from special state funds (which are supported primarily by an assortment of user fees). None of these functions are supported by the IDOT budget.
<b>Includes Highway Patrol?</b>	No. The Illinois State Police, an independent state agency, carries out highway patrol functions. It is funded primarily by general fund appropriations and also receives revenues from a portion of commercial driver’s license fees, overweight vehicle fines, a special surcharge on vehicle registrations (for the purchase of new vehicles), and Federal funds for motor carrier and traffic safety purposes.
<b>Jurisdiction Over Toll Facilities?</b>	No. The Illinois State Toll Highway Authority has that jurisdiction.

### Other

<b>Other State-Level Transportation Entities</b>	Illinois State Toll Highway Authority (instrumentality/administrative agency)	The Illinois State Toll Highway Authority, a quasi-public entity, oversees the state’s toll roads. It is funded by toll revenues, a portion of which is used to support debt service on bonds issued by the authority. The secretary of transportation serves as one of the authority’s directors ex officio (605 ILCS 10/1 et seq.).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. IDOT actively participates in the legislative process. The department provides testimony and input on relevant legislation during the year-round session, and submits required reports to the General Assembly. IDOT’s Office of Legislative Affairs fosters positive working relationships between the department and legislators, handles constituent issues that originate within a legislative office, and develops and advances IDOT’s policy goals, positions, and strategies.
<b>DOT Legislative Liaison</b>	Every state executive agency in Illinois, including IDOT, employs a dedicated legislative liaison who serves as the main point of contact between that department and the General Assembly. The director of legislative affairs in IDOT’s Office of Legislative Affairs acts as the department’s legislative liaison.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	20 ILCS 2705/2705-1 et seq.; ILCS ch. 605 to 630; portions of ILCS ch. 30 and 35 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	No direct role. In Illinois, only legislators may request legislative bill drafts and sponsor and introduce legislation.
	Advocacy and Lobbying	[No data]
	Fiscal Notes or Policy Impact Statements for Legislative Use	By law, state agencies such as IDOT must prepare fiscal notes for bills that affect them (25 ILCS 50/1 et seq.).

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation is appointed to a two-year term by the governor, by and with the advice and consent of the Senate (20 ILCS 5/5-605 et seq.).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The secretary of transportation can be removed at the governor's discretion.
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Committee on Administrative Rules reviews all proposed rules and may review existing rules. The committee may suspend a rule (5 ILCS 100/5-90 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. IDOT is subject to audits conducted by the legislature's Office of the Auditor General. The Legislative Audit Commission is required by law to review all audits conducted by the Auditor General (25 ILCS 150/0.01-0.06) and can also perform its own evaluations. The state conducts sunset reviews, but not of IDOT.
<b>Required DOT Reports to the Legislature</b>	IDOT must submit annual reports to the legislature concerning its Highway Improvement Program (20 ILCS 2705/2705-200), cooperative use of transportation equipment and services (20 ILCS 2705/2705-215), rail freight service assistance (20 ILCS 2705/2705-430), the target market program (20 ILCS 2705/2705-600), and traffic and pedestrian stops (20 ILCS 625/11-212). The department must also submit an annual "For the Record" report of all its projects by district (20 ILCS 705/2705-200) and monthly progress reports on the Illiana Expressway (605 ILCS 130/60). In addition, both legislative chambers require detailed documents pertaining to IDOT budget requests.
<b>Legislative Role in DOT Performance Management</b>	Although IDOT is responsible for setting most of its performance goals, the General Assembly has enacted some legislation that requires the department to meet certain goals. Besides these specific actions and the reporting requirements listed above, the General Assembly does not have a formal role.
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from IDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. The General Assembly approves IDOT's annual appropriation as part of the budget bill. The General Assembly reviews the department's proposed six-year highway improvement plan during the appropriations process and holds IDOT budget hearings before various appropriation committees.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Partial legislative appropriation. Federal highway reimbursements are commingled with all other cash and used to determine the affordable level of appropriations. Federal planning and safety funds are spent pursuant to separate appropriations which are split into state and Federal shares. Federal funds for aeronautics and transit are appropriated separately. IDOT also periodically requests separate appropriations for Federal Transportation Investment Generating Economic Recovery (TIGER) grants and similar project awards.
	State Revenues	Legislative appropriation. State transportation funds are allocated to IDOT as lump sum appropriations to the department or as appropriations to departmental programs, broad spending categories, or specific projects.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2015 ( <a href="#">enacted</a> ) (see note)	
<b>Authorized Expenditures</b>	Operations	\$1,222,891,284
	Awards and grants	\$7,243,680,950
	Permanent improvements	\$48,821,934
	Highway and waterway construction	\$8,435,528,162
	Refunds	\$256,500
	<b>Total</b>	<b>\$16,951,178,830</b>
<b>Revenue Sources</b>	[No data]	

**Note:** As of late June 2016, due to an ongoing stalemate between the governor and the General Assembly, IDOT's budget for FY 2016 could not be adequately presented. While the capital portion of the budget had been enacted and signed into law, other portions of the budget were being executed either under a court order (personal services and related operating expenses) or under special statutory provisions known as continuing appropriations (transit operating subsidies). On June 30, 2016, the General Assembly enacted and the governor signed Public Act 99-0524, an omnibus appropriation act that contained a mix of appropriations for FY 2016, spending authority for obligations incurred in FY 2016 that can be liquidated during the course of FY 2017 (and not just in the two-month lapse period for FY 2016 that started on July 1, 2016), and new appropriations for FY 2017. Because of this mix of spending authority, it is still not possible to present a comprehensive view of IDOT's FY 2016 budget. However, it should also be noted that while many agencies (especially those that rely on general fund support) received less than a full year's worth of appropriations, IDOT was fortunate to receive a full year's set of both operating and capital appropriations for FY 2017.

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	IDOT estimates revenues from Federal and state sources, assesses highway needs, and issues funding targets and technical guidelines to its nine highway districts. Those districts develop, prioritize, and submit projects for inclusion in the six-year highway improvement plan. Programming decisions for the other modes (transit, rail, and aeronautics) are handled by IDOT's new Office of Intermodal Project Implementation. Each year, the plan is submitted for review and announcement to the governor. The governor then presents the plan to the General Assembly and the public for review and discussion during the appropriation process.
<b>Legislative Role in the Planning Process</b>	Moderate legislative role. IDOT prepares and presents its proposed six-year highway improvement plan to the General Assembly each year, and the General Assembly reviews and discusses it as part of the appropriation process. During this process, the General Assembly can approve or modify the appropriation level, or add projects through line item appropriations for specific projects, but it cannot remove projects from the multi-year program. There is, however, no formal mechanism for legislative adoption of the plan.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	See notes			•			Mostly used for roads, but a portion of non-restricted revenues goes to harbor and boating activities (35 ILCS 505/2; 35 ILCS 505/8; 625 ILCS 5/20-101)
Vehicle registration and title fees	•	•	•	See notes						625 ILCS 5/3-815; 625 ILCS 5/2-119
Truck registration fees (based on gross vehicle weight)	•	•	•	See notes						625 ILCS 5/3-815; 625 ILCS 5/2-119
Oversize/overweight truck permit fees	•	•	•	See notes						625 ILCS 5/15-301 et seq.
Aircraft registration fees	•	•				•				620 ILCS 5/42
Pilot license fees	•	•				•				620 ILCS 5/42
Outdoor advertising revenues	•	•	•							Logo signing (20 ILCS 2705/2705-505)
General funds	•	•		•	• Passenger only	•				Used for transit, Amtrak service, and aeronautics (30 ILCS 330/14; 30 ILCS 105/6z-77; 30 ILCS 740/2-1 et seq.; 70 ILCS 3615/4.01 et seq.)
Interest income	•	•	•	See notes	See notes					State Construction Account Fund, Road Fund (30 ILCS 105/5d; 30 ILCS 105/6c)

## Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- State statute allows the use of fuel taxes and other vehicle-related revenues for limited para-transit grants, as well as for IDOT operating expenses that include the administration of public transportation programs. The same statute allows the Road Fund to be used for intercity rail (30 ILCS 105/8.3). At present, however, state transit expenditures and Amtrak subsidies are supported by state general funds and bond financing.



- Illinois also collects state use taxes on motor fuels (35 ILCS 105/3-10), a portion of which is directed to the State and Local Sales Tax Reform Fund, which is used in part for local and regional transit, and the rest of which is distributed in the same way as other use tax revenue (35 ILCS 105/9; 30 ILCS 105/6z-17).
- Toll revenues are retained by the Illinois State Toll Highway Authority, which technically is not a state agency. Legislative approval is required for all new toll highways (605 ILCS 10/14.1).
- Revenues from a \$1 surcharge on passenger vehicle registration fees are authorized to be used for state police vehicles (625 ILCS 5/3-815), not for the kinds of transportation activities described in this chart.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Statutory, roads and bridges, public transit. State statute directs the use of fuel taxes from highway users to public highways and bridges, including administration, debt, grade separation, and rail crossings (625 ILCS 5/20-101 et seq.). State statute also allows the use of these revenues for traffic enforcement, limited para-transit grants, and IDOT operating expenses including, but not limited to, those related to the administration of public transportation programs (30 ILCS 105/8.3). In 2016, voters will consider a legislatively referred constitutional amendment to further restrict the use of transportation-related revenues across all modes (2016 House Joint Resolution Constitutional Amendment 36).
<b>Restrictions on Other Transportation Revenues</b>	State statute directs the use of vehicle-related fees and taxes to public highways and bridges, including administration, debt, grade separation, and rail crossings (625 ILCS 5/20-101 et seq.). State statute also allows the use of these revenues for traffic enforcement, limited para-transit grants, and IDOT operating expenses including, but not limited to, those related to the administration of public transportation programs (30 ILCS 105/8.3). A portion of non-restricted fuel tax revenues is dedicated to the State Boating Act Fund for harbors, boating, and snowmobile and other off-highway trail purposes (35 ILCS 505/8; 625 ILCS 45/10-1 et seq.). Truck weight fees, interest income, and logo signing are also dedicated revenues that are distributed by statutory formula or direction. Although state statute supposedly restricts the use of vehicle-related user fees to transportation purposes, there are still numerous “diversions” of those revenues. In 2016, voters will consider a legislatively referred constitutional amendment to further restrict the use of transportation-related taxes and fees across all modes (2016 Ill. House Joint Resolution Constitutional Amendment 36). In addition, tolls are to be used for the toll facilities and related debt, and all new toll highways require legislative approval (605 ILCS 10/14.1 and 10/19).
<b>Dedicated or Restricted Transportation Funds</b>	State statute restricts the Road Fund, which receives fuel taxes and other revenues, to approved uses that include highways, access to military facilities, debt, traffic enforcement, administration, intercity rail, and certain public transit purposes. In general, the fund may not be used for freight rail, the State Police, or the Secretary of State (30 ILCS 105/8.3), except that the Secretary of State is authorized to receive Road Fund appropriations for the payment of refunds for overpayments of vehicle-related fees. The State Construction Account Fund must be used for construction and maintenance of the state-maintained highway system (30 ILCS 105/5d). Despite these restrictions, revenues have been transferred from these funds to the state general fund (2015 Ill. Laws, P.A. 99-0002; 30 ILCS 105/8.50). Special state funds also support harbors, boating, and off-highway trails (625 ILCS 45/10-1), public transit (30 ILCS 740/2-3 and 30 ILCS 105/5.38), and freight rail (30 ILCS 105/5.168).
<b>Revenue Sources Prohibited in State Law</b>	None.



## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•	• Pas-senger only	•	•			30 ILCS 330/4
Revenue bonds	•	•	•	•	• Pas-senger and freight	•	•			Build Illinois Bonds (backed by state sales tax revenue); eligible transportation purposes include public transit, rail, air, port, and highway projects (30 ILCS 425/4); used for minor road, transit, and airport projects
Build America Bonds		•	•	•	• Pas-senger only	•				General obligation bonds issued as Build America Bonds in 2010
Federal credit assistance: TIFIA	•	See notes	•		• Pas-senger only	•				Authorized in state statute for the proposed South Suburban Airport (620 ILCS 75/2-115; 605 ILCS 130/95) and for public-private partnerships generally (630 ILCS 5/45); not currently in use (see notes)
Advance construction		•	•							
Federal-aid matching: tapered match		•			• Pas-senger only					
Federal-aid matching: toll credits ("soft match")		•	•	•						Primarily used for eligible transit projects; IDOT has also tested the use of toll credits on one highway project
Design-build	•		•	•	• Pas-senger and freight		•			Authorized in statute for public-private partnership projects only (630 ILCS 5/25); not currently in use
Public-private partnerships	•	See notes	•	•	• Pas-senger and freight	•	•			State statute grants the state general authority to enter into public-private partnerships for transportation projects, except airports; legislative approval is required for new toll highways (630 ILCS 5/1 et seq.; 20 ILCS 2705/2705-450); project-specific authority is also granted for the Illiana Expressway (605 ILCS 130/1 et seq.) and the South Suburban Airport (620 ILCS 75/2-1 et seq.); not currently in use (see notes)

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- In terms of public-private partnerships with financing elements, the only known projects in Illinois—the leases of the Chicago Skyway and Chicago’s parking garages and meters—were sponsored by a local entity. No active state-level projects were found, inasmuch as procurement for the Illiana Expressway has been suspended pending further review by the state. In terms of partnerships without financing elements, however, the state does participate in the Chicago Region Environmental Transportation and Efficiency (CREATE) program, a partnership between Federal, state, regional, and local governments and private railroads to address the massive rail congestion issues in the Chicago metro area.
- Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance has been used by local entities, not by the state.
- In Illinois, private activity bonds (PABs) have been used by private entities, not by the state, for transportation purposes.

<b>Transportation-Related Bonding</b>	Yes, for highway projects generally. Also, in the last seven years, the state has substantially increased the amount of bond fund appropriations dedicated to transit and rail projects.
<b>Restrictions on Finance Mechanisms</b>	The use of general obligation bonds is limited to the purposes specified in the authorizing law, which may be enacted by the General Assembly or by voters (Ill. Const. art. IX, §9). Bond proceeds are limited both by the statutory language authorizing the bonds (30 ILCS 330/4) and by the specific language of the appropriations from those funds.
<b>Finance Mechanisms Prohibited in State Law</b>	None.

**Other State Funding and Finance Issues**

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, inasmuch as cash balances carry forward. For highways, IDOT programs on a “cash flow” basis, which means that annual appropriations are typically greater than the available cash balance in the funds from which spending is authorized. The cash balances in the funds roll over from year to year without any further action, but there is not a one-to-one relationship between the cash available at any given moment and the value of the spending authority (appropriations) that have been given to the department. The financial plan assumes that the authorized level of appropriations would remain available to the department for the life of the program. To be spent, unexpended balances of re-appropriating accounts are required to be reauthorized annually. Cash on hand can only be spent pursuant to active appropriations.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. If an appropriation is project-specific, a change in the appropriation is needed for IDOT to repurpose those funds. No further legislative action is required, however, for lump sum or program-level appropriations. The General Assembly also can impose “release requirements,” which require IDOT to obtain special permission from the governor to use certain appropriations. Released appropriations must be de-released and re-released if they are to be used for another purpose.
<b>Legislative Actions to Control DOT Costs</b>	None.

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. After set-asides, 54.4 percent of state fuel tax revenues are allocated to local entities for road and public transit projects. Of that amount, 49.1 percent is distributed to municipalities by a statutory formula based on population, 16.74 percent goes to counties with 1 million or more inhabitants (Cook County), 18.27 percent goes to other counties based on vehicle license fees, and 15.89 percent goes to road districts based on road miles (35 ILCS 505/8). In addition, the General Assembly has appropriated state revenues to local entities for local matches for Federal funds and for the local share of the annual highway program.
<b>Local Revenue Sources Authorized in State Law</b>	Several state statutes allow counties, mass transit districts, or road districts to levy property taxes for various transportation purposes (55 ILCS 5/5-1024; 55 ILCS 5/5-34003; 70 ILCS 3610/5; 605 ILCS 5/5-601 et seq.). Non-home rule cities may levy sales taxes for infrastructure, including roads and streets (65 ILCS 5/8-11-1.3 et seq.). Any municipality may assess vehicle license taxes for road improvements (65 ILCS 5/8-11-4). Municipalities with a population over 100,000 and some Chicago-area counties may adopt local option fuel taxes (65 ILCS 5/8-11-15; 55 ILCS 5/5-1035.1). The Regional Transportation Authority may impose regional sales taxes, local option fuel taxes, and parking taxes for transit purposes (70 ILCS 3615/4.03; 605 ILCS 5/6-512), although in practice it only levies sales taxes. The Metro-East Mass Transit District may assess regional sales taxes and vehicle rental taxes (70 ILCS 3610/5.01 et seq.). To support the Chicago Transit Authority, a home rule municipality with a population over 1 million (currently Chicago) may assess a real estate transfer tax (65 ILCS 5/8-3-19). Counties may also charge developers impact fees to pay for development-related road improvements (605 ILCS 5/5-901 et seq.). Both counties and cities may operate toll bridges (605 ILCS 5/10-302; 605 ILCS 5/10-705).

# INDIANA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	201,186 (139,030 rural, 62,156 urban)
	Bridges	19,388
	Toll facilities	Yes (roads: 157 miles; bridge: 1, expected to open in 2016)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, commuter rail, vanpool, demand response
	Urban transit trips in 2015	36.0 million
<b>Rail</b>	Freight rail route miles	4,075
<b>Aviation</b>	Total airports	409
	Public-use airports	100
	Passengers boarded in 2015	4.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	73.2 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Indiana General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (50 members), House of Representatives (100 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to Apr. (odd years), Jan. to Mar. (even years)
<b>Legislative Measures Introduced in 2016</b>	1,800 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Homeland Security and Transportation House Committee on Roads and Transportation [Interim/Study] Interim Study Committee on Roads and Transportation [Interim/Task Force] Funding Indiana's Roads for a Stronger, Safer Tomorrow Task Force (2016 interim only)

**Note:** "Type" refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators' time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). "Legislative measures introduced in 2016" includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Indiana Department of Transportation (INDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Commissioner of INDOT (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	3,459
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Bureau of Motor Vehicles is an independent state agency that is funded by general fund appropriations and fee revenues.
<b>Includes Highway Patrol?</b>	No. The Indiana State Police, an independent state agency, carries out highway patrol functions. It is funded by general fund appropriations, Federal funds, and various fees and fines.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. INDOT has jurisdiction over the Ohio River Bridges (expected to open on or before Dec. 31, 2016) and the Indiana Toll Road.

## Other

<b>Other State-Level Transportation Entities</b>	Ports of Indiana (corporation)	The Ports of Indiana is a quasi-public, self-supporting corporation that is funded by port revenues (Ind. Code Ann. §§8-10-1-0.3 et seq.).
	Indiana Finance Authority (corporation/ instrumentality)	Although not technically a transportation entity, the Indiana Finance Authority is a quasi-public entity that "owns" the Indiana Toll Road and the Indianapolis Airport Maintenance Center. The authority receives state and Federal funding to act as the finance authority (for bonding purposes) for the state of Indiana (Ind. Code Ann. §§4-4-11-0.1 et seq. and §§8-9.5-8-0.3 et seq.).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through a dedicated liaison. INDOT testifies at committee hearings, including those of state budget committees and any current interim study committees. INDOT's legislative affairs director functions as a dedicated legislative liaison who is responsible for most of the department's communication and interaction with the General Assembly.
<b>DOT Legislative Liaison</b>	INDOT's legislative affairs director acts as the main point of contact between the department and the General Assembly.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Ind. Code Ann. tit. 8 and 9; portions of Ind. Code Ann. tit. 6 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. INDOT can ask an individual legislator to introduce or sponsor a bill. Only legislators, however, can request legislative bill drafts and formally sponsor and introduce legislation.
	Advocacy and Lobbying	The legislative affairs director acts as an agency advocate, with the concurrence of the governor, on all legislative proposals related to transportation.
	Fiscal Notes or Policy Impact Statements for Legislative Use	As requested by legislators and the Legislative Services Agency.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The commissioner of INDOT is appointed by the governor, with no legislative involvement (Ind. Code Ann. §8-23-2-2).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The commissioner of INDOT serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	No. The Administrative Rules Oversight Committee, which used to be responsible for legislative review of proposed rules, was repealed in 2014 (2014 Ind. Acts, P.L. 53-2014).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. INDOT is subject to reviews conducted by the Legislative Services Agency, at the direction of the Legislative Evaluation and Oversight Policy Subcommittee of the Legislative Council (Ind. Code Ann. ch. 2-5-1.1 and ch. 2-5-21). The subcommittee annually assigns topics for the Legislative Services Agency to study. Reviews are conducted by the agency's Office of Fiscal and Management Analysis. INDOT was last reviewed in 2013.
<b>Required DOT Reports to the Legislature</b>	None.
<b>Legislative Role in DOT Performance Management</b>	Besides the legislative audits listed above, INDOT may be requested to provide asset condition reports or other performance information to legislative study committees or task forces. Otherwise, the General Assembly has no formal role.
<b>Other Legislative Oversight Mechanisms</b>	The permanent Interim Study Committee on Roads and Transportation is directed to study various topics between legislative sessions. In 2015, for example, it studied special group recognition license plates, direct manufacturer-to-consumer car sales, use of enterprise zone money for public transit, grade crossings, and the Bureau of Motor Vehicles.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month budgets; fiscal year begins July 1. Biennial budgets are approved effective July 1 every even-numbered year. The state fiscal year is July 1 through June 30.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to INDOT as state legislative appropriations to departmental programs or broad spending categories, not to specific projects. For example, appropriations are made for the Highway Maintenance Work Program or Right-of-Way Purchasing.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to INDOT as appropriations to departmental programs or broad spending categories.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2016 and FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures (FY 2017 only)</b>	Intermodal operations	\$86,969,296
	Highway operations	\$1,431,457,000
	Distributions to local units of government	\$696,210,333
	<b>Total</b>	<b>\$2,214,636,629</b>
<b>Revenue Sources (FY 2017 only)</b>	General fund	\$44,000,000
	Dedicated funds	\$1,238,635,000
	Federal funds	\$931,301,629
	Local funds	\$700,000
	<b>Total</b>	<b>\$2,214,636,629</b>

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	INDOT is responsible for project selection and for compliance with state and Federal planning requirements and, as head of INDOT, the commissioner is ultimately responsible for agency priorities. The transportation planning process is structured by INDOT's Annual Program Development Process, a comprehensive set of procedures for evaluating, ranking, and programming proposed projects. The process begins with an internal INDOT review of currently programmed projects. A formal "call for new projects" is then extended to counties, cities, towns, and INDOT district offices. Early consultation meetings follow to solicit input from MPOs, regional planning organizations, and local elected officials. The final product of this process is the Indiana State Transportation Improvement Program (INSTIP). After the draft INSTIP is published, public input is sought at a series of Annual Open House District Meetings.
<b>Legislative Role in the Planning Process</b>	Limited legislative role. In general, the General Assembly does not select projects, but does set overall funding levels and establishes the legal framework for INDOT. State law requires the legislature to authorize specific public-private partnership projects, but these requirements do not apply between July 1, 2011, and June 30, 2021 (Ind. Code Ann. art. 8-15.5 and art. 8-15.7).

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•							Includes Motor Carrier Fuel Tax and related surtax (Ind. Code Ann. §6-6-1.1-201, §6-6-2.5-28, §6-6-4.1-4, §6-6-4.1-4.5)
Fuel taxes: use taxes on gasoline	•	•	•							As of FY 2017, deposited in part to the Motor Vehicle Highway Account; starting FY 2018, also deposited in part to the newly created Local Road and Bridge Matching Grant Fund (see notes) (Ind. Code Ann. §6-2.5-10-1; 2016 Ind. Acts, P.L. 146-2016)
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied and compressed natural gas (Ind. Code Ann. §6-6-2.5-28)



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Vehicle registration and title fees	•	•	•							Ind. Code Ann. §§9-29-5-1 et seq.
Truck registration fees (based on gross vehicle weight)	•	•	•							Ind. Code Ann. §9-29-5-3.1 (light trucks), §9-29-5-3.2 (heavy trucks)
Oversize/overweight truck permit fees	•	•	•							Ind. Code Ann. §9-20-6-13
Truck permit fees, other	•	•	•							Ind. Code Ann. §6-6-4.1-5, §6-6-4.1-13
Driver's license and state ID card fees	•	•	•							Ind. Code Ann. §9-24-3-1, §9-24-7-1, §9-24-8-4, §9-24-16-10
Tolls	•	See notes	•							Authorized (e.g., Ind. Code Ann. §§8-15-2-1 et seq., §8-15-3-12, §8-16-1-16, §8-23-7-22) but not currently in use (see notes)
Railroad property taxes	•	•		•						Includes railroad car company situs taxes and electric commuter rail company property taxes, both used for commuter rail (Ind. Code Ann. §6-1.1-8-35, §§6-1.1-8.2-1 et seq.)
Port revenues	•	•					•			Ind. Code Ann. §8-10-1-17
Outdoor advertising revenues	•	•	•							Ind. Code Ann. §8-23-20-25
Property leases or sales	•	•	•							Ind. Code Ann. §8-23-2-6
State general sales taxes	•	•		•	• Freight only					As of FY 2017, includes allocations to the Industrial Rail Service Fund and the Commuter Rail Service Fund, but not the Motor Vehicle Highway Account (see notes) (Ind. Code Ann. §6-2.5-10-1; 2016 Ind. Acts, P.L. 146-2016)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General funds: statutory transfers	•	•	•							Includes a required transfer of excess reserves to the State Highway Fund in CY 2016 and a required transfer of general funds to the State Highway Fund in FY 2017; also, the Major Moves 2020 Trust Fund received transfers in 2013 and 2014 for major highway expansion projects (Ind. Code Ann. §4-10-22-3, §§8-14-14.1-3 et seq.; 2016 Ind. Acts, P.L. 146-2016)
General funds: appropriations		•		•						Legislative appropriations to the Public Mass Transportation Fund
Interest income: public-private partnership lease concessions	•	•	•							Next Generation Trust Fund (see notes) (Ind. Code Ann. §8-15.5-11-4, §§8-14-15-1 et seq.)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Both INDOT and the Indiana Finance Authority—which is a quasi-public entity, not a state agency—are authorized by law to collect tolls (e.g., Ind. Code Ann. §§8-15-2-1 et seq., §8-15-3-12, §8-16-1-16, and §8-23-7-22). At present revenues from the Indiana Toll Road are collected by a private entity under a public-private partnership, and the state’s single toll bridge is locally operated. The Indiana Finance Authority will begin collecting tolls when new toll bridges that are currently under construction open to traffic, which is expected to occur on or before Dec. 31, 2016. The toll revenues will be used by INDOT for operating and maintaining the bridge facilities.
- Until July 2016, the revenues from Indiana’s use tax on gasoline had been distributed in the same way as all other state use tax revenues: 1 percent to the Motor Vehicle Highway Account, 0.029 percent to the Industrial Rail Service Fund, 0.123 percent to the Commuter Rail Service Fund, and the remainder to the general fund. As of FY 2017, revenues from the use tax on gasoline are now distributed differently than other use tax revenues. Of gasoline use tax revenues, the Motor Vehicle Highway Account will receive 14.286 percent, and the newly created Local Road and Bridge Matching Grant Fund will receive 14.286 percent in FY 2018 and 21.429 percent in and after FY 2019, with the remainder going to the general fund. Of non-gasoline use taxes, 0.031 percent now goes to the Industrial Rail Service Fund and 0.131 percent to the Commuter Rail Service Fund, with the remainder going to the general fund, and no allocation to the Motor Vehicle Highway Account (Ind. Code Ann. §§6-2.5-3.5-1 et seq. and §6-2.5-10-1; 2016 Ind. Acts, P.L. 146-2016).

- In 2006, the Next Generation Trust Fund was established with an initial deposit of \$500 million from the revenue the state received from leasing the Indiana Toll Road (Ind. Code Ann. §8-15.5-11-4). Earned interest and increases in market value are transferred to the Major Moves Construction Fund every five years, while preserving the fund's capital (Ind. Code Ann. §8-14-15-10). All revenues must be used exclusively for highways, roads, and bridges (Ind. Code Ann. §8-14-15-4).
- Proceeds from state-administered aircraft license excise taxes are allocated to counties and the Fort Wayne-Allen County Airport Authority, not used by state agencies (Ind. Code Ann. §§6-6-6.5-21 et seq.).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Statutory, roads and bridges. State statute restricts the use of motor fuel taxes, except gasoline taxes collected at a marine facility, to highway purposes including traffic policing and traffic safety (Ind. Code Ann. §6-6-1.1-801 and §6-6-2.5-67).
<b>Restrictions on Other Transportation Revenues</b>	State statute directs the use of motor carrier fuel surcharge taxes (Ind. Code Ann. §6-6-4.1-4.5), special fuel taxes (Ind. Code Ann. §6-6-2.5-67), vehicle registration fees (Ind. Code Ann. §9-29-5-1), and other revenues for transportation purposes. Toll revenues must be used for toll road projects, transportation corridors in northwestern Indiana, or projects in the counties through which a toll road passes, which can include improvements for manufacturing or commercial activities, public transportation, or arterial streets or highways. Certain toll facilities must be approved by the General Assembly (Ind. Code Ann. §§8-15-2-1 et seq.; Ind. Code Ann. §8-15-3-9, §8-15.5-1-2, §8-15.7-1-5, and §8-23-7-22). Marine fuel tax revenues are dedicated to the Fish and Wildlife Fund (Ind. Code Ann. §6-6-1.1-502 and §6-6-1.1-802).
<b>Dedicated or Restricted Transportation Funds</b>	Several state funds receive vehicle-related revenues, including fuel taxes. The State Highway Road Construction and Improvement Fund is dedicated to highway purposes, including bonding (Ind. Code Ann. §8-14-10-8). The Motor Vehicle Highway Account is allocated to local entities, traffic safety, and the State Highway Fund (Ind. Code Ann. §8-14-1-3). The State Highway Fund, in turn, is dedicated to highway purposes and INDOT and may not be used to repay debt (Ind. Code Ann. §8-23-9-55). Neither the State Highway Road Construction and Improvement Fund nor the State Highway Fund may be used for operating subsidies for public transit or commuter transportation (Ind. Code Ann. §8-23-2-6). The Next Generation Trust Fund, established in 2006, must be used exclusively for highways, roads, and bridges (Ind. Code Ann. §8-14-15-4).
<b>Revenue Sources Prohibited in State Law</b>	Tolling of Interstate 69 is prohibited without specific legislative approval (Ind. Code Ann. §8-15-2-1, §8-15-3-9, §8-15.5-1-2, §8-15.7-1-5, and §8-23-7-22).

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•							General authorization given in statute for toll-backed revenue bonds; issued by the Indiana Finance Authority with INDOT and legislative approval (Ind. Code Ann. §8-9.5-8-10) (see notes)
Private activity bonds		•	•							Issued
Federal credit assistance: TIFIA		•	•							Active loan(s), used for a highway project
Advance construction		•	•							

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Partial conversion of advance construction		•	•							
Federal-aid matching: flexible match		•	•							
Federal-aid matching: tapered match		•	•							
Federal-aid matching: toll credits (“soft match”)		•	•							
Public-private partnerships	•	•	•		• Passenger and freight					Authorized in statute for road, bridge, and rail projects; most legislative approval requirements in law are suspended until June 30, 2021 (Ind. Code Ann. §§5-23-1-1 et seq.; Ind. Code Ann. art. 8-15, 8-15.5, 8-15.7; Ind. Code Ann. §§8-23-7-22 et seq.); used for the Indiana Toll Road (see notes) and other projects
Land swaps or donations from land owners		•	•							
State infrastructure bank			•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; not authorized in state statute; currently inactive

#### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. For Indiana, however, bonds issued by the Indiana Finance Authority are included because the authority acts as the finance authority (for bonding purposes) for the state of Indiana, including INDOT. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Since 2006, INDOT has used the proceeds from the lease of the Indiana Toll Road for transportation projects; that money has now been spent down.

- State statute authorized the issuance of Federal GARVEE bonds until July 1, 2009 (Ind. Code Ann. §8-14.5-7-5), but the bonds were not issued.

<b>Transportation-Related Bonding</b>	Yes. All bonding for transportation projects originates with the Indiana Finance Authority. INDOT enters into agreements with the Indiana Finance Authority to provide the requisite debt service.
<b>Restrictions on Finance Mechanisms</b>	State law requires the General Assembly to approve public-private partnerships, but most of those requirements are suspended until June 30, 2021 (e.g., Ind. Code Ann. §8-15-3-9). Toll-backed revenue bonds also must be legislatively approved (Ind. Code Ann. §8-9.5-8-10).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, for some funds. Funds in the Major Moves Construction Fund and the State Highway Fund remain in the accounts at the end of the year. Administrative action or budget augmentation by the State Budget Agency is required to release funds for INDOT use.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. Legislative appropriations are controlled at the program level, not by project. INDOT can transfer funds between projects without state legislative approval if those projects are under the same line item in the budget, but approval must be given by the State Budget Committee to transfer funds between line items.
<b>Legislative Actions to Control DOT Costs</b>	None.

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. There are two main funding formulas for local units of government: the Motor Vehicle Highway Account and the Local Road and Street Account. After set-asides, 15 percent of the money collected in the Motor Vehicle Highway Account is distributed to cities and towns by a statutory formula based on population, and 32 percent is distributed to counties by a statutory formula based on equal distribution, road miles, and vehicle registrations. These funds must be used for certain highway, bridge, or street purposes, but not for toll roads or toll bridges (Ind. Code Ann. §8-14-1-3, §6-6-1.1-801.5, and §6-6-2.5-68). The Local Road and Street Account consists of 45 percent of the revenues deposited in the State Highway, Road, and Street Fund, as well as 30 percent of \$50 million in off-the-top funding from state taxes on special fuels and gasoline. Total allocations to each county are based on vehicle registrations, and suballocations to cities and towns within each county are based on population and street miles. Counties with populations of more than 50,000 have a different suballocation formula than counties with populations of 50,000 or less (Ind. Code Ann. §8-14-2-4, §6-6-1.1-801.5, and §6-6-2.5-68). In addition, the legislature has enacted separate appropriations of state revenues for local matches for Federal funds.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties and municipalities to adopt local option wheel taxes and motor vehicle excise surtaxes for road and street purposes, and property taxes for bridge projects (Ind. Code Ann. §6-3.5-4-2, §6-3.5-5-2, §8-16-3-3, and §8-16-3.1-4; 2016 Ind. Acts, P.L. 146-2016). Marion County and surrounding counties, by referendum, can adopt local-option income taxes to fund public transit in the Central Indiana region beginning with the 2016 elections (2014 Ind. Acts, P.L. 153-2014). Marion County may also levy vehicle rental excise taxes for capital improvements that can include roads and streets (Ind. Code Ann. §§6-6-9.7-1 et seq.). Transit districts may impose property taxes (Ind. Code Ann. §8-9.5-7-17 and §36-9-4-46) and local governments may charge developers impact fees to pay for development-related capital improvements (Ind. Code Ann. §§36-7-4-1300 et seq.).

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	234,073 (206,730 rural, 27,343 urban)
	Bridges	24,598
	Toll facilities	Yes (bridges: 3)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, ferry boat, vanpool, demand response
	Urban transit trips in 2013	22.7 million
<b>Rail</b>	Freight rail route miles	Freight rail route miles: 3,851
<b>Aviation</b>	Total airports	202
	Public-use airports	115
	Passengers boarded in 2013	1.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	8.9 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Iowa General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (50 members), House of Representatives (100 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to May
<b>Legislative Measures Introduced in 2016</b>	1,500 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation House Committee on Public Safety House Committee on Transportation Joint Transportation, Infrastructure, and Capitals Appropriations Subcommittee [Interim] Fuel Distribution Percentage Formula Review Committee (meets every six years, per Iowa Code Ann. §452A.3)

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Iowa Department of Transportation (Iowa DOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Director of Transportation (serves on governor's cabinet), Transportation Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	2,789 authorized
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	Yes. The Motor Vehicle Division is a division of the Iowa DOT and is funded out of the department's budget.
<b>Includes Highway Patrol?</b>	In general, no. Generally, highway patrol functions are performed by the Department of Public Safety, funded by general funds and Federal funds. Certain Iowa DOT employees, however, may be authorized to enforce motor vehicle laws relating to the operating authority, registration, size, weight, and load of motor vehicles and trailers, and registration of a motor carrier's interstate transportation service with the department (Iowa Code Ann. §321.477).
<b>Jurisdiction Over Toll Facilities?</b>	No. The only toll facilities in Iowa are three privately operated bridges.

## Other

<b>Other State-Level Transportation Entities</b>	None. Iowa has no state-level transportation entities besides the Iowa DOT, the Transportation Commission, and (for highway patrol functions) the Department of Public Safety.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, extensive. The Iowa DOT varies its strategies for communicating with the legislature depending on needs. In general, the Iowa DOT director and other staff members engage with the legislature throughout the year through committee hearings, phone calls, briefings to the legislature, and a reception at the capitol that is hosted by the department at the start of each legislative session. The Iowa DOT employs a full-time legislative liaison within its Office of Policy and Legislative Services who maintains a high level of communication with legislators and legislative staff, responds to legislative requests and inquiries, informs DOT staff about current policy issues, represents the department at the capitol every day of the legislative session, and acts as the department's lobbyist.
<b>DOT Legislative Liaison</b>	The legislative liaison in the Iowa DOT's Office of Policy and Legislative Services is the main point of contact between the department and the General Assembly. The Iowa DOT director and other staff also regularly interact with and provide information to legislators and legislative staff.



## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Iowa Code Ann. tit. 8; Iowa Const. art. VII, §8 (revenue restrictions); portions of Iowa Code Ann. tit. 10 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. In Iowa, state agencies may pre-file legislative proposals that are introduced as “study bills” early in session and referred to the appropriate standing committee for consideration. If the bill is approved, its sponsorship changes to the committee. The Iowa DOT regularly pre-files such bills addressing both policy and technical matters.
	Advocacy and Lobbying	The Iowa DOT legislative liaison serves as the department’s lobbyist. The department works with other entities to move forward legislative initiatives of common interest.
	Fiscal Notes or Policy Impact Statements for Legislative Use	The Iowa DOT does not prepare fiscal notes for legislative initiatives. Fiscal notes are prepared by the Legislative Services Agency’s Fiscal Services Division.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The seven members of the Transportation Commission are appointed to four-year terms by the governor, subject to confirmation by the Senate. Members must meet statutory requirements for partisan balance and must not have specified conflicts of interest (Iowa Code Ann. §§307A.1A et seq.). The director of transportation is appointed by the governor, subject to confirmation by the Senate. The director may not hold any other public office or position for profit, engage in any business inconsistent with the director’s duties, serve on a political party committee, or contribute to campaign funds (Iowa Code Ann. §307.11).
<b>Legislature Able to Remove DOT Leaders?</b>	No. A district court can remove a commissioner from office, following a prescribed process (Iowa Code Ann. ch. 66). The director of transportation serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes (optional). The Joint Administrative Rules Review Committee selectively reviews proposed and existing rules. The committee may suspend or object to a rule, in which case the rule is then further reviewed by the relevant standing committees. A standing committee may sponsor a joint resolution to disapprove the rule (Iowa Code Ann. §17A.8).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. The Iowa DOT is subject to program evaluations conducted by the Legislative Services Agency, using fiscal and other data it requests from the Iowa DOT. The agency’s Fiscal Services Division, together with its Legal Services Division, perform these evaluations. The Fiscal Services Division also analyzes the department’s annual budget request. Iowa does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	The Iowa DOT or its director must submit annual reports to the General Assembly concerning the highway construction program (Iowa Code Ann. §307.12), the Secondary Road Research Fund (Iowa Code Ann. §310.36), the Street Research Fund (Iowa Code Ann. §312.3A), the Passenger Rail Service Revolving Fund (Iowa Code Ann. §327J.3), the Biodiesel and Biodiesel Blended Fuel Revolving Fund (Iowa Code Ann. §307.20), the Living Roadway Trust Fund (Iowa Code Ann. §314.21), roadside vegetation management (Iowa Code Ann. §314.22), departmental use of recycled and bio-based plastic products (Iowa Code Ann. §307.21), disagreements with soil and water conservation district commissioners (Iowa Code Ann. §306.54), equipment and vehicle purchases through the Highway Materials and Equipment Revolving Fund (Iowa Code Ann. §307.47), and highway crossings (Iowa Code Ann. §307.26). Until June 30, 2019, the department must also submit annual reports detailing how counties use state road funds to replace or repair structurally deficient bridges under their jurisdiction (Iowa Code Ann. §307.32). Every other year, the Iowa DOT must submit a report about transportation coordination (Iowa Code Ann. §324A.4), and every five years, it must submit a report concerning revenue levels and alternative funding sources (Iowa Code Ann. §307.31).

**Legislative Role in DOT Performance Management**

None besides the reporting requirements and legislative audits listed above.

**Other Legislative Oversight Mechanisms**

The General Assembly creates interim committees to study various issues, although none are currently studying transportation topics. Other oversight mechanisms include legislative requests for information from the Iowa DOT.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Annual budget; fiscal year begins July 1.

**Allocation of Transportation Revenues to the DOT****Federal Revenues**

No legislative role. Federal transportation funds flow directly to the Iowa DOT from the U.S. DOT with no state legislative involvement. Federal funds, especially for highways, are incorporated into the funding estimates in the Five-Year Transportation Improvement Program, which is approved by the Transportation Commission.

**State Revenues**

Partial legislative appropriation and budget approval. Some state transportation funds—mainly those from registration fees and fuel taxes—flow directly to the Iowa DOT from revenue sources with no state legislative involvement. These funds are allocated according to formulas in state statute and are used as programming funds for highway projects, subject to approval by the Transportation Commission. The General Assembly appropriates funds for other modes such as transit, rail, and aviation, either through project-specific earmarks or at the program or category level. The Iowa DOT operating budget also must go through the General Assembly each year before it is approved by the governor.

### State Transportation Budget

**Most Recently Enacted Transportation Budget**

FY 2017 transportation appropriations bill ([enacted](#)), FY 2017–21 Five-Year Transportation Improvement Program ([approved](#)) (see note)

**Authorized Expenditures (Appropriations Bill)**

Driver's license equipment lease/central issuance	\$3,876,000
Operations	\$47,712,188
Performance and technology	\$3,669,430
Planning and programming	\$8,935,770
Motor vehicles	\$37,566,630
Highway	\$244,749,911
Department of Administrative Services	\$1,854,000
Workers' compensation	\$3,948,442
County treasurers support	\$1,406,000
Inventory and equipment replacement	\$5,366,000
Mount Pleasant/Fairfield combined garage	\$4,902,000
Aviation grants	\$810,000
Other (see legislation for details)	\$6,866,400
<b>Total</b>	<b>\$371,662,771</b>

<b>Revenue Sources (Appropriations Bill)</b>	State Aviation Fund	\$810,000
	Road Use Tax Fund	\$50,223,194
	Primary Road Fund	\$320,629,577
	<b>Total</b>	<b>\$371,662,771</b>

**Note:** The Iowa transportation appropriations bill (summarized above for FY 2017) is enacted by the General Assembly each year and includes the Iowa DOT's operating budget and, at times, some appropriations for non-highway projects. Most capital funding, however, especially for highways, is outlined in the Five-Year Transportation Improvement Program, which presents estimates of revenues expected to be received from non-appropriated sources and is approved by the Transportation Commission. Overall, the most recent program estimates a total of \$1.2 billion in new, non-appropriated income to the Iowa DOT in FY 2017. Because some of the program's specific estimates are by calendar year, and others are by fiscal year, further details have not been provided here.

### Planning and Projects

#### Transportation Planning and Capital Project Selection Process

The Iowa DOT sets long-term, mode-specific planning and investment priorities that are approved by the Transportation Commission. The Iowa DOT also plans for more immediate projects in the annually updated Five-Year Transportation Improvement Program. Projects are identified by a wide range of sources including the Iowa DOT's district offices, MPOs and local governments, and public input at Transportation Commission meetings. The Transportation Commission establishes annual program-ming objectives, after which Iowa DOT staff evaluate potential projects based on technical factors. The Iowa DOT then develops the final program, which the Transportation Commission approves or amends. The governor's office is briefed but has no other specific role.

#### Legislative Role in the Planning Process

Limited legislative role. The General Assembly appropriates some funds for operations and non-highway modes—including some project-specific earmarks, which do not require Transportation Commission approval—but most Iowa DOT funding does not come from legislative appropriations. Legislative staff monitor the planning process, and individual legislators may raise constituent concerns to the Iowa DOT during this process. The planning for some programs must follow statutory criteria set by the General Assembly.

### State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (variable rate—other)	•	•	•							Until July 1, 2020, taxes on gasoline and diesel are to be adjusted annually based on fuel distribution percentage formulas (the gasoline tax rate based on the percentage of ethanol blended fuel sold, and the diesel tax rate based on the percentage of biodiesel blended fuel sold); these adjustments are intended to be revenue-neutral. The formula must be reviewed by a legislative interim committee at least every six years, with the next review due by Jan. 1, 2020 (Iowa Code Ann. §452A.3, §452A.79; 2015 Iowa Acts, Chap. 2)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied petroleum gas, liquefied and compressed natural gas, and others (Iowa Code Ann. §452A.3, §452A.79)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Iowa Code Ann. §452A.3, §452A.82)
Fuel taxes: watercraft	•	•					•			Used for recreational boating purposes (Iowa Code Ann. §452A.79A, §452A.84)
Vehicle registration fees	•	•	•							Deposited to the Road Use Tax Fund (Iowa Code Ann. §321.109, §321.145)
One-time registration fee on vehicle sales and leases	•	•	•	•						5 percent fee in lieu of sales tax, formerly the “motor vehicle use/lease tax”; includes allocations to the Road Use Tax Fund and to State Transit Assistance via the Statutory Allocations Fund (Iowa Code Ann. §321.105A, §321.145)
Vehicle title fees	•	•	•							Allocated in part to the Road Use Tax Fund via the Statutory Allocations Fund (Iowa Code Ann. §321.145)
Special license plate fees	•	•	•							In addition to regular annual registration fees; deposited in part to the Road Use Tax Fund via the Statutory Allocations Fund (Iowa Code Ann. §321.34, §321.145)
Truck registration fees (based on gross vehicle weight)	•	•	•							Deposited to the Road Use Tax Fund (Iowa Code Ann. §321.122, §321.145)
Oversize/overweight truck permit fees	•	•	•							Iowa Code Ann. §321E.14
Sales taxes on rental vehicles	•	•	•							Allocated in part to the Road Use Tax Fund via the Statutory Allocations Fund (Iowa Code Ann. §423.2, §312.1, §321.145)
Rest area sponsorship		•	•							Authorized in state administrative code, not statute; allocated to the Primary Road Fund (Iowa Admin Code §§761-123.1[307] et seq.)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Misc. fees and taxes	•	•	•							Includes driver's license fees, rental car excise taxes, trailer registration fees, and use taxes on leased vehicles and manufactured homes; all are allocated in part to the Road Use Tax Fund via the Statutory Allocations Fund (Iowa Code Ann. §321.145)
Aircraft registration fees	•	•				•				Iowa Code Ann. §328.21, §328.36, §328.56
Aircraft dealer license fees	•	•				•				Iowa Code Ann. §328.29; allocated to State Aviation Fund
Casino taxes	•	•		•	• Passenger and freight	•		•	•	"Wagering tax," deposited in part to Rebuild Iowa Infrastructure Fund; general use of revenues and fund authorized in statute (Iowa Code Ann. §8.57); specific allocations made through annual legislative appropriations; used for public transit, rail, aviation, pedestrian and bicycle paths, and recreational trails
Legislative appropriations		•					•			Ports are funded by specific legislative appropriations
Interest income	•	•	•	•	• Passenger and freight	•	•	•	•	Road Use Tax Fund, Marine Fuel Tax Fund, Rebuild Iowa Infrastructure Fund (Iowa Code Ann. §8.57, §321A.2, §312.1, §452A.79A)

### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."
- Recreational trails are categorized as both "pedestrian and bicycle projects" and "other" in this chart, under the assumption that they may be used for pedestrian, equestrian, bicycle, and motorized vehicular activities.
- The only toll facilities in Iowa are three privately operated bridges.
- Outdoor advertising revenues are deposited to the Highway Beautification Fund and used only to support the administration of the outdoor advertising program, not for the kinds of transportation activities described in this chart (Iowa Code Ann. §306B.1 et seq.).

<b>State Fuel Tax Model</b>	Variable rate until July 1, 2020 (adjusted based on fuel distribution percentage formulas, but intended to be revenue neutral)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of all motor vehicle fuel taxes, except for the cost of administration, to public highways, including debt (Iowa Const. art. VII, §8).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of all vehicle registration fees, except for the cost of administration, to public highways, including debt (Iowa Const. art. VII, §8). Revenues from taxes on fuels used in aircraft and watercraft are dedicated to those modes (Iowa Code Ann. §452A.3, §452A.79A, §452A.82, and §452A.84). Restrictions on specific appropriations are included in session law.
<b>Dedicated or Restricted Transportation Funds</b>	The Iowa DOT is funded primarily by the Road Use Tax Fund, the Primary Road Fund, and the TIME-21 Fund, which are defined and allocated in state law (Iowa Code Ann. ch. 312, 312A, and 313). State statute dedicates State Transit Assistance funds to transit systems (Iowa Code Ann. §324A.6) and the State Aviation Fund, which receives aviation-related revenues, to airports (Iowa Code Ann. §328.56).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•									Authorized up to a total of \$250,000 by the state constitution (Iowa Const. art. VII, §2 and §5); not currently in use
Revenue bonds	•	•	•	See notes	See notes	See notes	See notes	See notes		Authorized in statute (Iowa Code Ann. §§12.87 et seq.); issued in 2009 as part of a state-level bond issuance (see notes)
Build America Bonds	See notes	•	•							Issued in 2009 as part of a state-level bond issuance (see notes)
Advance construction		•	•							
Federal-aid matching: tapered match		•	•							
State infrastructure bank			•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; not authorized in state statute; currently inactive

#### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not in-



clude administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- State statute authorizes the use of revenue bonds for vertical infrastructure, which could include various transportation purposes (Iowa Code Ann. §§12.87 et seq.). In 2009, the Iowa DOT received a one-time appropriation for bridge repair from the proceeds of a large bond issuance of this kind. The bonds are being repaid with revenues from wagering taxes, and have been used for many purposes. They are not being repaid from funding used directly for transportation and are not considered a DOT debt. Build America Bonds were issued as part of the 2009 revenue bond package and, although the law does not identify them by name, under the same statutory authority.

<b>Transportation-Related Bonding</b>	No. Although the Iowa DOT received a one-time appropriation from revenue bonds for bridge repair in 2009, the debt was part of a large bond issue at the state level which was backed by wagering taxes, used for many purposes, and is not considered a DOT debt. The Iowa DOT, therefore, is currently debt-free. This makes Iowa one of five states that does not currently use bonding of any kind for transportation projects.
<b>Restrictions on Finance Mechanisms</b>	The state constitution prohibits general obligation debt from exceeding \$250,000 without voter approval (Iowa Const. art. VII, §2 and §5).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, with additional approvals required in some cases. Aside from statutory distributions to local entities, the Road Use Tax Fund and Primary Road Fund are allocated to the Iowa DOT in their entirety each year—either through statutory formula or appropriations—for road and highway purposes. Generally, any unspent balances remain in these funds. Funds that remain in the Road Use Tax Fund are re-distributed by applicable statutory formulas. Funds in the Primary Road Fund remain available to the Iowa DOT for use on eligible projects, subject to additional approval from the Transportation Commission. Any unexpected revenues are typically allocated to current projects with approval of the Transportation Commission after receipt. For funds that are appropriated by the General Assembly for Iowa DOT operating expenses, the Iowa DOT may keep half of any unused balance to be used in the next fiscal year for employee training and technology enhancement; otherwise, the money reverts to the respective funds and goes through the normal distribution process. Multimodal projects typically are funded by Iowa DOT grants drawn from non-road infrastructure funds and approved by the Transportation Commission; these funds are appropriated separately from road-related funds and the reversion date usually is four years. In the unusual case that grants for the total appropriated amounts are not made within four years, the Iowa DOT must apply to the General Assembly for an extension through the budget bill. Otherwise, the money reverts to the respective funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes, for some projects. Legislative approval is only required to move funds between projects that received specific legislative allocations or appropriations, which rarely happens. The rest of the time, approval is through the Transportation Commission.
<b>Legislative Actions to Control DOT Costs</b>	None.



## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory and committee formulas, legislative appropriations, and grants. The Street Construction Fund receives 20 percent of the Road Use Tax Fund after set-asides, 20 percent of the TIME-21 Fund, and 0.175 percent of the Primary Road Fund, and is distributed to cities for street projects using a statutory formula based on population. The Secondary Road Fund receives 24.5 percent of the Road Use Tax Fund after set-asides, 20 percent of the TIME-21 Fund, and 1.575 percent of the Primary Road Fund. Money that comes to the Secondary Road Fund through the TIME-21 Fund must be used for bridge projects and farm-to-market roads. Farm-to-market roads are also funded through the Farm-to-Market Fund, which receives 8 percent of the Road Use Tax Fund after set-asides. The Secondary Road Fund and the Farm-to-Market Fund are both distributed to counties by formulas set by the Secondary Road Fund Distribution Committee. The formulas are based on area, rural population, vehicle miles traveled, road miles, and bridge length (Iowa Code Ann. §309.10, §310.4, 312.2, §312.3, §312.3C, §312A.3, §313.4; Iowa Admin. Code §761-102.2 [312]). State Transit Assistance, which is supported by a fee on vehicle sales and leases, is mostly distributed by the Iowa DOT to transit agencies by a formula based on system performance (Iowa Code Ann. §321.145 and §324A.6; Iowa Admin. Code ch. 920). Local entities also receive state legislative appropriations and discretionary grants approved by the Transportation Commission.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to transfer general property tax revenues to secondary road funds (Iowa Code Ann. §331.429) and to assess local option vehicle registration taxes for transit, roads, or streets (Iowa Code Ann. §§423B.2 et seq.). Cities may impose special property taxes for highways, bridges, transit, or aviation purposes (Iowa Code Ann. §384.12). Cities and counties may form special assessment districts for infrastructure improvements, including street projects (Iowa Code Ann. §§331.485 et seq. and §§384.37 et seq.).

# KANSAS

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	287,076 (255,982 rural, 31,094 urban)
	Bridges	25,047
	Toll facilities	Yes (roads: 236 miles)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, vanpool, demand response
	Urban transit trips in 2015	8.7 million
<b>Rail</b>	Freight rail route miles	4,599
<b>Aviation</b>	Total airports	337
	Public-use airports	138
	Passengers boarded in 2015	897,220
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	178,000

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Kansas Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (40 members), House of Representatives (125 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to May
<b>Legislative Measures Introduced in 2016</b>	514
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation Senate Committee on Ways and Means <ul style="list-style-type: none"> <li>Transportation and Public Safety Subcommittee</li> </ul> House Committee on Transportation House Committee on Transportation and Public Safety Budget Joint Committee on State Building Construction The speaker of the House or president of the Senate may assign a bill to any committee, regardless of subject matter. Some transportation-related bills are heard in judiciary and appropriation committees, for example.

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Kansas Department of Transportation (KDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	2,515.6
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation (including unmanned aircraft systems), pedestrian/bicycle
<b>Includes DMV?</b>	No. The Division of Vehicles is a division of the Kansas Department of Revenue. It is primarily funded via a transfer from the State Highway Fund.
<b>Includes Highway Patrol?</b>	No. The Kansas Highway Patrol is an independent state agency. More than half of its budget comes from a transfer from the State Highway Fund. Other funding sources include Federal funds, Federal and state forfeiture programs, and a portion of state revenues collected on Vehicle Identification Number inspections on non-new vehicles brought into Kansas to be titled.
<b>Jurisdiction Over Toll Facilities?</b>	No. The Kansas Turnpike Authority has this jurisdiction. The secretary of transportation, however, is the authority's director (Kan. Stat. Ann. §68-2003).

## Other

<b>Other State-Level Transportation Entities</b>	Kansas Turnpike Authority (corporation/ instrumentality)	The Kansas Turnpike Authority, a quasi-public entity, operates under separate statutory authority from KDOT. The secretary of transportation, however, is a statutory member of the authority and also serves as its director. KDOT and the authority are authorized to contract with each other and minimize duplication of effort. The authority is funded by user fees and tolls (Kan. Stat. Ann. §§68-2001 et seq.; 2013 Kan. Sess. Laws, Chap. 113; 2015 Kan. Sess. Laws, Chap. 8).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. KDOT staff provide legislators with written updates on the work of the department, brief legislators on transportation topics, and testify at committee hearings. KDOT's Division of Policy serves as a source of information for the Legislature and also organizes meetings and press releases. The Kansas Legislative Research Department, a nonpartisan agency within the Legislature, works with KDOT staff to provide transportation-related information to legislators.
<b>DOT Legislative Liaison</b>	KDOT's legislative and public outreach coordinator acts as the main point of contact between the department and the Legislature. The director of policy is also a key contact.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Kan. Stat. Ann. ch. 3, 8, and 68; portions of Kan. Stat. Ann. ch. 66; Kan. Stat. Ann. §§75-5001 et seq.; Kan. Const. art. XI, §9 (internal improvements) and §10 (revenues); Kan. Stat. Ann. §§79-3401 et seq. (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. In Kansas, only legislators may request legislative bill drafts and sponsor and introduce legislation. If requested, however, KDOT may assist with bill drafts or proposals. An agency representative may also request introduction of a bill and provide suggested language. A bill must then be requested by a legislator or a legislative committee and drafted by a member of the staff of the Revisor of Statutes.
	Advocacy and Lobbying	KDOT staff sometimes represent the department's position on a legislative proposal when testifying at committee hearings. In addition, KDOT leaders may meet separately with legislative transportation committee members or other legislators.
	Fiscal Notes or Policy Impact Statements for Legislative Use	The Division of the Budget in the Department of Administration prepares fiscal notes for all legislation and requests information from state agencies such as KDOT to do so (Kan. Stat. Ann. §75-3715a).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation is appointed by the governor, subject to confirmation by the Senate (Kan. Stat. Ann. §75-5001).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The secretary of transportation serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Committee on Administrative Rules and Regulations reviews all proposed rules. The committee's role is mainly advisory (Kan. Stat. Ann. §77-436).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. KDOT is subject to audits conducted by the Legislative Division of Post Audit. The division provides auditing services to the Legislature at the direction of the bipartisan Legislative Post Audit Committee, from which legislators and the governor may request audits of state agencies, and has the authority to review any aspect of KDOT operations (Kan. Stat. Ann. §§46-1119 et seq.). This past year, the Legislature also contracted with an outside company for an efficiency audit, which included a look at statewide indebtedness, including KDOT bonding. Kansas does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	The secretary of transportation is required to submit an annual report to the Legislature. The report must detail the department's finances, project selection process, assistance awards, proposed work plan, and construction projects, as well as information about the Transportation Revolving Fund, the Coordinated Public Transportation Assistance Fund, the Rail Service Improvement Fund, and the Public Use General Aviation Airport Development Fund. In addition, the report must include "specific recommendations for any statutory changes necessary for the successful completion of the transportation program ... or efficient and effective operation of the Kansas department of transportation" and an explanation of any material changes from the previous annual report (Kan. Stat. Ann. §68-2315). The secretary must also deliver an annual report concerning KDOT's inventory of real property (Kan. Stat. Ann. §75-3516).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, as part of KDOT's annual budget submission, the department provides performance indicators to help track goals and progress from the prior year's actual budget through the budget years included in the submission. These measures are linked to specific KDOT programs. Legislative budget committees review this information and question KDOT officials as part of the budget process. KDOT's performance measures are also included in documentation provided by the Legislative Research Department for further legislative review.

**Other Legislative Oversight Mechanisms**

The Legislature reviews KDOT reports and other information provided to the general public in press releases and e-mails and on agency websites. Detailed budget submissions are required (Kan. Stat. Ann. §75-3717 and §75-3721). These submissions are reviewed closely and agency officials are questioned regarding them. Every state agency, including KDOT, must submit requests for new buildings, relocation of buildings, and rehabilitation and repair of existing structures to the Joint Committee on State Building Construction (Kan. Stat. Ann. §75-3717b). The Legislative Coordinating Council may approve interim committees to study various issues, although none currently are studying transportation topics. Legislators routinely request KDOT-related information via the Legislative Research Department and directly from KDOT. Two legislators serve on the Kansas Turnpike Authority, a separate entity whose operations are directed by the secretary of transportation.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No. All compliance activities are performed by KDOT staff included in KDOT budget items, as a normal operating expense.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Annual budget for most state agencies (including KDOT); fiscal year begins July 1. The governor submits a budget for KDOT, but most funding comes from sources dedicated to KDOT and is appropriated without limit.

**Allocation of Transportation Revenues to the DOT**

Federal Revenues	No legislative role. Federal transportation funds flow directly to the KDOT from the U.S. DOT with no state legislative involvement.
State Revenues	Legislative appropriation. State transportation funds for capital improvements and preservation projects mainly come from the State Highway Fund, which is legislatively appropriated to KDOT with no limit on expenditure authority. Operating expenditures are provided, with limits, through appropriations to departmental programs or broad spending categories. Generally, only overhead expenditures and building expenditures have specific legislative oversight.

### State Transportation Budget

**Most Recently Enacted Transportation Budget**

Annual budget, FY 2017 (approved), separate capital and operating budgets (see note)

**Authorized Expenditures**

Administration and transportation planning	\$57,900,769
Local support	\$225,950,099
Maintenance	\$139,347,764
Construction	\$932,904,182
<b>Total</b>	<b>\$1,356,102,814</b>

**Revenue Sources**

KDOT agency operations	\$255,917,332
All other funds	\$1,100,185,482
<b>Total</b>	<b>\$1,356,102,814</b>

**Note:** The numbers in this chart are drawn from a KDOT summary of the department's approved reportable expenditures for FY 2017. They reflect both appropriated and non-appropriated revenues.

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

KDOT leads all aspects of the transportation planning process. Construction projects are identified by KDOT, MPOs, and other parties. After scoring projects, KDOT solicits further input on a short-list of candidate projects within a spending range for each region. This part of the process includes local consultation meetings. KDOT, using stakeholder input, then selects and programs projects for construction. Maintenance projects are selected based solely on engineering criteria and available funding. Prioritization decisions ultimately rest with the secretary of transportation.

### Legislative Role in the Planning Process

Limited legislative role. The Legislature sets broad priorities for KDOT in statute when it approves the state's multi-year transportation plan. This occurred most recently in 2010 when the 10-year, \$8 billion Transportation Works for Kansas (T-Works) program was enacted into law (Kan. Stat. Ann. §§68-2314b et seq.). The multi-year plan, however, provides only general priorities and focuses mainly on revenues and financing. It also requires KDOT to spend at least \$8 million in each county over the duration of the T-Works program (Kan. Stat. Ann. §68-2316). Beyond that, the Legislature has only an advisory role and has not claimed an active role in project selection. The secretary of transportation does report to the Legislature annually on KDOT-selected projects.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•							Use is restricted to roads (Kan. Stat. Ann. §79-3402, §79-3408, §79-3408c, §79-34,126, §79-34,141, §79-34,142)
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied petroleum gas and liquefied and compressed natural gas; use is restricted to roads (Kan. Stat. Ann. §§79-3490 et seq., §79-34,141, §79-34,142)
Sales of confiscated fuel	•	•	•	•	See notes	•		•		Proceeds of sale of fuel confiscated for nonpayment of taxes; deposited to the State Highway Fund (Kan. Stat. Ann. §55-518)
Vehicle registration and title fees	•	•	•	•	See notes	•		•		Deposited to the State Highway Fund (Kan. Stat. Ann. §8-132, §8-145); also includes fees for reinstating registrations that were revoked for failure to maintain insurance (Kan. Stat. Ann. §40-3118)
Special license plate fees	•	•	•	•	See notes	•		•		Deposited to the State Highway Fund (Kan. Stat. Ann. §8-132)
Truck registration fees (based on gross vehicle weight)	•	•	•	•	See notes	•		•		Deposited to the State Highway Fund (Kan. Stat. Ann. §§8-143 et seq., §8-1,101)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Motor carrier license fees	•	•	•	•	See notes	•		•		Twice per year, unencumbered balances in excess of \$700,000 in the motor carrier license fees fund are transferred to the State Highway Fund (Kan. Stat. Ann. §66-1,142)
Oversize/overweight truck permit fees	•	•	•	•	See notes	•		•		Deposited to the State Highway Fund (Kan. Stat. Ann. §8-1911)
Truck permit fees, other	•	•	•	•	See notes	•		•		Includes permits for dealer demonstrations and 72-hour transport permits (Kan. Stat. Ann. §§8-143c et seq.)
Driver's license and state ID card fees	•	•	•	•	See notes	•		•		Deposited in part to the State Highway Fund (Kan. Stat. Ann. §8-243, §8-246, §8-267, §8-1324, §8-1333); includes fees for reinstatement or additional testing (Kan. Stat. Ann. §8-241, §8-255)
Misc. fees and fines	•	•	•	•	See notes	•		•		Includes allocations to the State Highway Fund from vehicle dealer license fees (Kan. Stat. Ann. §8-2418), junkyard certificate of compliance fees (Kan. Stat. Ann. §68-2205), penalties for violations of commercial vehicle out-of-service orders (Kan. Stat. Ann. §8-2,152), and 5/106 of revenues from clean water drinking fees (Kan. Stat. Ann. §82a-2101)
Outdoor advertising revenues	•	•	•	•	See notes	•		•		Sign permit fees; deposited to the State Highway Fund (Kan. Stat. Ann. §68-2236)
Property sales	•	•	•	•	See notes	•		•		Deposited to the State Highway Fund (Kan. Stat. Ann. §68-413, §68-423a)
State general sales taxes	•	•	•	•	See notes	•		•		Portions of both the state sales tax and the compensating tax are deposited to the State Highway Fund (Kan. Stat. Ann. §79-3620, §79-3710)
Interest income	•	•	•	•	See notes	•		•		State Highway Fund (Kan. Stat. Ann. §68-2324), Highway Bonds Proceeds Fund (Kan. Stat. Ann. §68-2321), International Fuel Tax Agreement Clearing Fund (Kan. Stat. Ann. §79-34,126), International Registration Plan Clearing Fund (Kan. Stat. Ann. §8-1,101)



**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- The Kansas Turnpike Authority, a quasi-public instrumentality, operates toll roads (Kan. Stat. Ann. §68-2009).
- State statute allocates some State Highway Fund revenues to freight rail via the Rail Service Improvement Fund (Kan. Stat. Ann. §75-5048). State statute also allows the fund to be used for any purpose in the Transportation Works for Kansas authorizing statute, which includes rail grade separations and rail service assistance (Kan. Stat. Ann. §68-416 and §68-2314b). There is disagreement, however, about whether the fund can be used for passenger rail. In the opinion of the former secretary of transportation, for example, the state constitution’s prohibition on internal improvements (Kan. Const. art. XI, §9) precluded funding being used specifically for passenger rail absent an “affirmative vote of not less than two-thirds of all members” of each legislative chamber. So far, State Highway Fund moneys appear to have been used for signal and other crossing modernization projects on tracks used by both Amtrak and freight railroads, but not for projects that solely benefit passenger rail.
- KDOT also has a Federal Funds Exchange Program that allows local public agencies to trade their Federal funds with KDOT in exchange for state dollars. Exchanging Federal funds for state funds often allows the local agency more flexibility. Given that the exchange rate is \$0.90 of state funds for every \$1.00 of local Federal obligation authority exchanged, this program also likely increases moneys available to the State Highway Fund.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional and statutory, roads and bridges. The state constitution authorizes the state to levy special taxes on motor fuels for road and highway purposes (Kan. Const. art. XI, §10). State statute further dedicates motor fuel taxes to highways, including related debt (Kan. Stat. Ann. §79-3402).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution gives the state the power to levy special taxes on motor vehicles for road and highway purposes (Kan. Const. art. XI, §10) and prohibits the use of a general property tax for highway purposes (Kan. Const. art. XI, §9). State statute requires tolls and other revenues from the Kansas Turnpike to be used for turnpike projects or debt (Kan. Stat. Ann. §68-2009). State statutes also direct various transportation-related revenues to the State Highway Fund.
<b>Dedicated or Restricted Transportation Funds</b>	State statute directs the use of the State Highway Fund to highways, public transit, and other transportation purposes. Some revenues from the State Highway Fund are further allocated to the Coordinated Public Transportation Assistance Fund for coordinated transportation systems, the Rail Service Improvement Fund for freight rail, and the Public Use General Aviation Airport Development Fund for general aviation airports (Kan. Stat. Ann. §68-416, §68-2314b, §75-5035, §75-5048, and §75-5061).
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•							Authorized in statute; annual debt service is capped at 19 percent of annual State Highway Fund revenues for FY 2017 only, after which the cap reverts to 18 percent (Kan. Stat. Ann. §68-2320)
Build America Bonds	See notes	•	•							Issued in support of the Transportation Works for Kansas program in 2010; state statute does not specifically authorize them, but does indicate legislative acceptance of their use under certain circumstances (Kan. Stat. Ann. §68-2314b[b][2])
Advance construction		•	•					•		
Partial conversion of advance construction		•	•							
Federal-aid matching: tapered match		•	•							
Federal-aid matching: toll credits ("soft match")		•	•							Used by KDOT
Design-build	•	•	•							Authorized for one highway demonstration project only (Kan. Stat. Ann. §68-2314b); project is now in progress
State infrastructure bank	•	•	•							Transportation Revolving Fund; capitalized with state funds only; may be used for highway and road projects only (Kan. Stat. Ann. §§75-5063 et seq.)

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."

- Although state statute does not identify Build America Bonds by name, the law does authorize them inasmuch as it was amended in 2010 to allow 25-year bonds for which the interest is eligible for Federal subsidies (Kan. Stat. Ann. §68-2321; 2010 Kan. Sess. Laws, Chap. 156).

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	State statute limits the amount of debt KDOT may incur. For FY 2017 only, annual debt service for highway revenue bonds is capped at 19 percent of annual State Highway Fund revenues; the cap reverts to 18 percent in subsequent years (Kan. Stat. Ann. §68-2320). Design-build is authorized for one highway demonstration project only (Kan. Stat. Ann. §68-2314b).
<b>Finance Mechanisms Prohibited in State Law</b>	The state constitution prohibits the use of general obligation bonds for highways (Kan. Const. art. XI, §9).

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Excess funds remain within the State Highway Fund. Projects tend to exceed available funding, however, so most funds are programmed or encumbered. Any revenues received beyond the amount included within the submitted budget estimate are available for use. The authority for use of the State Highway Fund is statutorily given to the secretary of transportation (Kan. Stat. Ann. §§68-404 et seq.).
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	Provisions in state statute allow the Kansas Turnpike Authority and the secretary of transportation to contract with each other for preliminary project studies and investigations or to provide personnel, equipment, or other resources for various functions including highway construction, maintenance, and operation (Kan. Stat. Ann. §68-2021 and §68-2021a). This is designed to reduce redundancy of effort and equipment between the authority and KDOT.

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. State statute directs all motor carrier property taxes and 33.63 percent of fuel taxes to the Special City and County Highway Fund, which is to be distributed to cities and counties by formulas based on number of registered vehicles, vehicle miles traveled, road mileage and, for cities only, population. Motor carrier property tax deposits to this fund, however, have been suspended since 2010 and had been limited since 2001. At least 25 percent of the funds each county receives must be used for mail and school bus routes on county roads (Kan. Stat. Ann. §§79-3425 et seq. and §79-34,142).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes cities to levy vehicle taxes for street improvements (Kan. Stat. Ann. §12-143). Counties and municipalities may assess property taxes for roads, streets, and bridges (Kan. Stat. Ann. §15-733, §68-518c, §68-559a, §68-596, §68-5,100, and §80-1413). Cities may adopt property taxes for transit uses (Kan. Stat. Ann. §12-2814 and §13-3112). Some counties are specifically authorized to adopt local sales taxes for highway and road projects (Kan. Stat. Ann. §§12-187 et seq.).

# KENTUCKY

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	166,286 (133,355 rural, 32,932 urban)
	Bridges	14,261
	Toll facilities	Yes (bridges: 3, expected to open in 2016)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, vanpool, demand response
	Urban transit trips in 2013	27.1 million
<b>Rail</b>	Freight rail route miles	2,608
<b>Aviation</b>	Total airports	156
	Public-use airports	59
	Passengers boarded in 2013	5.0 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	101.1 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Kentucky General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (38 members), House of Representatives (100 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to Mar. (odd years), Jan. to Apr. (even years)
<b>Legislative Measures Introduced in 2016</b>	1,550 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	<ul style="list-style-type: none"> <li>Senate Committee on Appropriations and Revenue <ul style="list-style-type: none"> <li>Senate Budget Review Subcommittee on Transportation</li> </ul> </li> <li>Senate Committee on Transportation</li> <li>House Committee on Appropriations and Revenue <ul style="list-style-type: none"> <li>House Budget Review Subcommittee on Transportation</li> </ul> </li> <li>House Committee on Transportation</li> <li>[Interim] Joint Interim Committee on Appropriations and Revenue <ul style="list-style-type: none"> <li>Budget Review Subcommittee on Transportation</li> </ul> </li> <li>[Interim] Joint Interim Subcommittee on Transportation</li> </ul>

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Kentucky Transportation Cabinet (KYTC)
<b>Structure</b>	Organized mainly by functional activity. The KYTC comprises ten executive offices, which are organized by functional activity, and four departments, one of which is the Department of Aviation.
<b>Leadership</b>	Secretary of the KYTC (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	4,700
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	Yes. The Department of Vehicle Regulation is within the KYTC. The majority of its funding comes from the Road Fund, with fines, fees, penalties, and Federal grants making up the rest. Driver's licenses are issued by the state circuit court clerk's office in each county. Driver's license testing is conducted by the Kentucky State Police.
<b>Includes Highway Patrol?</b>	In general, no. Traffic and motor carrier enforcement functions are carried out by the Kentucky State Police, a state agency under the umbrella of the Kentucky Justice and Public Safety Cabinet. It is funded primarily by the Road Fund and general funds, with some revenues coming from fines, fees, penalties, and Federal funds. In addition, however, an incident management patrol service called the "Safe Patrol" is housed within the KYTC's Office of Highway Safety, which is funded by the Road Fund and some Federal funds.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. The KYTC has jurisdiction over the Ohio River Bridges (expected to open on or before Dec. 31, 2016).

## Other

<b>Other State-Level Transportation Entities</b>	Turnpike Authority of Kentucky (corporation/ instrumentality)	The Turnpike Authority of Kentucky is a quasi-public entity that is used to issue bonds for highway projects. The authority's transportation-related debt service is paid from the Road Fund. The secretary of the KYTC is an ex officio member of the authority (Ky. Rev. Stat. §§175.410 et seq.).
	Kentucky Public Transportation Infrastructure Authority (corporation/ instrumentality)	The Kentucky Public Transportation Infrastructure Authority, an "independent de jure municipal corporation" and instrumentality of the state, facilitates and finances authorized transportation "mega-projects." The authority's debt service is paid from toll revenues and Federal funds. The authority is administered by the KYTC, which covers administrative costs, and the secretary of the KYTC serves as chair ex officio (Ky. Rev. Stat. §§175B.005 et seq.).
	Bond-issuing commissions (state agencies)	Although not technically transportation entities, the Kentucky Asset/Liability Commission can issue GARVEE bonds for Federally-funded transportation projects, and the State Property and Buildings Commission is used by the KYTC to issue bonds for projects that are not bridges or roads. Each is an independent administrative state agency and public body corporate that consists entirely of ex officio members from other state agencies, but not the KYTC (Ky. Rev. Stat. §§56.860 et seq. and §§56.440 et seq.).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Mainly informal. Aside from statutory reporting requirements, communication between the General Assembly and the KYTC is not formalized and is generally ad hoc. The secretary has an open-door policy for legislators and, along with other KYTC administrators, is available to legislative staffers. KYTC administrators routinely meet with legislators and appear before legislative committees. The KYTC also employs a dedicated legislative liaison, who regularly interacts with key legislators and testifies at committee meetings.
<b>DOT Legislative Liaison</b>	KYTC administrators and the legislative liaison all serve as points of contact between the department and the General Assembly.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Ky. Rev. Stat. tit. 15 and 16; portions of Ky. Rev. Stat. tit. 24; Ky. Const. §230 (revenue restrictions); portions of Ky. Rev. Stat. tit. 11 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. In Kentucky, only legislators may request legislative bill drafts and sponsor and introduce legislation. The KYTC does, however, regularly give input to bill sponsors.
	Advocacy and Lobbying	The KYTC does advocate for and against legislation in some cases. Often it will take a neutral stance.
	Fiscal Notes or Policy Impact Statements for Legislative Use	In Kentucky, fiscal notes are prepared by legislative staff. The KYTC and other executive branch agencies do, however, provide Legislative Research Commission staff with necessary information and data to prepare the notes.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of the KYTC is appointed to a four-year term by the governor (Ky. Rev. Stat. §12.040 and §12.255).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The governor may remove the secretary of the KYTC from office (Ky. Rev. Stat. §63.080).
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Administrative Regulation Review Subcommittee of the Legislative Research Commission reviews all proposed rules and may review existing rules. The subcommittee's role is mainly advisory. After rules are reviewed by the subcommittee, they are also referred to the relevant standing committees and subcommittees for further optional and advisory review (Ky. Rev. Stat. §§13A.020 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. The KYTC is subject to reviews conducted by the legislature's Program Review and Investigations Committee, a 16-member bipartisan committee that is empowered to review state agencies and program. Kentucky does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	The secretary of the KYTC must submit annual reports to the General Assembly concerning bicycle and bikeway needs (Ky. Rev. Stat. §174.125), design-build projects (Ky. Rev. Stat. §176.431), and the status of delayed projects (2014 Ky. Acts, Chap. 127). The secretary is also required to submit quarterly reports concerning the Road Fund Cash Management Plan (2014 Ky. Acts, Chap. 127) and monthly reports on current projects (Ky. Rev. Stat. §176.430). In addition, state law requires all state budget units to share records with the General Assembly that detail activities, appropriations, allotments, expenditures, receipts, transfers, encumbrances, and available balances (Ky. Rev. Stat. §48.800). The KYTC provides an annual financial report with this information for all of its operating funds.
<b>Legislative Role in DOT Performance Management</b>	None besides the reporting requirements and legislative audits listed above.



**Other Legislative Oversight Mechanisms**

Between legislative sessions, both interim committees on transportation hold monthly meetings in which KYTC activities are discussed and examined. Other oversight mechanisms include legislative reviews of audits conducted by the Auditor of Public Accounts, an independent elected office, and legislative requests for information from the KYTC.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Biennial enactment of two 12-month budgets; fiscal year begins July 1.

**Allocation of Transportation Revenues to the DOT**

Federal Revenues	Legislative appropriation. Federal transportation funds are legislatively appropriated to the KYTC through the biennial budget process. Funds are allocated within the categories of general administration and support, aviation, debt service, highways, public transportation, revenue sharing, and vehicle regulation. Within those categories, additional direction is provided to guide expenditures.
State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are legislatively appropriated to the KYTC within certain categories, with additional direction to guide expenditures.

### State Transportation Budget

**Most Recently Enacted Transportation Budget**

Biennial budget, FY 2017 and FY 2018 ([enacted](#)), separate capital and operating budgets (see note)

**Authorized Expenditures (Capital Budget, FY 2017 only)**

General administration and support	\$5,099,000
Aviation	\$600,000
Highways	\$3,350,000
Vehicle regulation	\$1,250,000
<b>Total</b>	<b>\$10,299,000</b>

**Revenue Sources (Capital Budget, FY 2017 only)**

Road Fund	\$9,699,000
Investment income	\$600,000
<b>Total</b>	<b>\$10,299,000</b>

**Authorized Expenditures (Operating Budget, FY 2017 only)**

General administration and support	\$76,967,400
Aviation	\$24,964,800
Debt service	\$156,899,900
Highways	\$1,579,906,300
Public transportation	\$32,151,300
Revenue sharing	\$330,812,900
Vehicle regulation	\$45,920,400
<b>Total</b>	<b>\$2,247,623,000</b>

**Revenue Sources (Operating Budget, FY 2017 only)**

General fund	\$16,228,200
Restricted funds	\$132,732,200
Federal fund	\$740,779,100
Road Fund	\$1,357,883,500
<b>Total</b>	<b>\$2,247,623,000</b>



**Note:** The numbers in this chart are drawn from the capital and operating budgets provided by Kentucky’s [Office of State Budget Director](#), which include the KYTC appropriations bill for FY 2017 and FY 2018 (2016 Ky. Acts, Chap. 148), separate general fund appropriations for aviation facilities (2016 Ky. Acts, Chap. 146), and a budgeted lapse of \$3,483,000 for a Build America Bonds subsidy.

### Planning and Projects

#### Transportation Planning and Capital Project Selection Process

The state adopts a biennial highway construction plan and a six-year road plan every two years. The KYTC spearheads the planning process—coordinating input from MPOs, area development district agencies, and other stakeholders—and is primarily responsible for identifying projects, most of which originate at the local level. Legislators also identify and recommend projects. The governor presents the proposed six-year plan to the General Assembly for consideration and approval; the General Assembly can amend the governor’s recommended plan.

#### Legislative Role in the Planning Process

Substantial legislative role. Legislators participate in the process by identifying and recommending projects. The General Assembly also is required by statute to adopt the biennial highway construction plan in a bill and to adopt the last four years of the six-year road plan in a non-binding resolution. This allows for significant legislative involvement, and the final plan may differ significantly from the one prepared by the KYTC and submitted by the governor.

### State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate and variable rate—percentage of price)	•	•	•							Use is restricted to roads; taxes on both gasoline and diesel include a fixed-rate component and a variable component based on average wholesale price of fuel, with a price floor of \$2.177/gallon; the price cannot vary more than 10 percent per year (Ky. Rev. Stat. §138.220, §138.228; Ky. Const. §230; 2015 Ky. Acts, Chap. 67)
Fuel taxes: alternative fuels (fixed rate and variable rate—percentage of price)	•	•	•							Includes taxes on liquefied petroleum gas and other special fuels; assessed the same way, but at different rates, as gasoline and diesel taxes (Ky. Rev. Stat. §138.210, §138.220, §234.320)
Fuel taxes: jet fuel	•	•				•				Capped at \$1 million per carrier per year (Ky. Rev. Stat. §144.132, §183.525)
Vehicle registration and title fees	•	•	•							Use is restricted to roads (Ky. Rev. Stat. §186.050; Ky. Const. §230)
Sales taxes on motor vehicle sales	•	•	•							“Usage tax”; use is restricted to roads; deposited to the Road Fund (Ky. Rev. Stat. §138.460, §139.779; Ky. Const. §230)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Truck registration fees (based on gross vehicle weight)	•	•	•							Use is restricted to roads (Ky. Rev. Stat. §186.050; Ky. Const. §230)
Weight-distance taxes (trucks)	•	•	•							Use is restricted to roads (Ky. Rev. Stat. §138.660; Ky. Const. §230)
Oversize/overweight truck permit fees	•	•	•							Includes permit fees for any oversize or overweight trucks and special permit fees for overweight coal trucks; use is restricted to roads (Ky. Rev. Stat. §177.9771; Ky. Rev. Stat. §§189.230 et seq.; Ky. Const. §230)
Driver's license fees	•	•	•							Deposited to the Road Fund (Ky. Rev. Stat. §186.531)
Tolls	•		•							Authorized (Ky. Rev. Stat. §§180.010 et seq.) but not currently in use; the state will begin collecting tolls when new toll bridges that are currently under construction open to traffic, which is expected to occur on or before Dec. 31, 2016
Capital City Airport Division revenues	•	•				•				Includes revenues from the operation of state-owned aircraft and airport user fees (Ky. Rev. Stat. §174.504)
Motorboat registration and title fees	•	•					•			Ky. Rev. Stat. §235.080, §235.085, §235.130
Non-restricted Road Fund revenues		•				•				Annual legislative appropriations of non-restricted revenues to aviation
General funds		•		•		•	•			Legislative appropriations for aviation, riverports, and transit
Interest income	•	•	•							Road Fund (Ky. Rev. Stat. §42.500)

**Note:** In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon) and variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution dedicates fuel tax revenues to public highways and bridges, including debt and the enforcement of traffic and vehicle laws (Ky. Const. §230).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution dedicates revenues from vehicle-related fees, excise or license taxes to public highways and bridges, including debt and the enforcement of state traffic and vehicle laws (Ky. Const. §230). State statute dedicates jet fuel tax proceeds to aviation facilities (Ky. Rev. Stat. §183.525).
<b>Dedicated or Restricted Transportation Funds</b>	Fuel taxes and other revenues accrue to the state's Road Fund, but in general, state law restricts the use of transportation-related revenues, rather than the funds into which they are deposited.
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•			•				Toll revenue bonds (Ky. Rev. Stat. §177.400, §§175.500 et seq.; See notes) and airport revenue bonds (Ky. Rev. Stat. §§183.630 et seq.) are authorized in statute; legislative approval is required for revenue bonds that are to be repaid by the Road Fund (Ky. Rev. Stat. §56.870); currently in use for road and airport projects
GARVEE bonds	•	•	•							Authorized by budget acts; broad GARVEE authorization for certain projects is in state statute (Ky. Rev. Stat. §175B.025); most recently issued in 2015
Build America Bonds		•	•							Issued in 2010 for highway projects
Federal credit assistance: TIFIA		•	•							Active loan(s), used for a highway project
Advance construction		•	•							
Federal-aid matching: toll credits ("soft match")		•	•							
Design-build	•	•	•							Authorized in statute for up to five road and bridge demonstration projects per year; projects must have a construction cost of \$30 million or less (Ky. Rev. Stat. §176.431); used for several road projects

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Public-private partnerships	•		•							As of April 2016, authorized in statute for capital projects, including highways (Ky. Rev. Stat. §45A.077; 2016 Ky. Acts, Chap. 67); further legislative approval required for some projects

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. For Kentucky, however, bonds issued by the Kentucky Turnpike Authority and the Kentucky Public Transportation Infrastructure Authority are included because they are among those mechanisms that are used specifically to finance projects under KYTC jurisdiction. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	The state constitution prohibits general obligation debt from exceeding \$500,000 without voter approval (Ky. Const. §49 and §50). Design-build contracts are only authorized for up to five road and bridge demonstration projects per year. Projects must have a construction cost of \$30 million or less (Ky. Rev. Stat. §176.431). The General Assembly must approve any public-private partnership with an aggregate value of \$25 million or more, or any partnership for a project to link Kentucky and Ohio (Ky. Rev. Stat. §45A.077 and §175B.030; 2016 Ky. Acts, Chap. 67).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes and no. Historically, most transportation resources have been retained by the KYTC for transportation purposes. The General Assembly, however, provides the appropriation authority necessary for the KYTC to spend the funds. By state law, appropriations for executive agencies lapse at the end of a fiscal year (Ky. Rev. Stat. §45.229), so funds carried forward from a previous year in most areas must be legislatively re-appropriated in order for the KYTC to spend them. Some areas have been exempted from this requirement by budget bill provisions that have allowed appropriation balances to be carried forward. Excess money in the Road Fund must be deposited in a surplus fund, and no expenditures can be made from the fund unless legislatively appropriated or directed by the legislature in the case of revenue shortfalls (Ky. Rev. Stat. §48.710).
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No, but there is a review and approval process for any modifications to the appropriation levels.
<b>Legislative Actions to Control DOT Costs</b>	State law requires a department engineer’s estimate for the costs of a highway construction project to be made public and requires contracts to be awarded to the lowest and best bidder (Ky. Rev. Stat. §176.080).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. State law dedicates 48.2 percent of motor fuel tax revenues to county and city governments for construction, reconstruction, and maintenance of local roads and bridges. The County Road Aid program receives 18.3 percent, and the Rural Secondary Program 22.2 percent (Ky. Rev. Stat. §177.320). These revenues are distributed by a statutory formula based on population, area, and public road mileage (Ky. Rev. Stat. §177.360). The other 7.7 percent goes to the Municipal Aid Program and is distributed based on population (Ky. Rev. Stat. §177.365 and §177.366).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes local entities within transit authority service areas to levy special “occupational license fees” or property taxes for transit purposes (Ky. Rev. Stat. §96A.320 and §96A.340). Local option sales taxes for transit programs are also authorized in statute, but have not been implemented due to constitutional restrictions on local excise taxes (Ky. Rev. Stat. §96A.340; Ky. Const. §181). Public road districts may levy special assessments for road improvements (Ky. Rev. Stat. §§184.010 et seq.)

# LOUISIANA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	130,024 (90,899 rural, 39,125 urban)
	Bridges	12,900
	Toll facilities	Yes (roads: 1.5 miles; bridges: 4)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, light rail, ferry boat, streetcar, demand response
	Urban transit trips in 2013	38.4 million
<b>Rail</b>	Freight rail route miles	2,912
<b>Aviation</b>	Total airports	235
	Public-use airports	70
	Passengers boarded in 2013	5.8 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	544.0 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Louisiana Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (39 members), House of Representatives (105 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Apr. to June (odd years), Mar. to June (even years)
<b>Legislative Measures Introduced in 2016</b>	2,882 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Finance Senate Committee on Revenue and Fiscal Affairs Senate Committee on Transportation, Highways, and Public Works House Committee on Appropriations <ul style="list-style-type: none"> <li>Subcommittee on Infrastructure and Resources</li> </ul> House Committee on Transportation, Highways, and Public Works House Committee on Ways and Means Joint Committee on Capital Outlay Joint Highway Priority Construction Committee (composed of the entire membership of the Senate and House committees on transportation, highways, and public works)

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Louisiana Department of Transportation and Development (DOTD)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation and Development (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	4,194 authorized
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle, flood control. DOTD provides funding for public transit, ports, aviation, and statewide flood control through statutory programs.
<b>Includes DMV?</b>	No. The Office of Motor Vehicles is a division of the Department of Public Safety and Corrections. It is funded by a portion of vehicle registration and driver's license fees, not out of DOTD's budget.
<b>Includes Highway Patrol?</b>	No. The Louisiana State Police is a division of the Department of Public Safety and Corrections. It is funded by a portion of vehicle registration fees, not out of DOTD's budget.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. DOTD currently operates Leeville Bridge.

## Other

<b>Other State-Level Transportation Entities</b>	None. Louisiana has no state-level transportation entities outside of DOTD and (for DMV and highway patrol functions) the Department of Public Safety and Corrections. Within DOTD, however, is the Louisiana Transportation Authority, established to develop and operate tollways and transitways. The authority is staffed and funded by DOTD, and the secretary of transportation and development is one of its nine directors (La. Rev. Stat. Ann. §§48:2071 et seq.).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. DOTD staff interact formally and informally with Senate and House committees, other legislators, and legislative staff. The secretary and executive staff engage with the Legislature on relevant issues. Under the direction of the executive team, DOTD general counsel and legal staff draft and track legislation and provide informational testimony in legislative hearings. The general counsel also ensures that DOTD is in compliance with legislative mandates and expectations, in communication with legislative transportation committee staff. DOTD employs a dedicated legislative liaison who works to maintain an engaged relationship with legislators and legislative staff.
<b>DOT Legislative Liaison</b>	The legislative liaison in DOTD's Office of the Secretary is the main point of contact between the department and the Legislature. The secretary, executive staff, general counsel, and legal staff also regularly interact with and provide information to legislators and legislative staff.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	La. Rev. Stat. Ann. tit. 2, 32, 34, and 48; portions of La. Rev. Stat. Ann. tit. 38 and 45; La. Rev. Stat. Ann. §36:4 and §§36:501 et seq.; La. Const. art. VII, §27 (Transportation Trust Fund); La. Const. art. VII, §5 and portions of La. Rev. Stat. Ann. tit. 47 (revenues)
<b>DOT Role in the Legislative Process</b>	Legislative Proposals Active role. DOTD's general counsel and legal staff draft legislative proposals. The governor often suggests "administration bills," which are typically introduced by legislators referred to as the governor's floor leaders. The governor or an executive agency also may request legislative bill drafts, but only if they are given "blanket approval" by the floor leader.



Advocacy and Lobbying	By law, no state employees may lobby the Legislature in their official capacity, and no state agencies may spend funds to lobby the Legislature or any local government. State agencies can, however, share factual information that is relevant to legislative matters (La. Rev. Stat. Ann. §24:56 and §43:31).
Fiscal Notes or Policy Impact Statements for Legislative Use	The Legislative Fiscal Office prepares fiscal notes for bills with factual input from agencies, including DOTD.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation and development is appointed by the governor with consent of the Senate (La. Rev. Stat. Ann. §36:503).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The secretary of transportation and development serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules, rule amendments, and fees are submitted to the relevant standing committees for review. A committee may suspend a rule, pending further review by the governor. If the committee does not object, the rule is automatically approved, although the governor may still veto it (La. Rev. Stat. Ann. §49:968).
<b>Legislative Audits or Sunset Reviews</b>	Both legislative audits and sunset reviews. DOTD is subject to regular fiscal and performance audits conducted by the Office of the Legislative Auditor. The office is required by law to conduct at least one performance audit of each of the 20 executive branch departments over a seven-year period (La. Rev. Stat. Ann. §24:522). Also, in Louisiana, all statutory entities including DOTD are scheduled for termination at least every 6 years unless affirmatively continued by the Legislature; this makes Louisiana one of four states that conduct regular sunset reviews of its department of transportation. The sunset review process is conducted under the oversight of the relevant legislative standing committee. DOTD is scheduled to terminate on July 1, 2017, unless continued by the Legislature (La. Rev. Stat. Ann. §549:190 et seq.).
<b>Required DOT Reports to the Legislature</b>	DOTD is required to submit to the Legislature an annual report concerning projects funded by the TIMED (Transportation Infrastructure Model for Economic Development) Program (La. Rev. Stat. Ann. §47:820.4) and an annual complete streets progress report (La. Rev. Stat. Ann. §48:22.1). It also must submit quarterly reports of all contracts between the department and consulting engineers (La. Rev. Stat. Ann. §48:93), semi-annual reports on maintenance projects (La. Rev. Stat. Ann. §48:228.1), and biennial reports on the outcomes of each Highway Priority Program (La. Rev. Stat. Ann. §48:229.1).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements, legislative audits, and sunset reviews listed above, since 1997, Louisiana law has mandated performance-based budgeting for all executive agencies. The statutory requirements include regularly updated strategic plans, quarterly and annual performance reporting, and a range of performance-based rewards and penalties. Performance goals are reviewed as part of the annual budget process (La. Rev. Stat. Ann. §39:31 and §§39:87.1 et seq.).
<b>Other Legislative Oversight Mechanisms</b>	The Legislature assigns interim committees topics to study between legislative sessions, although none are currently studying transportation topics. In addition, state statute requires the Joint Highway Priority Construction Committee to hold annual public hearings in each highway district to review DOTD's construction priorities. At these hearings, the department must provide each legislator with map of projects in their respective district. A report based on testimony received at the hearings is sent to DOTD, which then creates the final construction program for the coming fiscal year and submits it to the Legislature (La. Rev. Stat. Ann. §48:231). Other oversight mechanisms include legislative requests for information from DOTD.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. The Office of Planning and Budget sends out guidelines for budget preparation each September. Each agency prepares and submits its budget request and/or capital outlay request by Nov. 1. The executive budget recommendation, along with supporting documents and appropriation bills, occurs in February or March. The legislative appropriation process occurs from March or April to June. Final appropriation letters are sent to agencies in early July.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation and program approval. Each year, after the Legislature approves the Highway Priority Program, the program is funded through appropriations of both Federal and state funds within the state's capital outlay bill (House Bill 2). Appropriations are made to DOTD within the categories of Preservation, Operations, Safety, and Capacity. Some project-specific appropriations also are made. DOTD also administers Federal transit funds for rural areas and special programs, which are appropriated as part of the department's operating budget.
	State Revenues	Legislative appropriation and program approval. As with Federal funds, state transportation funds also are allocated to DOTD as appropriations to broad spending categories and specific projects, following approval of the Highway Priority Program.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2016 (enacted)	
<b>Authorized Expenditures</b>	Capital outlay, engineering (highways)	\$804,000,000
	Capital outlay (non-highways)	\$75,000,000
	Non-DOTD dedicated	\$91,000,000
	Non-Federal-aid eligible roads	\$33,000,000
	Operating budget	\$588,000,000
	Debt service	\$166,000,000
	<b>Total</b>	<b>\$1,757,000,000</b>
<b>Revenue Sources</b>	Federal funds	\$736,000,000
	State Transportation Trust Fund	\$595,000,000
	State Transportation Trust Fund—TIMED account	\$120,000,000
	State Highway Improvement Fund	\$57,000,000
	General obligation bonds/other	\$184,000,000
	Self-generated revenues	\$49,000,000
	Interagency transfer	\$16,000,000
	<b>Total</b>	<b>\$1,757,000,000</b>

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

Each year, DOTD provides the Legislature with the Highway Priority Program, a proposed program of highway construction for the coming fiscal year plus an additional list of projects for the four years after that. DOTD district offices identify projects in coordination with MPOs. Staff from DOTD headquarters select from among those projects and develop the proposed program. The program is submitted to the Joint Highway Priority Construction Committee, which comprises the membership of the House and Senate transportation committees. The committee holds public hearings in each highway district, which are also attended by other state legislators from that district, and submits a report back to DOTD for use in modifying the plan or developing future programs. DOTD then creates the final Highway Priority Program and submits it to the House and Senate transportation committees for review. Ultimately, the program—both for the next fiscal year and ensuing years—is made part of the capital outlay bill and voted on by the full Legislature. The Legislature can delete any projects that are not prioritized according to statutorily provided criteria but cannot add or substitute projects (La. Rev. Stat. Ann. §§48:229 et seq.).

### Legislative Role in the Planning Process

Substantial legislative role. The Legislature holds hearings around the state and reviews and approves the Highway Priority Program. Feedback from legislative committees is used to modify the proposed program or to develop future ones. The Legislature can delete—but cannot add or substitute—projects in the approval process. The Legislature also must approve priority programs for ports (La. Rev. Stat. Ann. §§34:3451 et seq.), aviation (La. Rev. Stat. Ann. §§2:801 et seq.), and statewide flood control (La. Rev. Stat. Ann. §§38:90.1 et seq.).

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•	• Pas-senger only		•	•		Deposited to the Transportation Trust Fund and its TIMED Account (La. Rev. Stat. Ann. §47:711, §47:820.1; La. Const. art. VII, §27)
Fuel taxes: alternative fuels	•	•	•	•	• Pas-senger only		•	•		Includes taxes on any liquid or gas vehicle fuel other than gasoline or diesel; allocated to the Highway Priority Program, Parish Transportation Fund, and Statewide Flood-Control Program (La. Rev. Stat. Ann. §47:802)
Fuel taxes: aviation fuels	•	•				•				Deposited to the Transportation Trust Fund, but directed to airports inasmuch as the annual appropriation for airports must equal (and cannot exceed) estimated aviation fuel tax revenues (La. Const. art. VII, §27)
Vehicle registration fees ("vehicle license tax") and title fees	•	•	•	•	• Pas-senger only		•	•		Deposited to the Transportation Trust Fund (La. Rev. Stat. Ann. §32:728, §47:463; La. Const. art. VII, §5)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Sales taxes on motor vehicles	•		•	•		See notes	•			Authorized in statute; not currently in use (see notes) (La. Rev. Stat. Ann. §48:77; La. Acts 2015, Acts 257 and 275)
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger only		•	•		Allocated to the State Highway Fund No. 2, the State Highway Improvement Fund, the Transportation Trust Fund, and, until June 30, 2018, the New Orleans Ferry Fund (La. Rev. Stat. Ann. §47:462, §48:25.2, §48:196, §48:197)
Oversize/overweight truck permit fees	•	•	•	•	• Pas-senger only		•			Deposited to the Transportation Trust Fund (La. Rev. Stat. Ann. §32:387)
Tolls	•	•	•							Used for toll facilities and related debt (La. Rev. Stat. Ann. §48:1261)
Outdoor advertising revenues	•	•	•	•	• Pas-senger only		•	•		Permits and logo signing (La. Rev. Stat. Ann. §48:274, §48:461.3); revenues may be used for any DOTD purpose (see notes)
Rest area sponsorship	•		•	•	• Pas-senger only		•	•		Authorized but not currently in use; revenues may be used for any DOTD purpose (La. Rev. Stat. Ann. §48:274.2) (see notes)
DOTD self-generated revenues (other)		•	•	•	• Pas-senger only		•	•		Includes map sales, ferry fares, equipment buy-back, and other revenues; revenues may be used for any DOTD purpose
Interest income	•	•	•	•	• Pas-senger only		•	•		Transportation Trust Fund, State Highway Improvement Fund (La. Rev. Stat. Ann. §48:78, §48:196)

### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Although the multimodal Transportation Trust Fund may be used for public transit or rail, there are no dedicated state programs for these transportation modes.
- Legislation enacted in 2015 amended how sales taxes on motor vehicles are dedicated to transportation purposes. From 2008 to 2015, a percentage of these revenues was annually allocated to the Transportation Trust Fund and the Trans-

portation Mobility Fund. Now, the amount allocated to transportation purposes is tied to excess mineral revenues, and will be directed to the Transportation Trust Fund for highway and port projects and to the state infrastructure bank for highways, airports, ports, ferries, or public transit (La. Rev. Stat. Ann. §48:77; La. Acts 2015, Acts 257 and 275). Based on the May 2015 official revenue forecasts, however, no revenues are expected from this source until FY 2018.

- The state constitution provides that the annual appropriation for airports must equal (and cannot exceed) estimated aviation fuel tax revenues (La. Const. art. VII, §27). As a result of this constitutional restriction, even when other revenue sources are permitted to be used for any DOTD purpose, they cannot be used for airports. The exception listed above is sales taxes on motor vehicles which, inasmuch as they will now be directed in part to the state infrastructure bank, can be used through that mechanism for airport projects.
- State statute allocates \$15 million annually from the Unclaimed Property Fund to the I-49 project (La. Rev. Stat. Ann. §9:165). This funding source, however, was bonded out so that the project could receive a cash infusion. The \$15 million is now used to pay debt service.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, multimodal transportation. The state constitution requires all fuel tax revenues, after debt payments, to be deposited into the Transportation Trust Fund for specified multimodal transportation purposes (La. Const. art. VII, §27). In general, the constitution restricts the use of the fund itself, rather than the revenues that are deposited into it.
<b>Restrictions on Other Transportation Revenues</b>	The state constitution establishes a vehicle license tax and dedicates the revenues to debt service and the Transportation Trust Fund (La. Const. art. VII, §5). The constitution also requires aviation fuel taxes to be deposited to the Transportation Trust Fund and an equivalent amount to be appropriated to airports (La. Const. art. VII, §27). State statute allocates various revenues, including taxes on alternative fuels (La. Rev. Stat. Ann. §47:802), to transportation purposes.
<b>Dedicated or Restricted Transportation Funds</b>	The state constitution establishes the multimodal Transportation Trust Fund, which receives fuel tax and other revenues, and dedicates it to highways, statewide flood control, ports, airports, public transit, the state police for traffic control, the Parish Transportation Fund, and debt service. Up to 20 percent of the state revenues in the fund can be used for ports, the Parish Transportation Fund, statewide flood control, and the state police. The Parish Transportation Fund, however, must receive the proceeds of at least 1 cent of the state taxes on gasoline and special fuels. The annual appropriation for airports must equal the estimated revenue from aviation fuel taxes (La. Const. art. VII, §27). State statute further provides that the fund may be used for bicycle projects (La. Rev. Stat. Ann. §48:163.1). The State Highway Improvement Fund, which receives most truck registration fees, must be used for highways that are not eligible for Federal aid (La. Rev. Stat. Ann. §48:196).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds		•	•			•	•			Authorized in session law (the annual capital outlay bill); currently used for highway, bridge, aviation, and waterway projects
Revenue bonds	•	•	•			•	•			Transportation Infrastructure Model for Economic Development (TIMED) program (La. Rev. Stat. Ann. §§47:820.1 et seq.)

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Build America Bonds		•	•			•	•			Issued in 2009
GARVEE bonds	•		•							Authorized in state statute; issuances and projects must be approved by Senate and House committees (La. Rev. Stat. Ann. §48:27); not issued
Federal credit assistance: TIFIA		•	•							Active loan(s), used for highway projects
Advance construction		•	•							
Federal-aid matching: tapered match		•	•							
Federal-aid matching: toll credits ("soft match")		•	•							
Design-build	•	•	•							Authorized in statute for road, bridge, tunnel, and ferry projects; legislative approval required (La. Rev. Stat. Ann. §§48:250.2 et seq.); used for several road and bridge projects
Public-private partnerships	•		•	•	• Passenger only	•	•			Authorized in statute for various transportation modes (La. Rev. Stat. Ann. §§48:1251 et seq., §§48:2084 et seq.); not currently in use
State infrastructure bank	•		•	•	• Passenger only	•	•			Louisiana State Transportation Infrastructure Fund; established in 2015; not currently in use; capitalized with state funds only; may be used for highways, airports, ports, ferries, and public transit (La. Rev. Stat. Ann. §48:77, §§48:81 et seq.; La. Const. art. VII, §14)

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."



<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds require legislative or voter approval. GARVEE bonds may only be issued if they, and the projects to be financed by them, are approved by the Senate and House committees on transportation, highways, and public works (La. Rev. Stat. Ann. §48:27). The use of design-build must also be approved by these committees (La. Rev. Stat. Ann. §48:250.2).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Unencumbered and unexpended balances at the end of each fiscal year remain in the Transportation Trust Fund (La. Const. art. VII, §27). Excess funds must be recognized by the Revenue Estimating Conference (La. Rev. Stat. Ann. §39:24) as undesignated fund balances. They must then be requested to be included within the next fiscal year capital outlay appropriation and approved by the full Legislature.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes, for some projects. Legislative approval is only required to move funds between projects funded by a project-specific, line-item appropriation. Otherwise, the only requirement is that DOTD fund those projects that are consistent with the legislatively approved Highway Priority Program.
<b>Legislative Actions to Control DOT Costs</b>	All DOTD projects must adhere to state laws concerning bidding of department projects, including low-bid requirements (La. Rev. Stat. Ann. §§48:252 et seq.).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. The Parish Transportation Fund was established in 1990 for local transportation needs and receives annual legislative appropriations from the state Transportation Trust Fund. Each year, the Parish Transportation Fund must receive at least the proceeds of 1 cent of the state tax on gasoline, diesel, and special fuels. By statutory formula, funds are distributed to parishes on a per capita basis in population categories. Funds in excess of \$34 million (the FY 1994–5 funding level) are distributed on a per-mile basis. Funds can be used for roads, public transit, and dam or levee projects (La. Const. art. VII, §27; La. Rev. Stat. Ann. §§48:751 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	The state constitution allows any political subdivision, with voter approval, to levy special taxes for public improvements (La. Const. art. VI, §32). State statute authorizes municipalities, parishes, and road districts to levy property taxes for various transportation purposes (La. Rev. Stat. Ann. §39:617, §39:781, §39:801, and §48:588). Eligible municipalities and parishes may collect special assessments for street improvements (La. Rev. Stat. Ann. §33:3351 and §33:3381). The New Orleans Regional Transit Authority may adopt any tax with voter approval (La. Rev. Stat. Ann. §48:1664).



# MAINE

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	47,347 (40,5803 rural, 6,544 urban)
	Bridges	2,750
	Toll facilities	Yes (roads: 108.2 miles)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, commuter rail, ferry boat, demand response
	Urban transit trips in 2013	5.4 million
<b>Rail</b>	Freight rail route miles	1,116
<b>Aviation</b>	Total airports	180
	Public-use airports	70
	Passengers boarded in 2015	1.1 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	12.0 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Maine Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (35 members), House of Representatives (151 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to June (odd years), Jan. to Apr. (even years)
<b>Legislative Measures Introduced in 2016</b>	400 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Joint Committee on Transportation

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Maine Department of Transportation (MaineDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Commissioner of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	1,900
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Bureau of Motor Vehicles is under the Maine Department of Secretary of State. It is funded by the Highway Fund, general funds, and Federal funds, not out of MaineDOT's budget.
<b>Includes Highway Patrol?</b>	No. The Maine State Police is under the Department of Public Safety. It is funded by the Highway Fund, general funds, and Federal funds, not out of MaineDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	No.

## Other

<b>Other State-Level Transportation Entities</b>	Maine Turnpike Authority (quasi-state agency)	The Maine Turnpike Authority is a quasi-public entity that manages and operates the 109-mile toll highway from Kittery to Augusta, funded by toll revenues. The commissioner of transportation or a designee—currently MaineDOT's chief financial officer—serves as an ex officio member of the authority's board (Me. Rev. Stat. Ann. tit. 23, §§1961 et seq.).
	Northern New England Passenger Rail Authority (corporation)	The Northern New England Passenger Rail Authority is a quasi-public entity that develops and manages passenger rail service between Maine and Boston and to points within Maine. It is funded by fares and state and Federal funds. The commissioner of transportation serves on the authority's board (Me. Rev. Stat. Ann. tit. 23, §§8111 et seq.).
	Maine Port Authority (corporation)	The Maine Port Authority is a corporation that exists to develop and operate marine and rail facilities for the intermodal movement of people and cargo. It is funded by revenues generated by port activity. The commissioner of transportation serves as chair of the authority's board (Me. Rev. Stat. Ann. tit. 23, §§4420 et seq.).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. The Legislature and MaineDOT interact in many ways. The Legislature communicates with MaineDOT through letters and memoranda and by overseeing the MaineDOT budget. MaineDOT executive staff—including the commissioner, the deputy commissioner, and the director of finance and administration—testify regularly before the Joint Standing Committee on Transportation about relevant policy and budget issues. These officials also participate in work sessions and are generally accessible to legislators. MaineDOT has a dedicated legislative liaison who represents the department's interests before the Legislature and provides outreach to legislators and legislative staff.
<b>DOT Legislative Liaison</b>	The legislative liaison in MaineDOT's Executive Office acts as the main point of contact between the department and the Legislature. Executive staff also interact with the Legislature in many ways.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Me. Rev. Stat. Ann. tit. 6, 23, and 29-A; portions of Me. Rev. Stat. Ann. tit. 38; Me. Rev. Stat. Ann. tit. 35-a, §§5101 et seq.; Me. Const. art. IX, §19 (revenue restrictions); portions of Me. Rev. Stat. Ann. tit. 36 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. In Maine, the governor and executive agencies can propose bills, but only legislators can formally sponsor and introduce them.
	Advocacy and Lobbying	MaineDOT's legislative liaison advocates for the department's positions on legislation.
	Fiscal Notes or Policy Impact Statements for Legislative Use	Preparing notes for bills and bill amendments is one of the primary responsibilities of the legislative Office of Fiscal and Program Review. This office typically consults with MaineDOT in preparing fiscal notes for legislative initiatives.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The commissioner of transportation is appointed by the governor, subject to review by the Joint Committee on Transportation and confirmation by the full Legislature (Me. Rev. Stat. Ann. tit. 23, §4205).	
<b>Legislature Able to Remove DOT Leaders?</b>	Yes. Although in general the commissioner of transportation serves at the pleasure of the governor, any person holding any state office may be removed by the governor on the address of both branches of the Legislature (Me. Const. art. IX, §5).	
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed "major substantive rules," as designated by the Legislature, are reviewed by the relevant joint standing committees and approved or rejected by the full Legislature. If the Legislature does not object, the rule is automatically approved. "Routine technical rules" are not subject to legislative review (Me. Rev. Stat. Ann. tit. 5, §§8071 et seq.).	
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. MaineDOT is subject to audits conducted by the Office of Program Evaluation and Government Accountability, a nonpartisan, independent legislative office (Me. Rev. Stat. Ann. tit. 3, §§991 et seq.). Also, each state agency must be reviewed by its legislative committee of jurisdiction every eight years. MaineDOT is scheduled for its next review in 2017. The committee review process amounts to a sunset review (with possible termination) for some agencies, but not for MaineDOT (Me. Rev. Stat. Ann. tit. 3, §§951 et seq.; 2015 Me. Laws, Chap. 473).	
<b>Required DOT Reports to the Legislature</b>	MaineDOT is required to submit annual reports to the Legislature concerning bonds (Me. Rev. Stat. Ann. tit. 3, §523) and public-private partnerships (Me. Rev. Stat. Ann. tit. 23, §4251), and must submit biennial reports concerning progress on various policy goals (Me. Rev. Stat. Ann. tit. 23, §73). The commissioner of transportation must submit annual reports concerning the highway and bridge capital program (Me. Rev. Stat. Ann. tit. 23, §1654-A) and biennial reports about experimental vehicles (Me. Rev. Stat. Ann. tit. 23, §4206).	
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, the Legislature has enacted performance goals for MaineDOT in state law (Me. Rev. Stat. Ann. tit. 23, §73; this statute also requires the related report to the Legislature that is listed above). The Legislature tracks MaineDOT's progress on its performance goals through the budget bill process and through other legislation that may be introduced during the legislative session.	
<b>Other Legislative Oversight Mechanisms</b>	The Legislature convenes interim committee studies and study commissions to examine issues between legislative sessions, although none are currently studying transportation topics. Other oversight mechanisms include legislative reviews of audits conducted by the Office of the State Controller and Office of the State Auditor, both of which are executive offices, and legislative requests for information from MaineDOT.	
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.	

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month budgets; fiscal year begins July 1. The governor, with MaineDOT, presents the Highway Fund budget to the Legislature for approval. The budget is reviewed and voted on by the Joint Committee on Transportation before it goes to the full Legislature.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. All funding allocated to MaineDOT is approved by the Legislature. Federal transportation funds are allocated to MaineDOT as state legislative appropriations to departmental programs or broad spending categories. Any funding received from the Federal government must be allocated to specific programs by the Legislature before it can be spent.
	State Revenues	Legislative appropriation and budget approval. As with Federal funds, state transportation funds are also allocated to MaineDOT as appropriations to departmental programs or broad spending categories, and are required to be legislatively allocated before they can be spent. In addition, the budget for the Highway Fund, which receives state transportation revenues, must be approved by the Legislature.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2016 and FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures (FY 2017 only)</b>	Administration	\$12,301,264
	Bond interest—highway	\$2,600,579
	Bond retirement—highway	\$21,015,000
	Callahan mine site restoration	\$750,000
	Fleet services	\$28,945,608
	Highway and bridge capital	\$263,531,549
	Highway light capital	\$23,486,204
	Local road assistance program	\$20,935,320
	Maintenance and operations	\$158,398,380
	Multimodal—aviation, freight and passenger rail, island ferry service, ports and marine, and transit	\$37,948,455
	Multimodal Transportation Fund	\$3,142,608
	Receivables	\$1,012,121
	State Infrastructure Bank	\$150,000
	Transportation facilities	\$2,200,000
	<b>Total</b>	<b>\$576,417,088</b>
<b>Revenue Sources (FY 2017 only)</b>	Highway Fund	\$253,564,995
	Federal Expenditures Fund	\$194,142,485
	Other special revenue funds	\$86,693,416
	Transportation Facilities Fund	\$2,200,000
	Fleet Services Fund—DOT	\$28,945,608
	Industrial Drive Facility Fund	\$500,000
	Island Ferry Services Fund	\$10,370,584
	<b>Total</b>	<b>\$576,417,088</b>

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

MaineDOT has primary responsibility for developing the Annual Work Plan, the Long-Range Plan, the Statewide Rail Plan, and other plans. MaineDOT works extensively with other stakeholders, including MPOs, to identify projects. Projects are selected according to cost/benefit, policy objectives, modal distribution, equitability, and funding availability. The three-year plan is approved by MaineDOT leadership under the direction of the commissioner.

### Legislative Role in the Planning Process

Limited legislative role. The Legislature does not formally approve the Annual Work Plan, but does provide oversight and may influence the program through the budget approval process and other legislation.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel, highway use (fixed rate)	•	•	•							Use is restricted to roads; indexing was repealed in 2011 (Me. Rev. Stat. Ann. tit. 36, §2902, §3203; Me. Const. art. IX, §19; 2011 Me. Laws, Chap. 392)
Fuel taxes: alternative fuels	•	•	•							Includes taxes on propane, compressed natural gas, hydrogen, and others; use is restricted to roads (Me. Rev. Stat. Ann. tit. 36, §3203, §3219; Me. Const. art. IX, §19)
Fuel taxes: aviation fuels	•	•		•	• Pas-senger and freight	•	•			Includes taxes on aviation gasoline and jet fuel; deposited to the Multimodal Transportation Fund (Me. Rev. Stat. Ann. tit. 36, §2912)
Fuel taxes: other non-highway use	•	•					•		•	Gasoline tax revenues attributable to boats, snowmobiles, and all-terrain vehicles are used for those modes (Me. Rev. Stat. Ann. tit. 36, §2903-D)
Vehicle registration and title fees	•	•	•							Use is restricted to roads; allocated in part to the TransCap Trust Fund (Me. Rev. Stat. Ann. tit. 29-A, §501, §603; Me. Const. art. IX, §19)
Special license plate fees	•	•	•							Vanity plate fees; deposited to the Highway Fund and the TransCap Trust Fund (Me. Rev. Stat. Ann. tit. 29-A, §453)
Vehicle inspection fees	•	•	•							Me. Rev. Stat. Ann. tit. 29-A, §1751, §1767
Driver's license and state ID card fees	•	•	•							Me. Rev. Stat. Ann. tit. 29-A, §1406-a, §1410; directed to the Highway Fund, under constitutional restrictions on vehicle-related revenues (Me. Const. art. IX, §19)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Truck registration fees (based on gross vehicle weight)	•	•	•							Use is restricted to roads; allocated in part to the TransCap Trust Fund (Me. Rev. Stat. Ann. tit. 29-A, §504; Me. Const. art. IX, §19)
Oversize/overweight truck permit fees	•	•	•							Me. Rev. Stat. Ann. tit. 29-A, §2382
Fines for truck size and weight violations	•	•	•							Me. Rev. Stat. Ann. tit. 29-A, §2602
Traffic fines	•	•	•							Me. Rev. Stat. Ann. tit. 29-A, ch. 19 and ch. 23; directed to the Highway Fund, under constitutional restrictions on vehicle-related revenues (Me. Const. art. IX, §19)
Sales taxes on rental vehicles	•	•		•	• Passenger and freight	•	•			Deposited to the Multimodal Transportation Fund (Me. Rev. Stat. Ann. tit. 23, §4210-B)
Ferry fares	•	•	See notes							Fares of the Maine State Ferry Service are used to fund half of the service's annual operating budget (Me. Rev. Stat. Ann. tit. 23, §4210-C, §4404)
Leases of rail-related property	•	•			• Freight only					Me. Rev. Stat. Ann. tit. 23, §7105; revenues are used to support rail projects
Wholesale liquor revenues	•	•	•							A portion of the proceeds from the state's wholesale liquor contract is dedicated to highways and bridges (Me. Rev. Stat. Ann. tit. 30-A, §6054; Me. Rev. Stat. Ann. tit. 28-A, §90); approx. \$3.3 million was received for FY 2016
Interest income	•	•	•	•	• Passenger and freight	•	•			Highway Fund, Multimodal Transportation Fund (Me. Rev. Stat. Ann. tit. 5, §135; Me. Rev. Stat. Ann. tit. 23, §4210-B)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not in-

clude administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Maine state ferries are considered part of the highway system (Me. Rev. Stat. Ann. tit. 23, §4210-C).
- In addition to the revenues shown above, which are authorized and used by state agencies, a number of quasi-state entities also receive and use transportation-related revenues. These include the Maine Turnpike Authority, which is funded by toll revenues (Me. Rev. Stat. Ann. tit. 23, §1974), the Maine Port Authority, which is funded by port operating revenues (Me. Rev. Stat. Ann. tit. 5, §12004-F; Me. Rev. Stat. Ann. tit. 23, §4420), and the Northern New England Passenger Rail Authority, which uses passenger rail fares to operate the Downeaster rail service (Me. Rev. Stat. Ann. tit. 23, §8006).
- Pilot license fees are allocated to the Maine Pilotage Commission for administration and enforcement activities (Me. Rev. Stat. Ann. tit. 38, §93 and §106), not used for the kinds of transportation activities described in this chart.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of fuel taxes from highway users to public highways and bridges, including debt and the enforcement of traffic laws (Me. Const. art. IX, §19).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle-related fees and taxes, except any vehicle tax that is imposed in lieu of personal property tax, to public highways and bridges, including debt and the enforcement of traffic laws (Me. Const. art. IX, §19). State statute dedicates the fuel tax revenues attributable to boats, snowmobiles, and all-terrain vehicles to those modes (Me. Rev. Stat. Ann. tit. 36, §2903-D). Turnpike toll revenues are to be used for the turnpike expenses, related debt, and access roads (Me. Rev. Stat. Ann. tit. 23, §1974).
<b>Dedicated or Restricted Transportation Funds</b>	State statute dedicates the Highway Fund, which receives fuel taxes and other revenues, to highways and bridges, administrative costs, the State Police, and snow removal, and prohibits permanent diversion to other purposes (Me. Rev. Stat. Ann. tit. 23, §1653). The Multimodal Transportation Fund, which receives rental vehicle sales taxes and other revenues, is dedicated to multimodal transportation including public transit, aeronautics, marine, and rail (Me. Rev. Stat. Ann. tit. 23, §4210-B). The TransCap Trust Fund, supported by bond financing and other revenues, is dedicated to transportation capital improvements in all modes (Me. Rev. Stat. Ann. tit. 30-A, §6006-G).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	See notes	•	•	•	• Pas- senger and freight	•	•			Includes Highway Fund general obligation bonds, for which debt service is capped at 10 percent of Highway Fund revenue (Me. Rev. Stat. Ann. tit. 23, §1604); also includes General Fund general obligation bonds, which can be used for all transportation activities; legislative approval required for all bonding



State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	See notes	•	•							TransCap revenue bonds; legislative approval required (Me. Rev. Stat. Ann. tit. 23, §1604); may be used only for Highway Fund-supported activities (Me. Rev. Stat. Ann. tit. 30-A, §6006-G)
Build America Bonds	See notes	•	•							Issued in 2010
GARVEE bonds	See notes	•	•							Legislative approval required; debt service capped at 15 percent of Federal funding received (Me. Rev. Stat. Ann. tit. 23, §1604); most recently issued in 2014
Advance construction		•	•							
Federal-aid matching: toll credits (“soft match”)		•	•	•						A state toll credit policy was adopted in 2013 and a bank of over \$300 million was established; used for three projects so far
Design-build	•	•	•		• Pas- senger and freight	•	•	•	•	Authorized in statute for various transportation modes, including trails (Me. Rev. Stat. Ann. tit. 23, §4244); recently used for bridge projects
Public-private partnerships	•		•	•	• Pas- senger and freight	•	•	•	•	Authorized in statute for various transportation modes, including trails; legislative approval required (Me. Rev. Stat. Ann. tit. 23, §4251); not currently in use
State infrastructure bank	•	•	•	•						Capitalized with state and Federal funds; may be used for highway or transit projects (Me. Rev. Stat. Ann. tit. 23, §§1853 et seq.)

#### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Trails are identified as both “pedestrian and bicycle projects” and “other” in this chart, under the assumption that they may be used for pedestrian, equestrian, bicycle, and motorized vehicular activities.
- Maine state statute sets transportation debt policy for capital planning purposes, rather than directly authorizing bonding. All bonds, including Federal GARVEE bonds, must be authorized by the Legislature (Me. Rev. Stat. Ann. tit. 23, §1604).

<b>Transportation-Related Bonding</b>	Yes. The state of Maine has used general obligation bonds, GARVEE bonds, and most recently TransCap Trust Fund revenue bonds to fund transportation projects.
<b>Restrictions on Finance Mechanisms</b>	The Legislature must approve any bonding, including GARVEE bonds, and state statute limits how much debt may be incurred. Average debt service payments for general obligation bonds are capped at 10 percent of highway fund revenue, and GARVEE debt service is capped at 15 percent of Federal funding received (Me. Rev. Stat. Ann. tit. 23, §1604). The Legislature must also approve public-private partnerships (Me. Rev. Stat. Ann. tit. 23, §4251).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Unexpended funds at the end of the fiscal year are carried over to the next year. Also, at the end of each fiscal year, any unallocated balance in the Highway Fund over \$100,000 is transferred to MaineDOT for capital and maintenance purposes. To be spent, these funds must be allotted by a financial order signed by the MaineDOT commissioner and the governor.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. Legislative approval is required to move funds from one program to another, but not from one project to another within the same program.
<b>Legislative Actions to Control DOT Costs</b>	State law requires purchases to generate the “greatest possible economy” (Me. Rev. Stat. Ann. tit. 5, §1825-B) and includes low-bid requirements for MaineDOT (Me. Rev. Stat. Ann. tit. 23, §4243).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas, legislative appropriations, and grants. Funds are mainly allocated through the Local Road Assistance Program, which receives 9 percent of the Highway Fund allocation to MaineDOT. This program distributes rural road assistance and urban compact assistance funding to eligible municipalities, counties, and Indian reservations. Funds are allocated by statutory formulas based on lane miles. In addition, MaineDOT can make discretionary awards to municipalities, counties, and reservations from the Secondary Road Program Fund (Me. Rev. Stat. Ann. tit. 23, §§1801 et seq.). Funds are also allocated to local entities through legislative appropriations.
<b>Local Revenue Sources Authorized in State Law</b>	State statute allows transit districts to direct their constituent municipalities to levy property taxes for their support (Me. Rev. Stat. Ann. tit. 30-A, §3517). Municipalities may also charge developers impact fees to pay for development-related capital improvements (Me. Rev. Stat. Ann. tit. 30-A, §4354).

# MARYLAND

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	70,303 (27,750 rural, 42,553 urban)
	Bridges	5,313
	Toll facilities	Yes (roads: 27.6 miles; bridges: 5; tunnels: 2)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, heavy rail, light rail, commuter rail, streetcar, vanpool, demand response
	Urban transit trips in 2013	143.6 million
<b>Rail</b>	Freight rail route miles	758
<b>Aviation</b>	Total airports	149
	Public-use airports	34
	Passengers boarded in 2013	11.1 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	41.0 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Maryland General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (47 members), House of Delegates (141 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to Apr.
<b>Legislative Measures Introduced in 2016</b>	2,800 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Budget and Taxation <ul style="list-style-type: none"> <li>Public Safety, Transportation, and Environment Subcommittee</li> </ul> Senate Committee on Finance <ul style="list-style-type: none"> <li>Transportation Subcommittee</li> </ul> Senate Committee on Judicial Proceedings           House Committee on Appropriations <ul style="list-style-type: none"> <li>Transportation and the Environment Subcommittee</li> </ul> House Committee on Environment and Transportation <ul style="list-style-type: none"> <li>Motor Vehicle and Transportation Subcommittee</li> </ul> House Committee on Ways and Means <ul style="list-style-type: none"> <li>Vice Chairs Subcommittee</li> </ul> House Judiciary Committee

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Maryland Department of Transportation (MDOT)
<b>Structure</b>	Organized mainly by transportation mode
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	9,107.5 in-house, 40.7 contractual
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle. The State Highway Administration, Maryland Transit Administration, Maryland Aviation Administration, and Maryland Port Administration are all business units within MDOT.
<b>Includes DMV?</b>	Yes. The Motor Vehicle Administration is a unit of MDOT. It is funded out of the Transportation Trust Fund as part of MDOT's budget.
<b>Includes Highway Patrol?</b>	No. State-level highway patrol functions in Maryland are carried out by the Maryland State Police, an independent state agency, and the Maryland Transportation Authority Police. The Maryland Transportation Authority Police is funded by toll revenues. The Maryland State Police is funded by general and dedicated funds and, for enforcement activities on the Kennedy Highway, toll revenues. None of these functions are funded out of MDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	No. The Maryland Transportation Authority has this jurisdiction.

## Other

<b>Other State-Level Transportation Entities</b>	Maryland Transportation Authority (state agency)	The Maryland Transportation Authority is a non-budgeted, legislatively created entity that operates the state's toll facilities. It is supported by toll revenues. Although the authority is an independent state agency, it performs various activities on behalf of MDOT. The secretary of transportation serves as the authority's chair (Md. Transportation Code Ann. §§4-201 et seq.).
	Washington Metropolitan Area Transit Authority (inter-state corporation/ instrumentality)	The Washington Metropolitan Area Transit Authority is an instrumentality of the District of Columbia, Maryland, and Virginia (Md. Transportation Code Ann. §10-204). It was created to plan, finance, build, and operate a comprehensive public transit system for the Washington metropolitan area. It is funded by fares and advertising revenues, as well as contributions from the District of Columbia, Maryland, Virginia, and counties in the greater metropolitan Washington area. On an annual basis, these jurisdictions must appropriate funds according to an agreed-upon formula to subsidize WMATA's operating and capital budget.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. The General Assembly and MDOT interact during the legislative session at budget and bill hearings. During the interim, MDOT typically engages with elected officials about its Consolidated Transportation Program, broader topics of interest, and constituent issues. Individual legislators meet with MDOT staff and request information from the department throughout the year. MDOT employs a state legislative officer who functions as a dedicated legislative liaison and is responsible for much of MDOT's communication and interaction with the General Assembly.
<b>DOT Legislative Liaison</b>	MDOT's state legislative officer, located in the Government Affairs Office under Policy, Planning, and Enterprise Services, acts as the main point of contact between the department and the legislature. Other MDOT staff also interact with legislators and legislative staff.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Md. Transportation Code Ann.; portions of Md. State Finance and Procurement Code Ann.; Md. Const. art. III, §53 (Transportation Trust Fund); portions of Md. Tax-General Code Ann. (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. MDOT can propose legislation through the governor's office or through the relevant committee chair. Both "administration bills," submitted by the governor, and "departmental bills," submitted by executive agencies, must still be sponsored and introduced by legislators. For departmental bills, the chair of the relevant standing committee is the sponsor, as a courtesy, and the agency is identified on the bill after the sponsor's name.
	Advocacy and Lobbying	MDOT can lobby for legislation or policy proposals.
	Fiscal Notes or Policy Impact Statements for Legislative Use	By law, state agencies such as MDOT must provide any information requested by the Department of Legislative Services for preparing a fiscal note (Md. State Government Code Ann. §2-1505).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation is appointed by the governor with the advice and consent of the Senate (Md. Transportation Code Ann. §2-102).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The secretary of transportation serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Committee on Administrative, Executive, and Legislative Review reviews all proposed rules. The committee's role is mainly advisory, except that emergency rules require committee approval (Md. State Government Code Ann. §§10-109 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. MDOT is subject to financial and performance audits conducted by the Office of Legislative Audits in the legislature's Department of Legislative Services. The state conducts sunset reviews, but not of MDOT.
<b>Required DOT Reports to the Legislature</b>	Each year, the secretary of transportation must submit to the legislature a State Report on Transportation, which includes the updated Consolidated Transportation Program, the Maryland Transportation Plan, and a report on the attainment of state transportation goals and benchmarks (Md. Transportation Code Ann. §2-103.1 and Md. State Government Code Ann. §2-1246).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, state law also creates the Advisory Committee on Transportation Goals, Benchmarks, and Indicators to advise MDOT on its development of measurable long-term goals and intermediate benchmarks (Md. Transportation Code Ann. §2-103.1). In addition, as part of a bill enacted in 2016 concerning the project prioritization process, the General Assembly enacted a set of performance goals and measures for MDOT into law (2016 Md. Laws, Chap. 36 [House Bill 1013]).
<b>Other Legislative Oversight Mechanisms</b>	The General Assembly can request specific reports from MDOT through the budget or other legislation, make funding contingent upon submission of a report or action, or require legislative notice before an action is taken. Commissions or study groups are often created by the General Assembly to look at specific issues, although none are currently studying transportation topics. Individual legislators can request information from MDOT at any time.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Partial legislative appropriation and plan approval. Some Federal funds flow directly to MDOT from the U.S. DOT with no state legislative involvement. Other Federal funds are appropriated by the General Assembly to different programs within each of MDOT modal administrations' respective budgets (for example, to the capital program for the State Highway Administration within MDOT). Although legislative appropriations are at the level of departmental programs, the General Assembly reviews and approves project-specific funding in the annually updated Consolidated Transportation Plan.
	State Revenues	Legislative appropriation and plan approval. The General Assembly appropriates state transportation funding at the program level, and reviews and approves project-specific funding in the annually updated Consolidated Transportation Plan.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Secretary's office	\$648,990,974
	Debt service requirements	\$309,911,986
	State Highway Administration	\$2,025,227,440
	Maryland Port Administration	\$168,294,624
	Motor Vehicle Administration	\$234,696,618
	Maryland Transit Administration	\$1,462,162,370
	Maryland Aviation Administration	\$307,307,454
	<b>Total</b>	<b>\$5,156,591,466</b>
<b>Revenue Sources</b>	Special funds	\$3,973,140,941
	Federal funds	\$1,183,450,525
	<b>Total</b>	<b>\$5,156,591,466</b>

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

MDOT prepares several long-term planning documents that are used to determine transportation investment priorities. These include the six-year Consolidated Transportation Program, updated annually, and the 20-year Maryland Transportation Plan, revised every five years. MDOT uses these plans to develop annual operating and capital budget requests for the General Assembly's consideration. The planning approach is bottom-up, in that local jurisdictions submit priority project lists to MDOT. The state has a consolidated funding mechanism for all modes, so MDOT and the governor must weigh the demands of all projects in all modes. Final project selection is by the governor, who approves the capital program before submitting it to the General Assembly for approval. Funding is provided at the program level in the budget; project-specific detail, however, is provided in the capital plan. In addition to this process, the General Assembly enacted new legislation in 2016 that sets out specific goals and measures for prioritizing major highway and public transit projects (2016 Md. Laws, Chap. 36 [House Bill 1013]). MDOT is still assessing how to implement this bill.

### Legislative Role in the Planning Process

Substantial legislative role. The General Assembly has responsibility in the planning process to approve the capital program and the funding provided for it in the budget. The General Assembly can reduce but not add funding for specific projects in the governor's budget. It can, however, add expenditures through a supplementary appropriations bill if matched with new revenues, or require the next year's executive budget to include certain expenditures. The General Assembly also has enacted laws that set broad transportation policy goals and benchmarks, which influence MDOT programming.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (variable rate—indexed, percentage of price)	•	•	•	•	• Pas-senger and freight	•	•	•		Taxes on gasoline and diesel include a cents-per-gallon tax that is indexed to the Consumer Price Index and a sales and use tax equivalent rate that is annually adjusted as a percentage of retail price (Md. Tax-General Code Ann. §9-305, §9-306, §2-1103; 2013 Md. Laws, Chap. 429)
Fuel taxes: alternative fuels (variable rate—indexed, percentage of price)	•	•	•	•	• Pas-senger and freight	•	•	•		Includes all clean-burning fuels except electricity; adjusted the same way as gasoline and diesel taxes (Md. Tax-General Code Ann. §9-305, §9-306)
Fuel taxes: aviation fuels (fixed rate)	•	•	•	•	• Pas-senger and freight	•	•	•		Includes taxes on aviation gasoline and jet fuel (Md. Tax-General Code Ann. §9-305, §2-1103)
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight	•	•	•		Includes title fees and taxes and vehicle registration fees (Md. Transportation Code Ann. §8-402, §13-802, §13-809, §13-814, §§13-911 et seq.)



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger and freight	•	•	•		Md. Transportation Code Ann. §§13-916 et seq.
Oversize/overweight truck permit fees	•	•	•	•	• Pas-senger and freight	•	•	•		Md. Transportation Code Ann. §24-112
Truck permit fees, other	•	•	•	•	• Pas-senger and freight	•	•	•		Exceptional hauling permits (Md. Transportation Code Ann. §24-113.2)
Sales taxes on rental vehicles	•	•	•	•	• Pas-senger and freight	•	•	•		Md. Tax-General Code Ann. §2-1302.1, §11-104; Md. Transportation Code Ann. §8-402
Driver's license fees	•	•	•	•	• Pas-senger and freight	•	•	•		Includes driver's license fees (Md. Transportation Code Ann. §§16-101 et seq.) and commercial driver's license fees (Md. Transportation Code Ann. §16-818)
Tolls	•	•	•							Used by the Maryland Transportation Authority; pay for toll bridges, highways, and untolled portions of I-95 and I-395 (Md. Transportation Code Ann. §4-312)
Congestion pricing/high-occupancy toll (HOT) lanes	•	•	•							Used by MDOT and Maryland Transportation Authority; revenues used for HOT lanes facilities (Md. Transportation Code Ann. §4-312)
Revenue-sharing: rest area food and fuel concessions	•	•	•							Annual payments to the Maryland Transportation Authority under a public-private partnership for I-95 travel plazas; based on gross sales revenues and fuel sales
Transit fares/operating revenues (indexed)	•	•		•						Indexed to Consumer Price Index (Md. Transportation Code Ann. §7-208, §7-505; 2013 Md. Laws, Chap. 429)
Airport operating revenues	•	•				•				Includes revenues collected from airlines and vendors; used to cover some Maryland Aviation Administration expenses (general authorization: Md. Transportation Code Ann. §§5-201 et seq.)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Airport non-operating revenues	•	•				Rental car uses only				Generally authorized in state statute (Md. Transportation Code Ann. §5-408); includes customer facility charges (used for rental car capital projects and related debt service) and transportation facility charges (used for rental car operations and maintenance)
Port operating revenues	•	•					•			Used to cover some Maryland Port Administration expenses (general authorization: Md. Transportation Code Ann. §§6-201 et seq.)
Corporate income taxes	•	•	•	•	• Pas-senger and freight	•	•	•		Md. Tax-General Code Ann. §2-614; Md. Transportation Code Ann. §8-402
Interest income	•	•	•	•	• Pas-senger and freight	•	•	•		Transportation Trust Fund (Md. State Finance and Procurement Code Ann. §6-226)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Because the Federal Marketplace Fairness Act was not enacted, the Transportation Trust Fund is not receiving general sales tax revenue. Instead, the motor fuel sales and use tax equivalent rate increased to 5 percent on June 1, 2016 (2013 Md. Laws, Chap. 429).
- Legislation enacted in 2011 (2011 Md. Laws, Chap. 397) transferred a total of \$100 million from the Transportation Trust Fund, with \$60 million going to the general fund and \$40 million to the Rainy Day Fund. The legislation included the repayment of the \$60 million from the general fund from FY 2014 to FY 2016 through the reconciliation of corporate income tax revenues, rather than an explicit repayment schedule. The \$40 million to the Rainy Day Fund was repaid through additional revenue that was raised for transportation through fee increases in FY 2012.

<b>State Fuel Tax Model</b>	Variable rate (indexed) and variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Constitutional and statutory, multimodal transportation (with exceptions). State statute directs most fuel tax proceeds to the constitutionally restricted Transportation Trust Fund for multimodal transportation purposes. Exceptions include allocations to the general fund, the Waterway Improvement Fund, and the Chesapeake and Atlantic Coastal Bays Trust Fund (Md. Tax-General Code Ann. §§2-1101 et seq.). In general, state law restricts the use of the funds into which the revenues are deposited, rather than the revenues themselves.
<b>Restrictions on Other Transportation Revenues</b>	State statute directs various transportation-related revenues to the Transportation Trust Fund, to be used for multimodal transportation purposes.
<b>Dedicated or Restricted Transportation Funds</b>	In 2014, Maryland voters approved a legislatively referred constitutional amendment to further define and restrict the use of the multimodal Transportation Trust Fund. The state constitution now limits the use of the fund, which receives fuel taxes and other transportation revenues, to highways and other transportation purposes including debt service, allocations to local entities, and the Maryland Transportation Authority. Fund revenues may not be diverted to the general fund, a special fund, or another purpose unless the governor, by executive order, declares a fiscal emergency and the transfer is approved by a three-fifths vote of each house of the General Assembly (Md. Const. art. III, §53). The amendment strengthens protections that had already been enacted into state statute. State statute also notes that the fund may be used for bicycle and pedestrian projects (Md. Transportation Code Ann. §3-216 and §3-217).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•	•	• Pas-senger and freight	•	•			Authorized for, and used by, MDOT and the <a href="#">Maryland Transportation Authority</a> (Md. Transportation Code Ann. §§3-201 et seq., §§4-301 et seq.)
Build America Bonds	•	•	•							Issued in 2009 and 2010 by the Maryland Transportation Authority for highway projects
GARVEE bonds	•	•	•							Authorized for use by both MDOT and Maryland Transportation Authority; total GARVEE debt is capped at \$750 million (Md. Transportation Code Ann. §3-601, §4-320); used by the Maryland Transportation Authority; most recently issued in 2008
Private activity bonds	•	•		•						Allocated to the Maryland Economic Development Corporation for the Purple Line Light Rail Project; issued in June 2016

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Federal credit assistance: TIFIA	•	•	•	See notes						Active loan(s), used by the Maryland Transportation Authority for a highway project (see notes); authorized in statute (Md. Transportation Code Ann. §4-101, §4-321)
Advance construction		•	•							
Federal-aid matching: toll credits (“soft match”)		•	•							
Design-build	•	•	•	•	• Passenger and freight	•	•			Authorized in statute for all state agencies (Md. State Finance and Procurement Code Ann. §3-602); used for several road and bridge projects
Public-private partnerships	•	•	•	•	• Passenger and freight	•	•			Authorized for MDOT and the Maryland Transportation Authority; not restricted by mode (Md. State Finance and Procurement Code Ann. §§10A-101 et seq.); currently in use for <a href="#">three projects</a>
Certificates of participation	•	•	•	•	• Passenger and freight	•	•			Md. State Finance and Procurement Code Ann. §§8-401 et seq.

### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- In June 2016, a Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan was also approved to the private concessionaire for the Maryland Purple Line, a light rail project that is being developed through a public-private partnership among MDOT, the Maryland Transit Administration, and a consortium of private companies.
- General obligation bonds are authorized and issued by the state primarily to finance state-owned capital improvements (Md. State Finance and Procurement Code Ann. §§8-101 et seq.). Although general obligation bonds have been used for road and bridge projects in the past, these instances have been infrequent. General obligation bonds are not typically used for transportation purposes.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	MDOT uses bonding only for its capital program, and the level of debt is constrained by broader state debt limitations, a transportation debt outstanding limit, and coverage ratio limits agreed upon with bondholders. Total GARVEE debt is capped at \$750 million (Md. Transportation Code Ann. §3-601 and §4-320).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Any funds not used in a fiscal year are retained by the Transportation Trust Fund unless otherwise specified. Excess funds not obligated or spent at the end of the fiscal year remain in the Transportation Trust Fund and must be appropriated in a subsequent budget in order to be spent.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No. Annual budget bill language requires MDOT to notify the budget committees of proposed changes to the transportation capital program that will add a new project or increase a project's total cost by more than 10 percent or \$1 million due to a change in scope, but legislative approval is not required.
<b>Legislative Actions to Control DOT Costs</b>	MDOT costs are not directly constrained or controlled through statute.

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and grants. Of the state's total highway user revenues, 7.7 percent is allocated to the city of Baltimore, 1.5 percent to counties, and 0.4 percent to municipalities. The funds for counties and municipalities are distributed by statutory formulas based on road miles and motor vehicle registrations and, except in Baltimore and Kent County, must be used for transportation facilities or road-related debt service (Md. Transportation Code Ann. §§8-401 et seq.). In addition, the governor may include capital grants to local jurisdictions in the budget and specify how the funds are to be distributed. Such capital grants are subject to approval by the legislature.
<b>Local Revenue Sources Authorized in State Law</b>	In general, state statute does not authorize local revenue sources specifically for transportation. Certain counties are, however, authorized to charge development impact fees, which may be used for road improvements (Md. Local Government Code Ann. §§20-701 et seq.).

# MASSACHUSETTS

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	76,873 (12,913 rural, 63,960 urban)
	Bridges	5,167
	Toll facilities	Yes (roads: 138.2 miles; bridges: 1; tunnels: 2)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, heavy rail, light rail, commuter rail, ferry boat, vanpool, demand response
	Urban transit trips in 2013	424.7 million
<b>Rail</b>	Freight rail route miles	1,185
<b>Aviation</b>	Total airports	73
	Public-use airports	39
	Passengers boarded in 2013	15.1 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	18.7 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Massachusetts General Court
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (40 members), House of Representatives (160 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	1,069 (out of more than 6,300 introduced in the 2015-16 biennium). Massachusetts has a two-year legislative cycle, and almost all bills are filed in January of each odd year.
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Joint Committee on Transportation

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	Massachusetts Department of Transportation (MassDOT)
<b>Structure</b>	Organized mainly by transportation mode
<b>Leadership</b>	Secretary of Transportation (who is also the chief executive officer of MassDOT; serves on governor’s cabinet), MassDOT Board of Directors (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	10,000

<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle	
<b>Includes DMV?</b>	Yes. The Massachusetts Registry of Motor Vehicles is a division of MassDOT and is funded out of MassDOT's budget.	
<b>Includes Highway Patrol?</b>	No. The Massachusetts State Police is a state agency under the umbrella of the Executive Office of Public Safety and Security. It is funded by a combination of state and Federal funds, not out of MassDOT's budget.	
<b>Jurisdiction Over Toll Facilities?</b>	Yes.	

### Other

<b>Other State-Level Transportation Entities</b>	Massachusetts Port Authority (corporation/ instrumentality)	The Massachusetts Port Authority (Massport), a quasi-public entity, operates airports and ports. It is funded by real estate revenues, parking revenues, and airport taxes and fees. The secretary of transportation serves as an ex officio member of the Massport board (Mass. Gen. Laws Ann. ch. 91 app., §§1-1 et seq.).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through a dedicated liaison. MassDOT has an Office of Legislative and Community Affairs that oversees all aspects of legislative involvement on transportation matters. The office team also serves as the primary point of contact for state and local elected officials regarding constituent matters pertaining to MassDOT and the Massachusetts Bay Transportation Authority. This team also helps coordinate legislative involvement and community outreach on public works projects. Only MassDOT executives and senior administrators testify formally before legislative committees.	
<b>DOT Legislative Liaison</b>	MassDOT's Office of Legislative and Community Affairs is the main point of contact between the department and the General Court. The MassDOT Legislative Director oversees this office and is a member of the secretary's senior staff.	

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Mass. Gen. Laws Ann. ch. 6C and 160 to 163; portions of Mass. Gen. Laws Ann. tit. 14 and 22; Mass. Const. amend. art. LXXVIII (revenue restrictions); portions of Mass. Gen. Laws Ann. tit. 9 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. MassDOT's Office of Legislative and Community Affairs works seamlessly with the governor's office and across all MassDOT divisions on all matters pertaining to the development of proposed legislation. The governor, but not MassDOT, can directly file proposed legislation. MassDOT may also seek legislators to sponsor legislation or budget amendments that the department is in support of. MassDOT will often draft language, but ultimately, is not involved in the formal filing.
	Advocacy and Lobbying	MassDOT weighs in and offers objective feedback on various policies and proposals as deemed necessary throughout the legislative and budgetary process.
	Fiscal Notes or Policy Impact Statements for Legislative Use	On a case-by-case basis, MassDOT works with legislative staff and pertinent leadership to provide the relevant objective data and information to support the legislative process.



## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation, who also serves as the chief executive officer of MassDOT, is appointed by the governor, to serve a term of office that coincides with the governor's. The MassDOT Board of Directors has 11 members, ten of whom are appointed by the governor within statutory requirements for experience and partisan balance. The final member is the secretary of transportation, who serves ex officio as chair. Of the 10 appointed members, one must have experience in finance, one in transportation planning and policy, one in either finance or planning and policy, one in civil engineering, and three in municipal government in specified communities. Of the remaining two appointed members, one must represent a labor organization and one must be a transit rider (Mass. Gen. Laws Ann. ch. 6C, §2).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The governor has sole discretion to remove the secretary of transportation and can remove any of the appointed members of the MassDOT Board of Directors for cause.
<b>Legislative Review of Administrative Rules</b>	No. The General Court is informed of all expected rules, but does not review them (Mass. Gen. Laws Ann. ch. 30A, §6D).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. MassDOT is subject to audits conducted by the Senate and House legislative post audit and oversight bureaus, under and at the discretion of the Senate and House committees on post audit and oversight (Mass. Gen. Laws Ann. ch. 3, §63 and §64). Massachusetts does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	MassDOT must submit annual reports to the General Court concerning its project information system and performance measurements (Mass. Gen. Laws Ann. ch. 6C, §6) and revenues and expenditures (Mass. Gen. Laws Ann. ch. 6C, §28). The department must also submit annual reports on its capital spending, as required by transportation bond bills.
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, state law creates MassDOT's Office of Performance Management and Innovation, as well as a Performance and Asset Management Advisory Council to advise the MassDOT board of directors, and sets performance goals related to accident reduction, fleet maintenance, on-time performance for public transit, and commuting times (Mass. Gen. Laws Ann. ch. 6C, §6, §6A, and §12A). The General Court can also use the committee oversight process to request performance information from MassDOT or the Massachusetts Bay Transportation Authority.
<b>Other Legislative Oversight Mechanisms</b>	Various legislative committees can call oversight hearings on particular projects, programs, or policy matters involving MassDOT or the Massachusetts Bay Transportation Authority. Other oversight mechanisms include legislative requests for information from MassDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	No legislative role. Federal transportation funds flow directly to MassDOT via the Transportation Trust Fund with no state legislative involvement.
	State Revenues	Legislative appropriation. Gas taxes, registration fees, a portion of the sales tax, and certain other transportation revenues go into the Commonwealth Transportation Fund, from which lump sum appropriations are made to MassDOT each year. Other funds—including aviation, planning, highway, rail and transit—are allocated through the Commonwealth Transportation Fund based on a formula, but still subject to legislative appropriation. Typically, the General Court also appropriates supplemental funding for snow and ice removal.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	[No data]
<b>Authorized Expenditures</b>	[No data]
<b>Revenue Sources</b>	[No data]

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	Projects are identified by the General Court in a transportation bond bill, by MassDOT based on its selection criteria, or through the regional MPO process, in which MassDOT works with MPOs to determine investment plans and priorities. From among those projects, MassDOT selects, prioritizes, and approves projects from among those identified to advance through the statewide capital program. In 2016, MassDOT also incorporated a project scoring system and project categories that were recently developed in consultation with the <a href="#">Project Selection Advisory Council</a> , as required by legislation enacted in 2013 (Mass. Gen. Laws Ann. ch. 6C, §11A; 2013 Mass. Acts, Chap. 46). Final approval over all projects rests with MassDOT.
<b>Legislative Role in the Planning Process</b>	Moderate legislative role. About every three years, a multi-year bond bill is enacted to finance transportation priorities, and some projects are added to it by the General Court. The General Court can also work with a local community to advance a project on the Transportation Improvement Program (TIP). MassDOT, however, still has final approval over all projects. The General Court does not approve MassDOT's capital program.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•				•		Indexing was enacted in 2013 and repealed in 2014; use is restricted to roads and public transit (Mass. Gen. Laws Ann. ch. 64A, §1, §13; Mass. Gen. Laws Ann. ch. 64E, §4, §13; 2013 Mass. Acts, Chap. 46; 2014 Mass. Acts, Chap. 504)
Fuel taxes: alternative fuels (variable rate—percentage of price)	•	•	•	•				•		Includes taxes on liquefied gas and other alternative fuels; rate adjusted quarterly based on price; use is restricted to roads and public transit (Mass. Gen. Laws Ann. ch. 64E, §1, §4, §13)
Fuel taxes: aviation fuels (variable rate—percentage of price)	•	•				•				Includes taxes on aviation gasoline only (see notes); rate adjusted quarterly based on price; use is restricted to airports (Mass. Gen. Laws Ann. ch. 64A, §1, §13)
Vehicle registration and title fees	•	•	•	•				•		Deposited to the Commonwealth Transportation Fund; use is restricted to roads and public transit (Mass. Gen. Laws Ann. ch. 90, §33, §34; Mass. Gen. Laws Ann. ch. 90D, §28)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Truck registration fees (based on gross vehicle weight)	•	•	•	•				•		Deposited to the Commonwealth Transportation Fund; use is restricted to roads and public transit (Mass. Gen. Laws Ann. ch. 90, §33, §34)
Oversize/overweight truck permit fees	•	•	•	•				•		Deposited to the Commonwealth Transportation Fund (Mass. Gen. Laws Ann. ch. 85, §30A)
Sales taxes on motor vehicle sales	•	•	•	•	• Passenger and freight	•		•		Deposited to the Commonwealth Transportation Fund; allocated in part to the Massachusetts Bay Transportation Authority and public transit agencies (Mass. Gen. Laws Ann. ch. 29, §2ZZZ; Mass. Gen. Laws Ann. ch. 64H, §3; Mass. Gen. Laws Ann. ch. 64I, §4)
Driver's license fees	•	•	•	•				•		Deposited to the Commonwealth Transportation Fund; use is restricted to roads and public transit (Mass. Gen. Laws Ann. ch. 90, §33, §34)
Tolls	•	•	•							Use is restricted to toll roads (Mass. Gen. Laws Ann. ch. 6C, §3, §13)
Transit fares	•	•		•						Allocated to the Massachusetts Bay Transportation Authority (Mass. Gen. Laws Ann. ch. 161A, §5)
Service city and town payments	•	•		•						Allocated to the Massachusetts Bay Transportation Authority (Mass. Gen. Laws Ann. ch. 161A, §9)
Outdoor advertising revenues	•	•	•	•	• Passenger and freight	•		•		Mass. Gen. Laws Ann. ch. 93D, §§1 et seq.
Gaming revenues	•	•	•	•	• Passenger and freight	•		•		Allocated in part to the Transportation Infrastructure and Development Fund (Mass. Gen. Laws Ann. ch. 23K, §59, §62)
Property leases and sales	•	•	•	•	• Passenger and freight	•		•		Includes leases of air rights; deposited to Massachusetts Transportation Trust Fund (Mass. Gen. Laws Ann. ch. 6C, §3, §4, §20, §46)
State general sales taxes	•	•		•						A portion is dedicated to the Massachusetts Bay Transportation Authority (Mass. Gen. Laws Ann. ch. 10, §35T)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General funds	•	•	•	•	• Passenger and freight	•	•	•		Annual transfers to the Commonwealth Transportation Fund until FY 2020 (Mass. Gen. Laws Ann. ch. 29, §2ZZZ)
Interest income	•	•	•	•	• Passenger and freight	•		•		Massachusetts Transportation Trust Fund (Mass. Gen. Laws Ann. ch. 6C, §4); Transportation Infrastructure and Development Fund (Mass. Gen. Laws Ann. ch. 23K, §62)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- In Massachusetts, the excise tax on jet fuel is a local option, not state, tax. State law does not dedicate the tax to any specific purpose (Mass. Gen. Laws Ann. ch. 64J, §§1 et seq.).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges, public transit (with exception). The state constitution restricts the use of fuel taxes from highway users to highways and bridges, public transit, and the enforcement of state traffic laws (Mass. Const. amend. art. LXXVIII). Nevertheless, 0.15 percent of taxes on motor fuels, except aviation fuel and fuels used for farming purposes, are allocated to the Inland Fisheries and Game Fund (Mass. Gen. Laws Ann. ch. 64A, §13).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle-related fees and taxes, except any excise tax that is imposed in lieu of personal property tax, to highways and bridges, public transit, and the enforcement of state traffic laws (Mass. Const. amend. art. LXXVIII). Toll revenues can be used only for the toll facilities and related debt (Mass. Gen. Laws Ann. ch. 6C, §13). Aviation fuel taxes are directed to airport projects (Mass. Gen. Laws Ann. ch. 64A, §13).
<b>Dedicated or Restricted Transportation Funds</b>	Massachusetts has two multimodal funds: the Commonwealth Transportation Fund (formerly the Highway Fund) and the Massachusetts Transportation Trust Fund. The Commonwealth Transportation Fund is a budgetary fund of the state that mainly uses revenues from fuel taxes, registration fees, motor vehicle sales taxes, and other sources to pay debt service and make allocations to transit agencies, subject to annual legislative appropriation (Mass. Gen. Laws Ann. ch. 29, §2ZZZ). Remaining revenues in the fund are transferred to the Massachusetts Transportation Trust Fund, which also receives all other transportation revenues. This second fund is managed by MassDOT, is not subject to annual legislative appropriation, and is used to pay for MassDOT operations across all modes as well as special obligation debt assumed by the department (Mass. Gen. Laws Ann. ch. 6C, §4). In addition, state statute dedicates the Transportation Infrastructure and Development Fund, which received its first disbursement of gaming revenues in FY 2015, to approved transportation purposes. At least half of the fund must be used for municipal ways (Mass. Gen. Laws Ann. ch. 23K, §62).
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•	• Pas-senger and freight	•	•	•		Generally authorized in statute, up to a specified limit; further legislative approval required (Mass. Gen. Laws Ann. ch. 29, §60A)
Revenue bonds	•	•	•	•		•	•			Commonwealth Transportation Fund revenue bonds generally authorized in statute; further legislative approval required (Mass. Gen. Laws Ann. ch. 29, §20); used for the Accelerated Bridge Program, airports, ports, and transit, including commuter rail
Build America Bonds		•	•							Issued in 2010 for the Accelerated Bridge Program
GARVEE bonds		•	•							"Grant anticipation notes"; specifically authorized in session law (e.g., 2008 Mass. Acts, Chap. 233), not statute; used for the Accelerated Bridge Program
Advance construction		•	•							
Partial conversion of advance construction		•	•							
Federal-aid matching: toll credits ("soft match")		•	•							
Design-build	•	•	•	•	• Pas-senger and freight	•	•			Authorized in statute for all state agencies, for projects with cost estimates of more than \$5 million (Mass. Gen. Laws Ann. ch. 149A, §§14 et seq.) and as part of MassDOT public-private partnerships (Mass. Gen. Laws Ann. ch. 6C, §§62 et seq.); used for road and bridge projects
Public-private partnerships	•	•	•	•	• Pas-senger and freight	•	•			Authorized in statute for various transportation modes (Mass. Gen. Laws Ann. ch. 6C, §§62 et seq.); used for a road project (see notes)

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as

public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- In 2000, Massachusetts entered into a public-private partnership agreement for Route 3 North under project-specific legislation (1999 Mass. Acts, Chap. 53). The project was delivered using a design-build component and is still privately operated. The state’s current authorizing statutes for public-private partnerships were enacted in 2009.
- As of March 2016, Massachusetts was in the loan pipeline for Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance.

<b>Transportation-Related Bonding</b>	Yes. Massachusetts tends to pass a transportation bond bill about every two to three years.
<b>Restrictions on Finance Mechanisms</b>	Bonding is subject to legislative authorization through bond bills, debt affordability limitations, and a statutory limit on overall general obligation debt (Mass. Gen. Laws Ann. ch. 29, §20 and §60A).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. MassDOT can retain excess funds from the Commonwealth Transportation Fund in the Transportation Trust Fund, which is not subject to appropriation. However, excess funds tend to be minimal because the Commonwealth Transportation Fund is subject to appropriation. No additional approvals are required to spend excess funds in the Transportation Trust Fund.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No, unless it is necessary to change bond bill language that was previously approved.
<b>Legislative Actions to Control DOT Costs</b>	[No data]

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Legislative appropriations, legislatively established formulas, and grants. MassDOT allocates state transportation bond revenues to municipalities for roadway projects through the “Chapter 90” Program (first enacted in 1973, now authorized in Mass. Gen. Laws Ann. ch. 6C, §4). Overall funding for the program is appropriated by the General Court, and the amount of available funds for each municipality is based on road miles, population, and employment, using a formula that was initially developed by a legislative committee. Municipalities must apply for reimbursement for eligible projects. In 2015, MassDOT also used the Chapter 90 formula to distribute \$30 million to municipalities for road and bridge repairs through the Winter Recovery Assistance Program. A similar approach will be used to distribute revenues from the Transportation Infrastructure and Development Fund to cities and towns (Mass. Gen. Laws Ann. ch. 23K, §62). In addition, MassDOT awards discretionary grants to municipalities through the Complete Streets Funding Program, and to transit agencies and other eligible entities through the Community Transit Grant Program.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes local motor vehicle excise taxes, to be used exclusively for local highway and transit purposes (Mass. Gen. Laws Ann. ch. 60A). State statute also dedicates to regional transportation authorities, including the Massachusetts Bay Transportation Authority, a portion of the property taxes assessed by the authorities’ constituent municipalities (Mass. Gen. Laws Ann. ch. 161A, §9; Mass. Gen. Laws Ann. ch. 161B, §9 and §10).



# MICHIGAN

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	256,747 (171,081 rural, 85,666 urban)
	Bridges	11,092
	Toll facilities	Yes (bridges: 7; tunnels: 1)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, streetcar, automated guideway, vanpool, demand response
	Urban transit trips in 2015	81.0 million
<b>Rail</b>	Freight rail route miles	3,542
<b>Aviation</b>	Total airports	355
	Public-use airports	235
	Passengers boarded in 2015	19.0 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	69.8 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Michigan Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (38 members), House of Representatives (110 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	1,650 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Appropriations <ul style="list-style-type: none"> <li>Subcommittee on Transportation</li> </ul> Senate Committee on Transportation           House Committee on Appropriations <ul style="list-style-type: none"> <li>Subcommittee on Transportation</li> </ul> House Committee on Transportation and Infrastructure

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.



## Department of Transportation

<b>Name</b>	Michigan Department of Transportation (MDOT)	
<b>Structure</b>	Organized by both functional activity and transportation mode. MDOT is organized into bureaus based on functional activities, but also has offices dedicated to passenger transportation, rail, and aeronautics.	
<b>Leadership</b>	MDOT Director (serves on governor's cabinet), State Transportation Commission (independent body). The State Transportation Commission is an appointed policymaking body, and the MDOT director is responsible for executing commission policy. In Michigan, the governor is less actively involved with transportation oversight and has chosen to delegate much of the responsibility to MDOT.	
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	2,918	
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit (including intercity bus regulation), freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle, limousine regulation. MDOT is involved to some extent with all transportation networks and services.	
<b>Includes DMV?</b>	No. The Michigan Secretary of State performs driver's licensing and vehicle registration functions. The cost of vehicle registration operations are largely funded by sources that would otherwise go to transportation, including an annual \$20 million appropriation from the Michigan Transportation Fund (2003 Mich. Pub. Acts, Act 151) and a \$5.75 annual vehicle registration service fee (Mich. Comp. Laws Ann. §257.801) that yields about \$44 million per year. Other functions are supported by other fee revenues and general fund appropriations.	
<b>Includes Highway Patrol?</b>	No. The Michigan State Police perform highway patrol functions, including motor carrier enforcement, funded by general funds, annual appropriations from the transportation budget, Federal funds, and a \$2.25 annual regulatory fee on vehicle registrations (Mich. Comp. Laws Ann. §257.801) that yields about \$16 million per year. Local police forces also patrol state highways.	
<b>Jurisdiction Over Toll Facilities?</b>	Yes. Within MDOT is the Mackinac Bridge Authority, a public benefit corporation and instrumentality of the state with separate finances (Mich. Comp. Laws Ann. §254.302), which manages the Mackinac Bridge and is funded by toll revenues. MDOT also has jurisdiction over the <a href="#">International Bridge</a> and the <a href="#">Blue Water Bridge</a> (Mich. Comp. Laws Ann. §16.456 and §16.458). Other toll bridges, the Detroit-Windsor tunnel, and ferries are private or locally-operated.	

## Other

<b>Other State-Level Transportation Entities</b>	Michigan Aeronautics Commission (state entity)	The Michigan Aeronautics Commission is responsible for the general supervision of all aeronautics within the state. The commission is administered by the MDOT's Office of Aeronautics and funded by aviation-related revenues. The MDOT director is a statutory member of the commission (Mich. Comp. Laws Ann. §§259.26 et seq.).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. The MDOT director and budget officials participate with appropriation sub-committees on development of the annual transportation budget, including non-dedicated (general fund) revenue, and on legislation within the appropriation bill. MDOT's Office of Governmental Affairs communicates with legislators and legislative staff on the development of transportation-related bills, to deliver department and administration suggestions, and in response to legislators' questions or requests for advice. MDOT officials may testify formally as to the administration's position on bills during committee action.
<b>DOT Legislative Liaison</b>	The legislative liaison in MDOT's Office of Governmental Affairs is the principal point of contact with the Legislature, and is supplemented by MDOT's director, budget officer, and other staff as needed.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Mich. Comp. Laws Ann. ch. 220 to 259 and ch. 460 to 480; Mich. Const. art. V, §28; Mich. Comp. Laws Ann. §§16.450 et seq.; Mich. Const. art. IX, §9 (revenue restrictions); portions of Mich. Comp. Laws Ann. ch. 205 and 207 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. Only legislators can request legislative bill drafts and sponsor and introduce bills. In some cases, bills are introduced at MDOT's request, by legislative sponsors identified through the governor's office.
	Advocacy and Lobbying	MDOT does not lobby nor advocate legislative actions. MDOT may support or oppose specific bills, stating the position of the governor's administration, and offer advice on amendments. MDOT may advise the governor's office on the implications of a bill, or provide bill analyses to the governor's office prior to signature or veto.
	Fiscal Notes or Policy Impact Statements for Legislative Use	No formal role. Fiscal impacts are estimated by the House or Senate fiscal offices on each bill with revenue or budget implications. MDOT may advise the Legislature on the fiscal, operational, or policy implications of bills.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The six members of the State Transportation Commission are appointed by the governor to staggered three-year terms, with the advice and consent of the Senate and within constitutional requirements for partisan balance. The MDOT director also is appointed by the governor, with the advice and consent of the Senate, and within broad statutory requirements for executive and administrative abilities. If the director is not a licensed professional engineer, the director must designate a deputy director who is, to be responsible for the engineering content of policies and programs (Mich. Comp. Laws Ann. §16.455 and §§247.801 et seq.; Mich. Const. art. V, §28).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The MDOT director serves at the pleasure of the governor. Members of the State Transportation Commission may also be removed by the governor (Mich. Const. art. V, §10).
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Committee on Administrative Rules reviews all proposed rules. The committee or any other legislator may introduce a bill to block a rule. Otherwise, the rule is automatically approved. The committee may also suspend a rule during the interim (Mich. Comp. Laws Ann. §§24.201 et seq.).

**Legislative Audits  
or Sunset Reviews**

Neither. Performance audits are generally conducted by the Office of the Auditor General. Although the auditor general is elected by the Legislature, the office is an independent body. Michigan does not conduct sunset reviews of state agencies or programs.

**Required DOT Reports  
to the Legislature**

By statute, MDOT must submit annual reports to the Legislature concerning bridge repairs (Mich. Comp. Laws Ann. §247.660), transportation for older adults and people with disabilities (Mich. Comp. Laws Ann. §247.660e), the local Federal match grant program (Mich. Comp. Laws Ann. §247.661f), transportation revenues and distributions (Mich. Comp. Laws Ann. §247.667), the Pure Michigan byway system (Mich. Comp. Laws Ann. §247.958), and the rail infrastructure loan fund and rail freight fund (Mich. Comp. Laws Ann. §474.65a). MDOT's director must provide an annual report on pavement demonstration projects (Mich. Comp. Laws Ann. §247.651i). The State Transportation Commission must make annual reports to the Legislature about its activities (Mich. Comp. Laws Ann. §247.813) and its recommendations for a transportation program (Mich. Comp. Laws Ann. §247.660h). The Legislature also receives the annual report of the State Transportation Commission's Transportation Asset Management Council, reporting on the results from MDOT's asset management system and the biennial surveys of Federal-aid-eligible local roads (Mich. Comp. Laws Ann. §247.659a). In addition, MDOT has several recurring reporting requirements in [annual appropriations boilerplate](#). These include reports on performance metrics for new or expanded programs (§204), the warranty program (§601), and the use of alternative materials (§660). MDOT is also required to submit a number of one-time reports.

**Legislative Role in DOT  
Performance Management**

In addition to the reporting requirements listed above, [annual appropriations boilerplate](#) also requires a website scorecard on key metrics used to monitor and improve agency performance (§235).

**Other Legislative Oversight  
Mechanisms**

Most legislative oversight is in the form of committee meetings on legislation, or through occasional information requests from legislators. Legislators may read some audit reports prepared by non-legislative entities, but there is no systematic or routine review.

**Resources Provided to DOT  
to Support Compliance with  
Oversight Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations  
Overview**

Annual budget; fiscal year begins Oct. 1. The Legislature approves the transportation budget, but the budget is largely driven by how much revenue is generated and by statutory formulas for distribution.

**Allocation of Transportation  
Revenues to the DOT**

## Federal Revenues

Legislative appropriation. Federal transportation funds are included in the annual state budget. They must be appropriated before they can be spent by MDOT on state projects or made available for local projects. The Legislature approves a budget with line items for broad spending categories, not for specific projects, and MDOT decides how to allocate funds within those categories.

## State Revenues

Legislative appropriation. State transportation funds are distributed by statutory formula, but still must be appropriated in the annual state budget (at the program or category level) before they can be spent by MDOT or distributed to local agencies.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Debt service	\$237,925,300
	Collection, enforcement, and other agency support services	\$47,320,700
	Executive direction	\$5,716,300
	Business support	\$17,212,700
	Information technology	\$32,364,500
	Finance, contracts, and support services	\$21,791,700
	Transportation planning	\$38,969,900
	Design and engineering services	\$170,732,700
	Highway maintenance	\$303,948,000
	Road and bridge programs	\$2,649,252,600
	Blue Water Bridge	\$6,433,100
	Transportation economic development	\$24,447,500
	Aeronautics services	\$7,898,800
	Public transportation services	\$5,740,500
	Bus transit division: statutory operating	\$212,277,900
	Intercity passenger	\$133,740,700
	Public transportation development	\$80,630,200
	Capital outlay: buildings and facilities	\$3,001,500
	Capital outlay: airport improvement programs	\$106,599,000
	One-time basis only appropriations	\$8,500,000
	<b>Total</b>	<b>\$4,114,503,600</b>
<b>Revenue Sources</b>	Federal revenues	\$1,314,744,000
	Local revenues	\$50,418,500
	Private revenues	\$100,000
	State restricted revenues	\$2,736,727,700
	State general fund	\$8,500,000
	Interdepartmental grants and transfers	\$4,013,400
	<b>Total</b>	<b>\$4,114,503,600</b>

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	MDOT has a highly devolved transportation system, in which the state has jurisdiction over just 8.1 percent of the state's road miles, and 616 local road agencies control the rest. MDOT guides the process and selects projects for its annually updated Five Year Transportation Program (Five-Year Plan), which outlines its capital program for roads and bridges. Projects are selected mainly to meet pavement and bridge performance goals and for statewide geographic distribution. MPOs coordinate local projects but do not select projects for the state plan. The State Transportation Commission approves the five-year plan as a broad planning document, but does not select or question specific projects.
<b>Legislative Role in the Planning Process</b>	Limited legislative role. Historically, the Legislature has not been involved in the project selection process. The Legislature reviews but does not approve the five-year plan, and the transportation budget it approves is largely pre-determined. Although this is still generally true, the Legislature has, however, included some earmarks in the annual budgets that could be considered capital projects. In FY 2014, \$230.0 million in general fund revenue was appropriated for state road and bridge programs, and the governor allowed legislative leadership to participate in project selection. In addition, both the FY 2016 and FY 2017 budgets include several legislatively designated or earmarked projects.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate; starting 2022: variable rate—indexed)	•	•	•	•	• Pas-senger and freight	•	•	•		Up to 10 percent of revenues may be used for multimodal transportation (Mich. Const. art. IX, §9) including transit, rail, aviation, and ports; to be indexed to the Consumer Price Index starting Jan. 1, 2022, with increases capped at 5 percent per year (Mich. Comp. Laws Ann. §207.1008; 2015 Mich. Pub. Acts, Act 176 [House Bill 4738]) (see notes)
Fuel taxes: alternative fuels (fixed rate; starting 2022: variable rate—indexed)	•	•	•	•	• Pas-senger and freight	•	•	•		Currently includes a fixed-rate tax on liquefied petroleum gas; taxes on liquefied and compressed natural gas, hydrogen, and others will go into effect for commercial users on Jan. 1, 2017, and for all others on Jan. 1, 2018; will be taxed the same way as gasoline and diesel (Mich. Comp. Laws Ann. §207.1152; 2015 Mich. Pub. Acts, Act 176 [House Bill 4738] and 2015 Mich. Pub. Acts, Act 178 [House Bill 4616])
Fuel taxes: aviation fuels, excise taxes	•	•				•				Includes privilege (excise) taxes on aviation gasoline and jet fuel; dedicated in the constitution to “public transportation” purposes, and in statute to state aeronautics programs (Mich. Const. art. IX, §9; Mich. Comp. Laws Ann. §259.203, §259.34)
Fuel taxes: aviation fuels, sales and use taxes	•	•				•				As of Oct. 1, 2016, 2 percent of revenues from state general sales and use taxes on aviation fuels go to aviation (Mich. Comp. Laws Ann. §205.75, §205.111, §259.34)
Fuel taxes: non-highway use	•	•					•		•	2 percent of gasoline taxes (reflecting gasoline use in boats, off-road vehicles, and snowmobiles) go to the Recreation Improvement Account, which is mostly allocated to waterways and snowmobile trails (Mich. Comp. Laws Ann. §§324.71101 et seq.; Mich. Const. art. IX, §40)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
State general sales taxes on motor fuels, vehicles, parts, and accessories	•	•		•	• Pas-senger and freight	•	•			A portion is dedicated to the Comprehensive Transportation Fund for public transit, rail, and other “public transportation” activities, which can include port and airport improvements (Mich. Comp. Laws Ann. §205.75)
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight	•	•	•		Up to 10 percent of vehicle registration tax revenues may be used for multimodal transportation; the basic \$10 title fee is credited to the Michigan Transportation Fund (Mich. Const. art. IX, §9; Mich. Comp. Laws Ann. §§257.801 et seq.; 2015 Mich. Pub. Acts, Act 174 [House Bill 4736])
Special registration fees on hybrid and electric vehicles	•		•	•	• Pas-senger and freight	•	•	•		Vehicle registration tax surcharges; will go into effect Jan. 1, 2017 (2015 Mich. Pub. Acts, Act 174 [House Bill 4736])
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger and freight	•	•	•		Deposited to Michigan Transportation Fund (Mich. Comp. Laws Ann. §257.801, §257.810)
Oversize/overweight truck permit fees	•	•	•							Mich. Comp. Laws Ann. §257.725
Vehicle dealer license fees	•	•	•	•	• Pas-senger and freight	•	•	•		Deposited to the Michigan Transportation Fund (Mich. Comp. Laws Ann. §257.807, §257.810)
Tolls	•	•	•							Used for toll bridges (see notes) (Mich. Comp. Laws Ann. §16.456, §254.161)
Aircraft registration fees	•	•				•				Dedicated in the constitution to public transportation purposes, and in statute to state aeronautics programs (Mich. Const. art. IX, §9; Mich. Comp. Laws Ann. §259.77, §259.34)
Aircraft dealer license fees	•	•				•				Mich. Comp. Laws Ann. §259.82



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Airport parking taxes	•	•				•				Deposited in part to the State Aeronautics Fund (Mich. Comp. Laws Ann. §§207.371 et seq.)
Airport licensing and permits	•	•				•				Includes license fees for airport facilities and airport managers (Mich. Comp. Laws Ann. §259.86)
Airport property leases or sales	•	•				•				Mich. Comp. Laws Ann. §259.105
Individual income taxes	•		•	•	• Passenger and freight	•	•	•		Annual allocations to the Michigan Transportation Fund will begin in FY 2019 (Mich. Comp. Laws Ann. §206.51d; 2015 Mich. Pub. Acts, Act 179 [House Bill 4370])
General fund appropriations	See notes	•	•							Legislative appropriations for highway projects (see notes)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- In addition to the fuel taxes listed in this chart, a 6-percent tax is collected through the International Fuel Tax Agreement on diesel fuel purchased by interstate motor carriers in other jurisdictions and burned in Michigan (Mich. Comp. Laws Ann. §205.175 and §205.185).
- Michigan law defines “public transportation,” synonymous with “comprehensive transportation,” as “the movement of people and goods by publicly or privately owned water vehicle, bus, railroad car, street railway, aircraft, rapid transit vehicle, taxicab, or other conveyance that provides general or special service to the public, but not including charter or sightseeing service or transportation which is exclusively for school purposes” (Mich. Comp. Laws Ann. §247.660c). The Comprehensive Transportation Fund may be used for any “public transportation” purposes under this definition.
- Toll facilities in Michigan include three publicly owned bridges: the Mackinac Bridge, the International Bridge, and the Blue Waters Bridge.
- State statute generally authorizes the use of general funds (or any other revenues) for transportation purposes through the Michigan Transportation Fund (Mich. Comp. Laws Ann. §247.660). Specific uses of general funds are authorized in appropriations bills. For FY 2017, the transportation budget includes appropriations of general funds for three highway projects (2016 Mich. Pub. Acts, Act 268).
- Unless otherwise appropriated, a portion of driver’s license fees is credited to the Transportation Economic Development Fund, which is allocated to local agencies for road and street projects (Mich. Comp. Laws Ann. §257.811 and §257.819).



<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon); variable rate (indexed) starting Jan. 1, 2022
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges, multimodal transportation. The state constitution dedicates fuel taxes from highway users to transportation purposes. At least 90 percent must be used for roads, streets, and bridges usable by road vehicles, and the remainder for comprehensive transportation purposes as defined by law (Mich. Const. art. IX, §9; see note). In addition to these constitutional restrictions, most state surface transportation programs are defined in and governed by state statute (Mich. Comp. Laws Ann. §§247.651 et seq.).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution dedicates taxes on motor vehicles in the same manner as fuel taxes from highway users. Taxes and fees on aircraft, aviation fuel taxes, and up to 25 percent of the state general sales tax on motor fuels, vehicles, parts, and accessories must be used for comprehensive transportation purposes as defined by law (Mich. Const. art. IX, §9). These revenues are directed to various funds by state statute. In addition, state statute directs the fuel tax revenues attributable to watercraft, off-road vehicles, and snowmobiles to the Recreation Improvement Account (Mich. Comp. Laws Ann. §324.71106).
<b>Dedicated or Restricted Transportation Funds</b>	The Michigan Transportation Fund receives state transportation revenues, including fuel taxes and vehicle registration taxes, and as of 2015 may receive revenues from any other source. Fund revenues are distributed to other accounts and programs by statutory formulas, mainly for road projects and related debt. Of the funds allocated from the Michigan Transportation Fund to the State Trunk Line Fund and to counties, cities, and villages, at least 1 percent must be spent on non-motorized transportation services and facilities. Ten percent of the fund's revenues and a portion of the state general sales tax on motor fuels, vehicles, parts, and accessories go into the Comprehensive Transportation Fund, to be used for public transit, rail, and other transportation purposes (Mich. Comp. Laws Ann. §205.75 and §§247.660 et seq.; see note). The State Aeronautics Fund receives aviation fuel taxes, aircraft registration fees, an airport parking tax, and, beginning Oct. 1, 2016, 2 percent of the general sales tax on aviation fuel, and must be used for airports (Mich. Comp. Laws Ann. §205.75, §259.34, and §259.35). Revenues in the Recreation Improvement Account are mostly allocated to waterways and trails (Mich. Comp. Laws Ann. §324.71108; Mich. Const. art. IX, §40).
<b>Revenue Sources Prohibited in State Law</b>	None. State law establishes the Michigan Transportation Fund as the primary collection and distribution fund for dedicated transportation revenues and for many years, prohibited the deposit of any other money—including, specifically, state general fund revenues—into that fund. Recently enacted legislation, however, allows the fund to receive money from any source as of April 1, 2016 (Mich. Comp. Laws Ann. §247.660; 2015 Mich. Pub. Acts, Act 175).

**Note:** Although Michigan's dedications of revenues from particular sources (such as taxes on motor fuels or vehicle registrations) and dedications of the funds or accounts into which those revenues are deposited (such as the Michigan Transportation Fund) overlap in practice, there is a fine distinction between them. Concerning revenues, the Michigan constitution allows up to 10 percent of the revenues from fuel taxes and vehicle registration fees to be used for comprehensive transportation purposes (Mich. Const. art IX, §9), whereas, concerning funds and accounts, state statute requires a firm 10 percent of all revenues in the Michigan Transportation Fund (which is fed by other revenues in addition to fuel taxes and vehicle registration taxes) to be transferred to the Comprehensive Transportation Fund for comprehensive (multimodal) transportation purposes (Mich. Comp. Laws Ann. §247.660).

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•	•	• Pas-senger and freight	•	•			State Trunkline Fund bonds and Comprehensive Transportation Fund bonds (Mich. Comp. Laws Ann. §§247.668a et seq.)
Build America Bonds	See notes	•	•							Issued in 2009 for road and bridge projects
GARVEE bonds (indirect only)	See notes	•	•							Only indirect GARVEEs have been issued, most recently in 2009
Advance construction		•	•							
Partial conversion of advance construction		•	•							
Federal-aid matching: flexible match		•	•							
Federal-aid matching: tapered match		•	•							
Federal-aid matching: toll credits ("soft match")		•	•	See notes						
Design-build	See notes	•	•							No authorizing statute (see notes); used for road projects
Public-private partnerships	See notes	•	•							No authorizing statute (see notes); used for road and bridge projects
State infrastructure bank		•	•	•						Capitalized with state and Federal funds; authorized in annual appropriations, not state statute; may be used for highway, transit, rail, or intermodal projects

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs,

or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- The State Transportation Commission is authorized generally to issue notes and bonds, including those issued in anticipation of the receipt of Federal grants (Mich. Comp. Laws Ann. §247.668b). Both Build America Bonds and GARVEE bonds are considered to be included, if not specifically named, under this general authority.
- MDOT used toll credits from FY 2005 to FY 2010 to match Federal aid for transit projects, with small amounts also used for this purpose in FY 2011 and FY 2012. More recently, toll credits have been used for road and bridge projects.
- Although Michigan does not have statutes that specifically authorize design-build contracting or public-private partnerships, state law generally gives agencies discretion over procurement (see, for example, Mich. Comp. Laws Ann. §§18.1240 et seq.) and MDOT has used both of these approaches.
- Michigan previously used a Section 129 loan for the Blue Water Bridge. Repayments began in 1998 and were completed by 2006.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	State statute limits total transportation-related debt service to 50 percent of the previous year’s constitutionally restricted transportation revenue (Mich. Comp. Laws Ann. §247.668b). State Transportation Commission policy is stricter, and limits debt service to 25 percent of constitutionally restricted revenues. These guidelines also require bonding to be used only for capital projects, infrastructure, and equipment.
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. MDOT can carry forward appropriated funds for projects into subsequent years. Carry-forward funds do not need to be re-appropriated, and in general, no further approvals are required for excess funds to be spent, except that projects with work-project status must be reviewed every year over the four-year life of the appropriation.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No. The State Transportation Commission must notify the Legislature if MDOT intends to use bond funds for a different project than originally specified (Mich. Comp. Laws Ann. §247.668b), but bond proceeds are not appropriated and no legislative approval is required. In addition, any changes to MDOT’s Five-Year Plan are simply reflected in the subsequent year’s updated plan, which also is not subject to legislative approval.
<b>Legislative Actions to Control DOT Costs</b>	Various state statutes provide for procurement and bidding guidelines and directives, including competitive bidding requirements (Mich. Comp. Laws Ann. §247.661c). State law also requires pavement warranties wherever possible (Mich. Comp. Laws Ann. §247.661), mandates a life-cycle cost analysis for each pavement project with a total cost over \$1 million (Mich. Comp. Laws Ann. §247.651h), limits MDOT administrative expenses to 8 percent of all funds received (Mich. Comp. Laws Ann. §247.661), and tasks the Transportation Asset Management Council with putting a pavement management system in place to prevent a disproportionate share of pavement on Federal-aid eligible roads from becoming due for replacement or major repair at the same time (Mich. Comp. Laws Ann. §247.651g). Although not required, state law also allows for pavement projects to evaluate the cost-effectiveness and performance of new construction methods, materials, or design (Mich. Comp. Laws Ann. §247.651i).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	<p>Statutory formulas, legislative appropriations, and grants. Local agencies—including 83 county road commissions and 533 counties and villages—control more than 90 percent of Michigan’s road miles, and most state transportation revenue is distributed to local entities by statutory formula. After set-asides, 39.1 percent of the Michigan Transportation Fund is directed to county road commissions, and 21.8 percent to cities and villages, for road projects. Proceeds from 3 cents of the state gas tax are allocated in the same proportions. These revenues are distributed to county road commissions by a statutory formula based on road miles, population, and vehicle registrations, and to cities and villages based on population and road miles. As of 2016, with MDOT approval, a city may use up to 20 percent of its allocation for public transit if more than 10 million passengers used public transit in that city the previous year (Mich. Comp. Laws Ann. §247.663). Also from the Michigan Transportation Fund, the Local Bridge Fund receives \$5 million plus half a cent of the state gas tax for local distribution, \$3 million for debt service, and \$30 million in bond financing for any authorized purpose. After set-asides, the Local Bridge Fund is distributed to regional bridge councils by a statutory formula based on number of bridges, bridge deck area, and structurally deficient bridge deck area (Mich. Comp. Laws Ann. §247.660). A portion of the Comprehensive Transportation Fund is used for public transit operating and capital grants to eligible local entities (Mich. Comp. Laws Ann. §§247.660b et seq.). Revenues from the Transportation Economic Development Fund are allocated to local entities for road and street projects through distribution formulas and grant programs (Mich. Comp. Laws Ann. §§247.901 et seq.). General funds are sometimes appropriated for local use, in which case the Legislature may define the allocation formula.</p>
<b>Local Revenue Sources Authorized in State Law</b>	<p>State statute authorizes municipalities, metropolitan districts, and public transportation authorities to assess property taxes for various transportation purposes (Mich. Comp. Laws Ann. §110.6, §117.4g, §119.4, and §124.468). Metropolitan districts and some municipalities may also levy special assessments for public improvements and services, including transportation facilities (Mich. Comp. Laws Ann. §41.411, §41.722, §110.7, §117.4g, and §119.4). A regional transit authority may, with voter approval, establish special assessments or vehicle registration taxes for public transit purposes in metropolitan Detroit (Mich. Comp. Laws Ann. §124.550).</p>

# MINNESOTA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	285,083 (236,244 rural, 48,838 urban)
	Bridges	13,301
	Toll facilities	Yes (roads: 27.0 miles; bridges: 1)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, light rail, commuter rail, vanpool, demand response
	Urban transit trips in 2013	103.6 million
<b>Rail</b>	Freight rail route miles	4,450
<b>Aviation</b>	Total airports	333
	Public-use airports	142
	Passengers boarded in 2013	16.6 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	43.5 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Minnesota Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (67 members), House of Representatives (134 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to May (odd years), Feb. to May (even years)
<b>Legislative Measures Introduced in 2016</b>	2,800 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Capital Investment Senate Committee on Finance • Transportation and Public Safety Budget Division Senate Committee on Transportation and Public Safety House Committee on Capital Investment House Committee on Transportation Policy and Finance House Subcommittee on Metropolitan Council Accountability and Transparency [Commission] Legislative Commission on Metropolitan Government

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Minnesota Department of Transportation (MnDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Commissioner of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	5,107
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle. MnDOT is a funding partner, not a provider, for public transit and passenger rail.
<b>Includes DMV?</b>	No. Driver and Vehicle Services is a division of the Department of Public Safety. These functions are not funded out of MnDOT's budget directly, but they are funded by transportation dollars—including user fees and some trunk highway funds—that otherwise would have been spent on road and bridge projects.
<b>Includes Highway Patrol?</b>	No. The Minnesota State Patrol is a division of the Department of Public Safety. These functions are not funded out of MnDOT's budget directly, but they are funded by transportation dollars—primarily trunk highway funds—that otherwise would have been spent on road and bridge projects. They are also supported by Federal funds and special revenue funds.
<b>Jurisdiction Over Toll Facilities?</b>	Yes, inasmuch as MnDOT operates a number of high-occupancy toll (HOT) lanes in the Twin Cities metro area. Besides HOT lanes, however, the only toll facility in Minnesota is a privately operated bridge, and Minnesota law restricts the use of tolls to facilities that were tolled before Sept. 1, 2007, or lanes added to a highway after that date (Minn. Stat. Ann. §160.845).

## Other

<b>Other State-Level Transportation Entities</b>	Department of Public Safety—Office of Pipeline Safety (state agency)	The Department of Public Safety contains the Office of Pipeline Safety as well as the Minnesota State Patrol.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, extensive. MnDOT and the Legislature have extensive contact. District management and executive staff regularly discuss specific transportation issues and projects with legislators. Special briefings are occasionally held to acquaint legislators with MnDOT activities. Legislators and legislative staff frequently request information from MnDOT, which is regarded as the expert source of transportation-related information. MnDOT testifies during session about transportation-related legislation. MnDOT's Office of Government Affairs assists policy makers with transportation-related decisions, responds to constituent inquiries, and works with the Legislature to advance policies that will improve MnDOT's operation and services. MnDOT employs a dedicated state legislative liaison within the Office of Government Affairs.
<b>DOT Legislative Liaison</b>	MnDOT district management, executive staff, state legislative liaison, and other government affairs staff all serve as points of contact between the department and the Legislature.



## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Minn. Const. art. XIV; Minn. Stat. Ann. ch. 15, 160 to 174A, 218 to 222, and 360 to 362; Minn. Const. art. XI, §5 (bonding); Minn. Const. art. X, §4 and §5 (revenues); Minn. Stat. Ann. ch. 296A and 297B (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. MnDOT works with the Legislature to develop legislative proposals. Also, in Minnesota, executive agencies can develop and propose “department bills,” with the approval of the governor’s office, but only legislators can formally sponsor and introduce bills. In general, department bills are delivered to legislative leaders, who identify legislative sponsors for them.
	Advocacy and Lobbying	MnDOT puts forward language for governor’s proposals, as well as more minor technical or housekeeping proposals, which a legislative member carries. MnDOT will publicly explain these bills, and will also at times take positions on other proposals, either publicly or through memos, that did not originate from the department.
	Fiscal Notes or Policy Impact Statements for Legislative Use	By law, state agencies such as MnDOT must prepare fiscal notes for bills as requested by chairs of legislative committees (Minn. Stat. Ann. §3.98).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The commissioner of transportation is appointed by the governor to a term that coincides with the governor’s, with the advice and consent of the Senate (Minn. Stat. Ann. §174.02, §15.06, and §15.066).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The commissioner of transportation serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed and new rules are reviewed by the relevant standing committees. The joint Legislative Coordinating Commission may also review proposed and existing rules. The roles of these committees are mainly advisory (Minn. Stat. Ann. §14.116 and §§3.841 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. MnDOT is subject to audits conducted by the Office of the Legislative Auditor, a professional, nonpartisan audit and evaluation office within the state’s legislative branch. Minnesota does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	State statute requires MnDOT to submit an annual report to the Legislature on major highway projects, Trunk Highway Fund expenditures, and efficiencies, including an annual budget with measures of productivity for the previous fiscal year (Minn. Stat. Ann. §174.56). The commissioner of transportation must submit annual reports concerning the Corridors of Commerce program (Minn. Stat. Ann. §161.088), privatization transportation contracts (Minn. Stat. Ann. §161.3203), bridge projects (Minn. Stat. Ann. §165.14), the Stillwater lift bridge endowment account (Minn. Stat. Ann. §165.15), and life-cycle cost analyses (Minn. Stat. Ann. §174.185). Every other year, the commissioner is required to make reports about the Trunk Highway Emergency Relief Account (Minn. Stat. Ann. §161.04), the condition, management, and financial transactions of MnDOT (Minn. Stat. Ann. §161.10), small business contracts (Minn. Stat. Ann. §161.321), real property (Minn. Stat. Ann. §161.44), bridge inspection quality assurance (Minn. Stat. Ann. §165.03), highway construction training (Minn. Stat. Ann. §174.03), the disadvantaged business enterprise program (Minn. Stat. Ann. §174.03), the transportation economic development program (Minn. Stat. Ann. §174.12), safe routes to school (Minn. Stat. Ann. §174.40), and guideway projects (Minn. Stat. Ann. §174.93). Also, as part of MnDOT’s biennial budget, the commissioner must report to the Legislature on department performance (Minn. Stat. Ann. §174.02). Every four years, starting in 2016, the commissioner must submit an aviation tax report (Minn. Stat. Ann. §360.675).



**Legislative Role in DOT Performance Management**

In addition to the reporting requirements and legislative audits listed above, all state agencies including MnDOT are required to present performance data in their budget proposals (Minn. Stat. Ann. §16A.10). This allows the Legislature to determine how successful state programs are, as well as encouraging agencies to develop clear goals and objectives and strengthening their accountability to citizens. The Legislature has also established MnDOT goals and performance measurement requirements in state law (Minn. Stat. Ann. §174.01 and §174.03).

**Other Legislative Oversight Mechanisms**

Standing committees conduct studies on topics under their jurisdiction between legislative sessions. Other oversight mechanisms include legislative requests for information from MnDOT.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

Yes. Requirements for MnDOT reports to the Legislature or other legislative mandates have in some cases received separate appropriations.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Biennial enactment of two 12-month budgets; fiscal year begins July 1.

**Allocation of Transportation Revenues to the DOT**

## Federal Revenues

Partial legislative appropriation. Federal funds that flow through the state's Trunk Highway Fund are appropriated through the biennial budget process, usually in broad spending categories such as construction or maintenance and occasionally as project-specific appropriations. Federal funds that do not flow through the state's Trunk Highway Fund require legislative approval to be spent.

## State Revenues

Legislative appropriation. State revenues are constitutionally dedicated to Minnesota's Highway User Tax Distribution Fund, then appropriated through direct and statutory appropriations to state agencies and programs. Appropriations usually are at the category level, but occasionally are project-specific.

### State Transportation Budget

**Most Recently Enacted Transportation Budget**

Biennial budget, FY 2016 and FY 2017 (approved) (see notes)

**Authorized Expenditures (FY 2017 only)**

Multimodal systems	231,237,000
Program planning and delivery	259,674,000
State road construction	856,076,000
Operations and maintenance	332,879,000
Debt service	231,199,000
Local roads	1,081,943,000
Agency management and other	112,769,000
<b>Total (See notes)</b>	<b>3,105,778,000</b>

**Revenue Sources (FY 2017 only)**

Direct appropriations	2,496,573,000
Open appropriations	7,491,000
Statutory appropriations	601,714,000
<b>Total</b>	<b>3,105,778,000</b>

**Notes:**

- The numbers in this chart are drawn from MnDOT's approved biennial transportation budget, which includes direct appropriations (those in the biennial budget bill), open appropriations (authorizations to spend an unspecified amount to meet program goals or requirements), and statutory appropriations (ongoing allocations made in state statute, not session law). This chart shows MnDOT's budget only, not those transportation dollars appropriated to other state agencies.
- Numbers do not total due to rounding (to the nearest thousand) in MnDOT's budget summary.

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

Using an extensive public involvement process, MnDOT develops a 20-year state plan, a 10-year highway investment plan, and an annually updated four-year State Transportation Improvement Program (STIP). These plans are informed by special studies and metropolitan, regional, and tribal plans. MnDOT identifies and develops projects for the state trunk highway system and coordinates involvement of other stakeholders on all modes. The process of prioritizing projects for funding in the STIP is done with the participation of Area Transportation Partnerships, which are regional committees comprised of local elected officials or their delegates and MnDOT employees. Since MAP-21, MnDOT has employed more statewide programming on the National Highway System, so potential projects are identified by asset management systems and then evaluated and programmed by the districts. Work that is not on the National Highway System continues to be a more decentralized programming process in which districts initiate candidate projects.

### Legislative Role in the Planning Process

Limited legislative role. With rare exceptions, the Legislature does not identify projects in legislation. Legislators do, however, regularly introduce bills that would prioritize certain projects more highly than in the existing plan. The Legislature does not approve the transportation plans, but may review them at legislative hearings. The Legislature appropriates funds within broad categories, and can set investment priorities in that way.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•							Minn. Stat. Ann. §296A.07, §296A.08; Minn. Const. art. XIV, §10
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied petroleum gas and liquefied and compressed natural gas (Minn. Stat. Ann. §296A.08; Minn. Const. art. XIV, §10)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Minn. Stat. Ann. §296A.09, §296A.18)
Vehicle registration taxes	•	•	•							Minn. Const. art. XIV, §9; Minn. Stat. Ann. §168.013
Truck registration fees (based on gross vehicle weight)	•	•	•							Minn. Stat. Ann. §168.013
Oversize/overweight truck permit fees	•	•	•							Deposited to the Trunk Highway Fund (Minn. Stat. Ann. §§169.86 et seq.)
Commercial vehicle inspection fees	•	•	•							Deposited to the Trunk Highway Fund (Minn. Stat. Ann. §169.781)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Sales taxes on motor vehicle sales	•	•	•	•						At least 40 percent of revenues must go to public transit, and the rest to the Highway User Tax Distribution Fund (Minn. Stat. Ann. §297B.02, §297B.09; Minn. Const. art. XIV, §13)
Sales taxes on motor vehicle leases	•	•	See notes	•						Allocated to public transit and county state-aid highways (see notes) (Minn. Stat. Ann. §297A.815)
Fees on rental vehicles	•	•	•							5 percent of sales price; excess fees go to Highway User Tax Distribution Fund (Minn. Stat. Ann. §297A.64, §297A.94)
Congestion pricing/ high-occupancy toll (HOT) lanes	•	•	•	•						Used for the HOT lanes facilities, corridor improvements, and bus transit (Minn. Stat. Ann. §160.93)
Traffic fines	•	•	•		Grade crossings only					Allocated in part to the Minnesota rail grade crossing safety account and the Trunk Highway Fund (Minn. Stat. Ann. §299D.03)
Airline flight property tax	•	•				•				Minn. Stat. Ann. §§270.071 et seq.
Aircraft registration taxes	•	•				•				Levied “in lieu” of all other taxes on aircraft except sales and use tax (Minn. Stat. Ann. §360.531, §360.66)
Sales taxes on aircraft	•	•				•				Deposited to the State Airports Fund as of FY 2014 (Minn. Stat. Ann. §297A.82)
Aircraft dealer license and commercial use permit fees	•	•				•				Minn. Stat. Ann. §360.018, §360.63, §360.654, §360.66
Outdoor advertising revenues	•	•	•							Permit fees for signs and billboard adjacent to highways; allocated to Trunk Highway Fund (Minn. Stat. Ann. §§173.01 et seq.)
Rest area sponsorship	•		•							Authorized but not currently in use; revenues may be used for rest areas only (Minn. Stat. Ann. §160.2735, §160.2745)
General funds		•		•	• Passenger and freight		•	•		Legislative appropriations for public transit, rail, waterways, and pedestrian and bicycle projects

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Interest income	•	•	•			•				Trunk Highway Fund, Highway User Tax Distribution Fund, State Airports Fund (Minn. Stat. Ann. §161.04, §161.081, §360.017)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Revenues from sales taxes on motor vehicles are allocated to the Greater Minnesota Transit Account and to county highways that are eligible for state aid. No revenues are used for state highway purposes (Minn. Stat. Ann. §297A.815).
- Besides high-occupancy toll (HOT) lanes, the only toll facility in Minnesota is a privately operated bridge. Minnesota law restricts the use of tolls to facilities that were tolled before Sept. 1, 2007, or lanes added to a highway after that date (Minn. Stat. Ann. §160.845).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution dedicates fuel taxes from highway users to the Highway User Tax Distribution Fund, which must be used for highway purposes (Minn. Const. art. XIV, , §5 and §10). In general, state law restricts the use of the fund into which the revenues are deposited, rather than the revenues themselves.
<b>Restrictions on Other Transportation Revenues</b>	The state constitution dedicates taxes on motor vehicles to the Highway User Tax Distribution Fund for highway purposes (Minn. Const. art. XIV, §9). Sales taxes on motor vehicles must be used for transportation, with at least 40 percent deposited in a fund dedicated solely to public transit assistance and up to 60 percent deposited in the Highway User Tax Distribution Fund (Minn. Const. art. XIV, §12 and §13). State statute directs a number of aviation-related revenues to the State Airport Fund.
<b>Dedicated or Restricted Transportation Funds</b>	The state constitution restricts use of the Highway User Tax Distribution Fund, which receives fuel taxes and other vehicle-related revenues, to highway purposes (Minn. Const. art. XIV, §5). The constitution also limits the use of the Trunk Highway Fund—which is funded by transfers from the Highway User Tax Distribution Fund, Federal funds, and other revenues such as overweight truck fees and fines—to trunk highways (Minn. Const. art. XIV, §2 and §6). State statute dedicates the Transit Assistance Fund to public transit (Minn. Stat. Ann. §16A.88) and the State Airport Fund, which receives aviation-related revenues, to airports (Minn. Stat. Ann. §360.017). These last two funds are only dedicated in statute, however, and transfers have been made from the State Airport Fund to deal with general fund budget deficits.
<b>Revenue Sources Prohibited in State Law</b>	Minnesota law restricts the use of tolls to facilities that were tolled before Sept. 1, 2007, or lanes added to a highway after that date (Minn. Stat. Ann. §160.845).

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•	• Pas-senger and freight	•	•	•		Includes general obligation bonds (used at the state level for public transit, rail, airports, ports, and pedestrian and bicycle projects) and trunk highway bonds; legislative approval required (Minn. Const. art. XI, §5; Minn. Const. art. XIV, §11; Minn. Stat. Ann. §167.50)
Advance construction		•	•					•		
Partial conversion of advance construction		•	•					•		
Federal-aid matching: flexible match		•	•	•	• Pas-senger and freight	•		•		
Design-build	•	•	•	•				•		Authorized for light rail (Minn. Stat. Ann. §473.3995), bicycle and pedestrian bridges (Minn. Stat. Ann. §160.262), and highways (Minn. Stat. Ann. §§161.3410 et seq.); use is capped at 10 percent of construction contracts awarded by the commissioner the previous year; used for several projects
Public-private partnerships	•		•							Authorized in statute for eligible toll facilities (Minn. Stat. Ann. §§160.84 et seq.); also authorized to establish a joint program office to oversee and coordinate public-private partnership activities (Minn. Stat. Ann. §174.45); not currently in use
State infrastructure bank	•	•	•	•	• Pas-senger and freight	•		•		Transportation Revolving Loan Fund (Minn. Stat. Ann. §446A.085); capitalized with state and Federal funds; may be used for highways (including bicycle paths) or transit, rail, or airport projects

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not in-

clude administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Minnesota has also used the best-value selection process and construction manager/general contractor contracts as alternative project delivery methods (Minn. Stat. Ann. §§161.3206 et seq.).

<b>Transportation-Related Bonding</b>	Yes. Only trunk highway funds may be used to repay the bonds sold for state highway improvements.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds, including trunk highway bonds, require legislative approval and may be designated to specific projects. Bonds that are issued for rail projects and unpaid are capped at \$200 million (Minn. Const. art. XI, §5 and §7; Minn. Const. art. XIV, §11). Design-build contracts are capped at ten percent of the total number of construction contracts awarded by the commissioner the previous year (Minn. Stat. Ann. §161.3412).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes and no. Appropriations can be carried forward within a fiscal biennium. Specific language accompanying an appropriation is needed for carry-forward authority across biennia. This authority generally is given in the aviation section of the transportation budget, but not necessarily in others. If no carry-forward authority was given with the original appropriation, additional approvals are required for any excess funds to be spent.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes, in some cases. Legislative approval is not required to move funds between individual highway transportation projects in a construction appropriation. However, spending authority may not be transferred from the construction appropriation to other areas of the budget without a legislative charge.
<b>Legislative Actions to Control DOT Costs</b>	For certain transportation contracts over \$100,000 (typically for highway project planning and delivery), state law requires MnDOT to prepare a comprehensive written estimate of the cost of having the same work done by MnDOT employees. For contracts of \$250,000 or more, the estimated contract costs (including MnDOT contract monitoring) must be lower than the costs of completing the project in-house for the contract to go forward (Minn. Stat. Ann. §161.3203). State statute also requires life-cycle cost analyses for reconditioning, resurfacing, and road repair projects. If the approach with the lowest life-cycle costs is not selected, the commissioner of transportation must document the justification for the chosen strategy (Minn. Stat. Ann. §174.185).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Constitutional and statutory formulas, legislative appropriations, and grants. In the biennial budget process, the Legislature makes lump sum appropriations to MnDOT for county roads and municipal streets using a constitutional formula for distributing the Highway User Tax Distribution Fund. The formula allocates 29 percent of the fund to county roads and 9 percent to municipal streets, and sets aside 5 percent of the fund to be apportioned to either of these purposes or trunk highways (Minn. Const. art. XIV, §5). MnDOT then allocates funds to counties by a statutory formula based on needs, motor vehicle registrations, and lane miles (Minn. Stat. Ann. §§162.07 et seq.) and to municipalities based on needs and population (Minn. Stat. Ann. §162.13). The state's general obligation bonds assist with local road and bridge projects, which are mostly funded on a first-come, first-serve basis.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to adopt wheelage taxes for roads and bridges (Minn. Stat. Ann. §163.051). State statute also imposes a local severance tax ("aggregate materials tax") in some counties, most of which is allocated to local road and bridge projects (Minn. Stat. Ann. §298.75). The Metropolitan Council, regional railroad authorities, cities (at the request of economic development authorities), and a few local transit agencies are authorized to assess property taxes for various transportation purposes (Minn. Stat. Ann. §398A.04, §458A.10, §458A.31, §469.107, §473.167, and §473.446). A county outside the metropolitan transportation area may impose a transportation sales tax of up to 0.5 percent and an excise tax of \$20 per motor vehicle (Minn. Stat. Ann. §297A.993).



# MISSISSIPPI

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	158,491 (131,198 rural, 27,294 urban)
	Bridges	17,057
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, streetcar, vanpool, demand response
	Urban transit trips in 2013	2.0 million
<b>Rail</b>	Freight rail route miles	2,452
<b>Aviation</b>	Total airports	190
	Public-use airports	79
	Passengers boarded in 2013	1.1 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	45.5 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Mississippi Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (52 members), House of Representatives (122 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to Apr.
<b>Legislative Measures Introduced in 2016</b>	3,600 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Energy Senate Committee on Finance Senate Committee on Highways and Transportation Senate Committee on Judiciary, Division A Senate Committee on Ports and Marine Resources Senate Committee on Public Property House Committee on Judiciary A House Committee on Ports, Harbors, and Airports House Committee on Public Property House Committee on Public Utilities House Committee on Transportation

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Mississippi Department of Transportation (MDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Executive Director of MDOT (does not serve on governor's cabinet; Mississippi has no formal cabinet system), Mississippi Transportation Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	3,384
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, aviation, ports/waterways. MDOT has divisions dedicated to ports and aeronautics, but all airports and ports in the state operate autonomously, and MDOT assists them in various capacities.
<b>Includes DMV?</b>	No. Driver's licensing functions are carried out by the Department of Public Safety, funded by general funds, state special funds, and Federal funds. Vehicle registration functions are carried out by the Department of Revenue.
<b>Includes Highway Patrol?</b>	Yes and no. The Department of Public Safety is mostly responsible for highway patrol functions. It is funded by general funds, state special funds, and Federal funds, not out of MDOT's budget. MDOT Law Enforcement, however, also has purview over commercial motor vehicle inspections.
<b>Jurisdiction Over Toll Facilities?</b>	No. Mississippi has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	Mississippi State Port Authority at Gulfport (state agency)	The Mississippi State Port Authority operates the Port of Gulfport. It is funded by port operating revenues, county taxes, grants, and interest income (Miss. Code Ann. §§59-5-1 et seq.).
	Yellow Creek State Inland Port (state agency)	The Yellow Creek State Inland Port is a state inland port authority. It is funded by port operating revenues and interest income (Miss. Code Ann. §§59-17-1 et seq.).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. MDOT staff are at all transportation-related committee meetings and represent MDOT's position on pending legislation. MDOT has a dedicated government affairs staff member who, with the executive director, briefs transportation committees about relevant issues and policies. This staff member is also available to legislators on an ongoing basis and responds to legislative requests for information.
<b>DOT Legislative Liaison</b>	MDOT's government affairs staff member acts as the main point of contact between the department and the Legislature. The MDOT executive director and other staff are also key sources of information and testimony.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Miss. Code Ann. tit. 61 to 65; portions of Miss. Code Ann. tit. 77; portions of Miss. Code Ann. tit. 27 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. In Mississippi, only legislators may request legislative bill drafts and sponsor and introduce legislation. MDOT does, however, have a role in the formation of legislative policy desired by the department.
	Advocacy and Lobbying	MDOT actively engages in lobbying efforts for all legislation that affects the department's operations.
	Fiscal Notes or Policy Impact Statements for Legislative Use	MDOT provides fiscal notes for bills that concern it, when requested to do so by the legislative sponsor.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The three members of the Mississippi Transportation Commission are, uniquely among state transportation commissions, elected by the people. Each represents one of the state's three Supreme Court districts, and they are elected at the same time and in the same manner as the governor. Members must be qualified electors and citizens of the district they represent (Miss. Code Ann. §65-1-3). The commission appoints the executive director of MDOT to a four-year term with the advice and consent of the Senate and within statutory requirements for expertise and knowledge. The executive director cannot have been a member of the commission within two years of appointment (Miss. Code Ann. §65-1-9).	
<b>Legislature Able to Remove DOT Leaders?</b>	No. The executive director of MDOT can be removed by a majority of the Mississippi Transportation Commission. No process is specified for removing members of the commission before the end of their respective terms of office.	
<b>Legislative Review of Administrative Rules</b>	No. The executive Mississippi Secretary of State reviews proposed rules (Miss. Code Ann. §§25-43-3.101 et seq.).	
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. MDOT is subject to audits conducted by the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER), a standing committee of the Mississippi Legislature, and its staff. Mississippi does not conduct sunset reviews of state agencies or programs.	
<b>Required DOT Reports to the Legislature</b>	MDOT is required to file a detailed annual report with the Legislature on its projects, expenditures, and recommendations (Miss. Code Ann. §65-1-10 and §65-1-149). It must also submit annual reports concerning the four-lane highway program (Miss. Code Ann. §65-3-97), the Multi-Modal Transportation Improvement Program (Miss. Code Ann. §65-1-709), and, as of FY 2017, all sources of revenue (Miss. Code Ann. §27-103-159). The Mississippi Transportation Commission must submit an annual report to the Legislature about toll project contracts (Miss. Code Ann. §65-43-4).	
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, each state agency including MDOT must include a five-year strategic plan with its budget request (Miss. Code Ann. §27-103-155). This plan must align all agency performance measures to one of the eight key policy areas in the State Strategic Plan. Previously, performance measures were then developed by the Legislature and included in the appropriation bill. As of FY 2016, however, MDOT must provide an inventory of agency programs and activities, including goals, objectives, and other indicators, for use in the budgeting process (Miss. Code Ann. §27-103-153 and §27-103-159).	
<b>Other Legislative Oversight Mechanisms</b>	MDOT is audited at the end of each fiscal year by the Office of the State Auditor, an elected office within the executive branch, and a copy of the audit is sent to the Legislative Budget Office (Miss. Code Ann. §65-1-149). Other oversight mechanisms include legislative requests for information from MDOT.	
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.	

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. MDOT's annual budget request is approved by the Mississippi Transportation Commission before it is submitted to the Legislature.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to MDOT as state legislative appropriations to departmental programs or broad spending categories.
	State Revenues	Legislative appropriation. State taxes and fees dedicated to transportation are deposited directly into the State Highway Fund, but still must be appropriated annually to MDOT by the Legislature.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Administration and other expenses	\$59,182,330
	Construction	\$930,412,115
	Maintenance	\$216,000,000
	Debt service	\$73,767,802
	Law enforcement	\$15,552,500
	Aeronautics, rails, and other	\$34,271,500
	<b>Total</b>	<b>\$1,329,186,247</b>
<b>Revenue Sources</b>	Department of Transportation funds	\$1,329,186,287
	<b>Total</b>	<b>\$1,329,186,287</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	MDOT identifies projects with input from MPOs and develops the Statewide Transportation Improvement Program (STIP). The Mississippi Transportation Commission approves all projects, contracts, and expenditures. MDOT maintains a five-year plan of projects that is submitted to the Legislature each October. MDOT also produces a long-range plan called the Mississippi Unified Long-Range Transportation Infrastructure Plan (MULTIPLAN) that is a comprehensive analysis of transportation infrastructure and needs throughout the state with a 25-year horizon.
<b>Legislative Role in the Planning Process</b>	Limited legislative role. MDOT submits its five-year plan of projects to the Legislature each October, but the Legislature does not approve this plan. The Legislature can identify a project through a transportation bond bill. The Legislature also has passed statutes identifying specific projects for MDOT to consider (e.g., the four-lane highway program in Miss. Code Ann. §65-3-97) or offering guidelines for project prioritization (e.g., Miss. Code Ann. §65-3-145). MDOT, however, retains the flexibility to determine project priority and when each prioritized project is to be completed.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•	• Pas-senger and freight	•	•			Mostly used for roads, but also used by MDOT for the Multi-Modal Transportation Improvement Fund (Miss. Code Ann. §27-5-101, §27-55-11, §27-55-519)
Fuel taxes: alternative fuels	•	•	•	•	• Pas-senger and freight	•	•			Includes taxes on liquefied and compressed natural gas; mostly allocated the same way as gasoline taxes (Miss. Code Ann. §27-59-11, §27-59-49)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel; allocated to the Mississippi Aeronautics Commission (Miss. Code Ann. §27-55-11 and Miss. Code Ann. §27-55-519)
Fuel taxes: locomotive fuels	•	•			• Pas-senger and freight					Used for the Railroad Revitalization Fund (Miss. Code Ann. §57-43-1)
License tag fees	•	•	•							A \$5 tag fee and a portion of some special license plate fees go to the State Highway Fund for highway uses (Miss. Code Ann. §27-19-43, §27-19-99, §27-19-56.1 et seq.)
Vehicle dealer tag fees	•	•	•							Additional tag fee is deposited to the State Highway Fund for highway uses (Miss. Code Ann. §27-19-309, §27-19-325)
Truck registration fees (based on gross vehicle weight)	•	•	•							Privilege tax on trucks and buses; deposited in part to the State Highway Fund for highway uses (Miss. Code Ann. §27-19-11)
Oversize/overweight truck permit fees	•	•	•							Deposited to the State Highway Fund for highway uses (Miss. Code Ann. §27-19-79, §27-19-81)
Overweight truck taxes	•	•	•	•	• Pas-senger and freight	•	•			Allocated to MDOT (Miss. Code Ann. §27-19-15); used to support the Multi-Modal Transportation Improvement Program
Tolls	•		•							Authorized but not currently in use (Miss. Code Ann. §§65-43-1 et seq.)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Contractor's taxes	•	•	•							Tax on certain highway construction contracts; deposited to the State Highway Fund for highway uses (Miss. Code Ann. §27-65-21, §27-65-75)
Lubricating oil taxes	•	•	•							Deposited to the State Highway Fund for highway uses (Miss. Code Ann. §27-57-11, §27-57-37)
Railroad mileage taxes	•	•			• Pas- senger and freight					Allocated to the Mississippi Transportation Commission for railroad purposes (Miss. Code Ann. §77-9-493)
Casino taxes	See notes	See notes	•							See notes
Port operating revenues	•	•					•			Used by the Mississippi State Port Authority at Gulfport and Yellow Creek State Inland Port (Miss. Code Ann. §59-5-13, §59-17-15)
Interest income	•	•	•	•	• Pas- senger and freight	•	•			Interest on any highway funds goes to the State Highway Fund, from which any investment account surplus goes to the Economic Development Highway Fund; interest earned on the Multi-Modal Transportation Improvement Fund is credited to that fund (Miss. Code Ann. §65-1-111, §65-1-703, §65-4-19)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."
- Motor vehicle privilege taxes are collected by the state, but the revenues are distributed entirely to counties (Miss. Code Ann. §27-19-159).
- A portion of off-road fuel taxes are remitted to the Department of Marine Resources through legislative appropriations.
- Under legislation enacted in 2015, casino taxes are currently being used to support revenue bonds for bridge projects, including deficient bridges in and approaching counties where legal gaming is being conducted or is authorized (2015 Miss. Laws, Chap. 479). Revenues in excess of the amount needed for debt service may be transferred to the Gaming Counties State-Assisted Infrastructure Fund, which state statute allows the Mississippi Transportation Commission to use for road and bridge projects in gaming counties (Miss. Code Ann. §65-39-1).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Statutory, roads and bridges (with exceptions). State statute declares the legislative purpose that gasoline taxes are levied in order to provide highways, streets, and roads (Miss. Code Ann. §27-55-3). State statute generally allocates gasoline taxes to the State Highway Fund for MDOT use and, in part through the State Aid Road Fund, to counties and cities for road and bridge projects. MDOT puts some of its allocation toward non-road purposes, however, by using it to support the Multi-Modal Transportation Improvement Fund. State statute also allows for the appropriation of a portion of gasoline tax revenues to the Fisheries and Wildlife Fund (Miss. Code Ann. §27-5-101).
<b>Restrictions on Other Transportation Revenues</b>	A number of vehicle-related revenues, including fees and taxes on vehicle registrations, trucks, and buses, are directed by state statute to the State Highway Fund for specific highway uses. State statute also directs locomotive fuel taxes to the Railroad Revitalization Fund and aviation fuel taxes to aeronautics (Miss. Code Ann. §57-43-1 and §27-5-101).
<b>Dedicated or Restricted Transportation Funds</b>	In general, state statute places restrictions on the revenues deposited into the State Highway Fund, rather than on the fund itself. The state also has a Multi-Modal Transportation Improvement Fund that is dedicated to ports, airports, public transit, and railroads (Miss. Code Ann. §§65-1-701 et seq.). MDOT has chosen to allocate approximately \$10 million per year to this fund from state-source special revenues that are not otherwise dedicated, including non-restricted fuel taxes.
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	See notes	•	•							Currently authorized under session law (see notes); used for road projects
Revenue bonds	See notes	•	•							Currently authorized in session law (2015 Miss. Laws, Chap. 479) (see notes); backed by casino taxes (Miss. Code Ann. §75-76-129) and used for bridge projects
Build America Bonds		•	•							Issued in 2010
GARVEE bonds		•	•							Most recent issue for new money was in 2014
Advance construction		•	•							
Design-build	•	•	•							Authorized for up to three highway projects per year plus projects for the Mississippi Development Authority (Miss. Code Ann. §65-1-85); used for several projects
Public-private partnerships	•		•							Authorized in statute for toll roads and bridges (Miss. Code Ann. §§65-43-1 et seq.); not currently in use



**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Although general obligation bonds are mainly authorized through session law (bond bills), state statutes provided authority for the issuance of \$200 million in bonds for the Four-Lane Highway Program (Miss. Code Ann. §31-17-127) and \$325 million in bonds for the Gaming Roads Program (Miss. Code Ann. §65-39-5). Debt for the Four-Lane Highway Program was issued in 1997 and retired in 2006. Gaming Roads Program bonds were last issued in 2002.
- State statute authorizes the use of toll revenue bonds (Miss. Code Ann. §65-43-13), but these are not currently in use.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	Bond proceeds are typically dedicated to a specific project or program by the authorizing legislation. Design-build contracts are limited to three highway projects per year (two with an estimated cost of up to \$10 million and one over that amount), plus projects for the Mississippi Development Authority (Miss. Code Ann. §65-1-85).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

**Other State Funding and Finance Issues**

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. All state fees and taxes dedicated to transportation and all Federal reimbursements for Federal-aid projects are deposited directly into the State Highway Fund, where they are retained until spent. Excess funds, while retained, must be annually appropriated by the Legislature in order to be spent.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	State statute contains low-bid requirements for road construction contracts (Miss. Code Ann. §65-1-85).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and grants. The State Aid Road Fund receives a portion of state fuel tax revenues (23.25 percent or \$48 million per year, whichever is more) and \$3 million per year of state sales tax revenue. These revenues are distributed to counties for road and bridge projects by a statutory formula based on rural road miles and rural population (Miss. Code Ann. §27-65-75). The Local System Bridge Replacement and Rehabilitation Fund receives \$20 million each year from the state general fund, if general fund revenues reflect at least 2 percent growth from the previous fiscal year. These funds are allocated to counties for bridge projects by a statutory formula based on number of deficient bridges and local system road miles (Miss. Code Ann. §65-37-1 et seq.). A further portion of state fuel tax revenues is returned directly to cities and counties for road and bridge projects, using statutory formulas based on population for cities and population and square mileage for counties (Miss. Code Ann. §27-5-101 and §27-5-103). Motor vehicle privilege tax proceeds are distributed to counties based on registered vehicles, square miles, and population (Miss. Code Ann. §27-19-159). Statutorily established Multi-Modal Fund Committees, with MDOT involvement, award discretionary grants to local entities for rail, port, airport, and transit projects through the Multi-Modal Transportation Improvement Program (Miss. Code Ann. §§65-1-701 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes three counties to assess local option fuel taxes, vehicle privilege taxes, and property taxes for seawalls and the construction or improvement of coastal highways (Miss. Code Ann. §§65-33-1 et seq.). Cities, counties, road districts, and railroad authorities may levy property taxes for transportation purposes (Miss. Code Ann. §19-9-9, §19-29-18, §21-33-313, §27-39-305, §65-15-1, and §65-19-33). Special improvement districts may also be used to generate revenues for transportation improvements (Miss. Code Ann. §§21-41-1 et seq.).

# MISSOURI

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	272,976 (218,201 rural, 54,776 urban)
	Bridges	24,398
	Toll facilities	Yes (bridges: 1)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, light rail, vanpool, demand response
	Urban transit trips in 2015	60.5 million
<b>Rail</b>	Freight rail route miles	4,200
<b>Aviation</b>	Total airports	368
	Public-use airports	123
	Passengers boarded in 2014	11.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2015	37.0 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Missouri General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (34 members), House of Representatives (163 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to May
<b>Legislative Measures Introduced in 2016</b>	2,000 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Appropriations Senate Committee on Transportation, Infrastructure, and Public Safety House Committee on Appropriations—Revenue, Transportation, and Economic Development House Committee on Budget House Committee on Transportation Joint Committee on Legislative Research <ul style="list-style-type: none"> <li>Subcommittee on Oversight</li> </ul> Joint Committee on Transportation Oversight [Select] Senate Select Committee on Capital Improvements

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Missouri Department of Transportation (MoDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	MoDOT Director (serves on governor's cabinet), Missouri Highways and Transportation Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	5,079 salaried, 272 temporary
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	No. Driver's licensing and vehicle registration functions are carried out by the Missouri Department of Revenue, funded by the State Highways and Transportation Department Fund, fee revenues, and general funds.
<b>Includes Highway Patrol?</b>	Yes and no. The Missouri State Highway Patrol, a division of the Department of Public Safety, performs most highway patrol functions, funded by the State Highways and Transportation Department Fund. MoDOT oversees motor carrier enforcement, which is funded as part of the transportation budget.
<b>Jurisdiction Over Toll Facilities?</b>	No. The only toll facility in Missouri is a privately operated bridge.

## Other

<b>Other State-Level Transportation Entities</b>	None. Missouri has no state-level transportation entities besides MoDOT, the Missouri Highways and Transportation Commission, and those that perform DMV and highway patrol functions. In Missouri, cities and counties form port authorities, not the state (Mo. Rev. Stat. §§68.010 et seq.).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, extensive. Communication occurs formally and informally through legislator-requested visits, written policy statements, the fiscal note process, annual reports, and Statewide Transportation Improvement Program documents. Performance information is also shared through MoDOT Tracker, an online performance management tool. During session, the Missouri Highways and Transportation Commission holds monthly meetings at MoDOT headquarters for the convenience of any legislator who wishes to attend. MoDOT's Division of Governmental Relations interacts with the General Assembly on an ongoing basis and advocates for departmental objectives and initiatives. Governmental relations staff and MoDOT's senior management team testify before legislative committees.
<b>DOT Legislative Liaison</b>	Staff in MoDOT's Division of Governmental Relations serve as the main point of contact between the department and the General Assembly. The MoDOT senior management team and other staff also interact with legislators and legislative staff in various ways.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Mo. Const. art. IV, §§29 et seq.; Mo. Rev. Stat. ch. 226 to 238 and 300 to 307; portions of Mo. Rev. Stat. ch. 142, 145, and 155 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. Each fall, MoDOT submits potential legislative proposals to the Missouri Highways and Transportation Commission for review and approval. Only legislators, however, may request legislative bill drafts and sponsor and introduce legislation.
	Advocacy and Lobbying	MoDOT's director and governmental relations staff are registered lobbyists and advocate with legislators about relevant legislation.
	Fiscal Notes or Policy Impact Statements for Legislative Use	The Oversight Division of the legislative Joint Committee on Legislative Research is required to prepare a fiscal note for each bill. To do this, the division solicits a statement of impact from all potentially affected agencies (Mo. Rev. Stat. §23.140). MoDOT responds to about 650 fiscal note requests each year.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The six members of the Missouri Highways and Transportation Commission are appointed to staggered six-year terms by the governor, by and with the advice and consent of the Senate and within statutory requirements for partisan balance, taxpayer status, and state residency (Mo. Rev. Stat. §226.030). The MoDOT director is appointed by the commission within statutory requirements for state citizenship, state residency, and executive management experience (Mo. Rev. Stat. §226.040).	
<b>Legislature Able to Remove DOT Leaders?</b>	No. A member of the Missouri Highways and Transportation Commission may be removed by the governor for reasons of inefficiency, neglect of duty, or misconduct in office. The MoDOT director serves at the pleasure of the commission.	
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Committee on Administrative Rules reviews all proposed rules. The committee may suspend a rule for 30 days, during which time the full legislature may permanently reject it by concurrent resolution. Otherwise, the rule is automatically approved (Mo. Rev. Stat. §§536.010 et seq.).	
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. MoDOT is subject to audits conducted by the Oversight Division, under the legislature's Joint Committee on Legislative Research. The division so far has performed at least five audits of MoDOT programs and funds. The state conducts sunset reviews, but not of MoDOT.	
<b>Required DOT Reports to the Legislature</b>	MoDOT is required to provide an annual accountability report to the General Assembly, and to present it in person before the Joint Committee on Transportation Oversight (Mo. Rev. Stat. §21.795). This report must include status reports concerning public-private partnerships (Mo. Rev. Stat. §227.669) and design-build contracts (Mo. Rev. Stat. §227.107). MoDOT must also submit an annual report about rural and special transportation (Mo. Rev. Stat. §226.808). The Missouri Highways and Transportation Commission must submit an annual report concerning the state transportation system, including a report on the commission's pursuit of Federal funds (Mo. Rev. Stat. §225.140).	
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, state statute mandates a performance-based budgeting system that includes goals, objectives, and performance measures for each state program (Mo. Rev. Stat. §33.210). State departments submit the performance measures for their programs with their annual budget requests. The General Assembly has the discretion to use that information to determine the appropriations it approves.	
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from MoDOT. The General Assembly has periodically created interim committees to study certain aspects of MoDOT, but none are currently active.	
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.	

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual operating and capital budgets; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Partial legislative appropriation. Federal highway funds are deposited directly into the State Road Fund per statute, without state legislative involvement. The State Road Fund is authorized by the Missouri Highways and Transportation Commission. Federal funds for highway safety and other modes—including transit, rail, and aviation—must be appropriated by the General Assembly at the level of departmental programs or broad spending categories.
	State Revenues	Partial legislative appropriation. State funds for highways and bridges flow directly to MoDOT according to the Missouri Constitution and state statute, without legislative involvement. Funding for other modes is appropriated by the General Assembly at the program or category level.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Highways and Transportation Commission and highway program administration	\$26,156,918
	Fringe expenses	\$214,869,128
	Construction program	\$1,329,122,729
	Local cost-share program	\$20,000,000
	Maintenance program	\$389,753,449
	Fleet, facilities, and information systems	\$75,320,326
	Multimodal operations administration	\$2,428,022
	Multimodal operations	\$1,329,067
	Transit program	\$64,579,482
	Rail program	\$19,607,453
	Aviation program	\$41,000,000
	Waterways program	\$5,600,000
	Federal rail, port, and freight assistance program	\$1,000,000
	Freight enhancement program	\$1,000,000
	<b>Total</b>	<b>\$2,191,766,574</b>
<b>Revenue Sources</b>	General revenue fund	\$37,644,129
	Federal funds	\$119,922,462
	Other funds	\$2,034,199,983
	<b>Total</b>	<b>\$2,191,766,574</b>

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

MoDOT annually develops a rolling five-year Statewide Transportation Improvement Program (STIP) through a collaborative process called the planning framework. MoDOT coordinates the involvement of MPOs, regional planning commissions, local elected officials, and the general public, who work collaboratively with MoDOT to select and prioritize projects consistent with the goals in the state's long-range transportation plan. The STIP is approved by the Missouri Highways and Transportation Commission. Multimodal projects are selected through collaboration with regional and local entities.

### Legislative Role in the Planning Process

Limited legislative role. In general, the General Assembly does not participate in project selection, prioritization, or approval. It can, however, appropriate general revenue for specific projects. Like any member of the public, a legislator may also be involved in the decision-making process by attending a public meeting, contacting a regional planning partner, or contacting MoDOT directly.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•					•		Use is restricted to roads and bridges, which can include pedestrian and bicycle facilities (Mo. Rev. Stat. §142.803; Mo. Const. art. IV, §§30[a] et seq.)
Fuel taxes: alternative fuels	•	•	•					•		As of Jan. 1, 2016, includes taxes on liquefied and compressed natural gas; use is restricted to roads and bridges, which can include pedestrian and bicycle facilities (Mo. Rev. Stat. §142.803; Mo. Const. art. IV, §§30[a] et seq.)
Fuel taxes: aviation gasoline, use taxes	•	•				•				Mo. Rev. Stat. §155.080
Fuel taxes: jet fuel, sales taxes	•	•				•				Mo. Rev. Stat. §144.805
Vehicle registration and title fees	•	•	•					•		Use is restricted to roads and bridges (Mo. Rev. Stat. §301.055, §301.090, §301.190; Mo. Const. art. IV, §§30[b] et seq.)
Special fees on electric and some alternative fuel vehicles	•	•	•					•		Decal fee for electric vehicles and liquid petroleum gas vehicles; also applies to owners of natural gas vehicles who have installed their own fueling stations (Mo. Rev. Stat. §142.869)
Sales taxes on motor vehicle sales and leases	•	•	•	•	• Freight only	•	•	•		Allocated in part to the multimodal State Transportation Fund (Mo. Rev. Stat. §144.020, §144.070, §226.225; Mo. Const. art. IV, §§30[b] et seq.)



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Truck registration fees (based on gross vehicle weight)	•	•	•					•		Use is restricted to roads and bridges (Mo. Rev. Stat. §301.057, §301.090; Mo. Const. art. IV, §§30[b] et seq.)
Driver's license fees	•	•	•					•		Allocated to MoDOT for departmental expenses and traffic enforcement; any excess revenues go to the State Road Fund (Mo. Rev. Stat. §226.200, §302.228)
General funds		•	•	•	• Passenger and freight	•	•	•		Legislative appropriations for road and bridge projects and multimodal programs including aviation, transit, rail, and ports
Interest income	•	•	•	•	• Freight only	•	•	•		State Highways and Transportation Department Fund, from which transfers are made to the State Road Fund; Aviation Trust Fund (Mo. Rev. Stat. §226.200, §305.230)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."
- The only toll facility in Missouri is a privately operated bridge.
- Missouri also assesses railroad regulation fees, which are used solely for railroad safety inspections and other related regulatory activities conducted by MoDOT (Mo. Rev. Stat. §622.015 and §622.300), not for the kinds of transportation activities described in this chart.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution dedicates fuel taxes from highway users to the State Road Fund, cities, and counties for highway, road, and bridge purposes. Any such revenues that are allocated to the State Road Fund may not be diverted to other uses. The state share includes a set-aside for the state highway patrol. The Department of Revenue is appropriated up to 3 percent of fuel tax proceeds for the cost of collecting revenue (Mo. Const. art. IV, §§30[a] et seq.).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution dedicates most vehicle-related state taxes and fees, after payments to the Department of Revenue for its collection costs and the State Highway Patrol for its enforcement costs, to the State Road Fund. The exception is the state sales tax on highway motor vehicles. The first half of the proceeds of this sales tax is distributed to counties, cities, the State Road Fund for highway and road purposes, and the State Transportation Fund for multimodal transportation purposes. The second half of the proceeds (except that portion that must be deposited into the School District Trust Fund) is allocated to the State Road Bond Fund for the repayment of state road bonds that are issued by the Missouri Highways and Transportation Commission (Mo. Const. art. IV, §§30[b] et seq.). Restrictions on specific appropriations from the general fund are included in session law.
<b>Dedicated or Restricted Transportation Funds</b>	The state constitution dedicates the State Road Fund to specified highway uses and related debt, the State Road Bond Fund to debt service (with any excess going to the State Road Fund), and the State Transportation Fund to multimodal transportation including aviation, public transit, rail, and ports (Mo. Const. art. IV, §§30[b] et seq.; see also Mo. Rev. Stat. §§226.210 et seq.). The Aviation Trust Fund, which receives aviation fuel taxes and a portion of the state sales tax on jet fuel, is dedicated to aviation purposes (Mo. Rev. Stat. §155.090 and §305.230).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•							State road bonds (Mo. Const. art. IV, §30[b]; Mo. Rev. Stat. §226.200, §226.210)
Build America Bonds		•	•							Issued in 2009 and 2010, mostly for bridge projects
GARVEE bonds (indirect only)		•	•							Only indirect GARVEEs have been issued, most recently in 2010
Advance construction		•	•							
Design-build	•	•	•							Authorized for highway projects; capped at 2 percent of highway construction contracts per year (Mo. Rev. Stat. §227.107; 2016 Mo. House Bill 2376); used for several road and bridge projects
Public-private partnerships	•			•	• Passenger and freight	•	•			Authorized in statute for various transportation modes, not including highways; legislative and, for some projects, voter approval required (Mo. Rev. Stat. §§227.600 et seq.); not currently in use

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
State infrastructure bank: Missouri Transportation Finance Corporation		•	•	•						Capitalized with state and Federal funds; not authorized in state statute; may be used for highway or transit projects
State infrastructure bank: State Transportation Assistance Revolving (STAR) Fund	•	•		•	• Passenger and freight	•	•			Capitalized with state funds only; may be used for non-highway projects, including facilities for transportation by air, water, rail, or transit (Mo. Rev. Stat. §226.191)

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

#### Transportation-Related Bonding Yes.

#### Restrictions on Finance Mechanisms

State road bonds are to be used for the construction or reconstruction of the state highway system (Mo. Const. art. IV, §30[b]). Public-private partnership projects must be approved by the General Assembly and, for any mode of transportation not explicitly identified in the authorizing statute, by a vote of the people (Mo. Rev. Stat. §227.600 and §227.615). Design-build contracts are limited to 2 percent of highway construction contracts per year (Mo. Rev. Stat. §227.107; 2016 Mo. House Bill 2376). State statute limits the use of the State Transportation Assistance Revolving Fund to certain non-highway purposes (Mo. Rev. Stat. §226.191).

#### Finance Mechanisms Prohibited in State Law

None.

## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, for nearly all funds. The remaining balance of the State Road Fund, which is dedicated to roads and bridges, is used and expended at the discretion of and under the supervision and direction of the Missouri Highways and Transportation Commission (Mo. Const. art. IV, §30[b]). All other funds with remaining balances also are authorized to retain excess funds, with the exception of the state Grade Crossing Safety Account, which may be swept at the end of a biennium if funds are not already obligated to future projects. In Missouri, the budget bill notates that some appropriations to the State Road Fund are estimated, which allows MoDOT to spend revenues in excess of those appropriations without further legislative action. For all other modes, MoDOT must have additional appropriation authority.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No, unless the project was originally earmarked by the legislature.
<b>Legislative Actions to Control DOT Costs</b>	State statute provides guidelines for highway construction bids, including low-bid requirements (Mo. Rev. Stat. §§227.100 et seq.). It also requires the Missouri Highways and Transportation Commission, when making decisions about a highway project, to consider durability and low maintenance cost (Mo. Rev. Stat. §227.060). In addition, state statute provides that if any county, civil subdivision, or interested persons desire a road of a higher type, more expensive construction, or better in any way than the road proposed by MoDOT, then those parties are responsible for the additional cost (Mo. Rev. Stat. §227.160).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Constitutional and statutory formulas. The state constitution dedicates portions of the state motor fuel tax and a state sales tax on vehicles to local entities. After set-asides, 15 percent of the proceeds of the fuel tax are deposited in the County Aid Road Trust Fund for road and bridge projects. Aside from an allocation for cities not within a county, this fund is distributed to counties by a formula based on road mileage and rural land valuation. Another 15 percent of fuel tax proceeds goes to cities, towns, and villages for road and street projects, and is distributed by a population-based formula (Mo. Const. art. IV, §30[a]). In addition, the state constitution dedicates half the proceeds from the state sales tax on motor vehicles to highway and transportation use. Of this half, 10 percent goes to counties and 15 percent to cities, towns, and villages, using the same distribution formulas as are used for fuel tax revenues (Mo. Const. art. IV, §30[b]).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes some cities to levy local option vehicle license taxes for street maintenance (Mo. Rev. Stat. §94.410). Cities, counties, and county transit authorities are authorized to levy sales taxes for transportation purposes (Mo. Rev. Stat. §67.700, §92.402, §94.577, §94.605, §94.660, §94.705, and §238.410). Road districts may levy property taxes (Mo. Rev. Stat. §233.172). Transportation development districts may assess property taxes and sales taxes (Mo. Rev. Stat. §§238.200 et seq.). Transportation corporations—nonprofit, quasi-governmental agencies that localities can form to develop and oversee transportation projects—may impose tolls and other user charges (Mo. Rev. Stat. §§238.300 et seq.).

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## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	153,061 (144,177 rural, 8,884 urban)
	Bridges	5,243
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, demand response
	Urban transit trips in 2013	2.5 million
<b>Rail</b>	Freight rail route miles	3,200
<b>Aviation</b>	Total airports	243
	Public-use airports	126
	Passengers boarded in 2013	1.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	0

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Montana Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (50 members), House of Representatives (100 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Biennial, approx. Jan. to Apr. (odd years only)
<b>Legislative Measures Introduced in 2016</b>	None (no regular 2016 session)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Highways and Transportation House Committee on Transportation Senate Committee on Finance and Claims/House Committee on Appropriations <ul style="list-style-type: none"> <li>Joint Subcommittee on General Government</li> <li>Joint Subcommittee on Natural Resources and Transportation</li> </ul> [Interim] Revenue and Transportation Interim Committee

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Montana Department of Transportation (MDT)
<b>Structure</b>	Organized by both functional activity and transportation mode. MDT is organized into eight divisions, one of which is dedicated to aeronautics and another of which is dedicated to rail, transit, and planning.
<b>Leadership</b>	MDT Director (serves on governor's cabinet), Transportation Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	2,242
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Motor Vehicle Division is a division of the Montana Department of Justice. Its budget is mostly funded by general funds (44.8 percent) and fuel taxes (31.1 percent). Its costs are not funded out of MDT's budget.
<b>Includes Highway Patrol?</b>	No. The Montana Highway Patrol is a division of the Department of Justice. Its budget is mostly funded by fuel taxes (82.2 percent), with a \$5 vehicle registration fee and Federal funds making up the remainder. Its costs are not funded out of MDT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	No. Montana has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	Montana Aeronautics Board (state entity)	Like the Transportation Commission, the Montana Aeronautics Board is a quasi-judicial state entity that is attached to MDT for administrative purposes only (Mont. Code Ann. §2-15-2506). The board advises MDT and has statutory authority over the allocation of airport development loan and grant funds and pavement preservation grant funds. It is funded by aviation fuel taxes.
	Rail Service Competition Council (state entity)	The Rail Service Competition Council, which is attached to MDT for administrative purposes only, was created in 2005 to promote rail service competition in Montana. The MDT director serves as one of the council's members ex officio (Mont. Code Ann. §2-15-2511). The council is funded out of MDT's non-restricted revenues.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Mainly formal. Communication between MDT and the Legislature is mostly between MDT staff members and legislative committees. During the interim, MDT staff—generally the director—provide reports on departmental planning and activities to the Revenue and Transportation Interim Committee. This committee also can request legislation on behalf of MDT. During session, MDT frequently appears before key committees concerning transportation-related legislation and budget discussions. MDT's Legal Services Division drafts, reviews, and may provide testimony on legislation, rules, and policies.
<b>DOT Legislative Liaison</b>	Various MDT staff, including the director and the Legal Services Division, provide information and testimony to the Legislature. MDT has no dedicated legislative liaison or governmental affairs office.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Mont. Code Ann. §§2-15-2501 et seq.; Mont. Code Ann. tit. 60, 61, and 67; portions of Mont. Code Ann. tit. 69; Mont. Const. art. VIII, §6 (revenue restrictions); portions of Mont. Code Ann. tit. 15 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. MDT's Legal Services Division drafts legislative proposals, but only legislators can formally sponsor and introduce bills. The Revenue and Transportation Interim Committee can request legislation on behalf of MDT.
	Advocacy and Lobbying	During session, MDT frequently appears before the House Transportation Committee and the Senate Highways and Transportation Committee to influence or inform transportation-related legislation. MDT also appears before the Joint Subcommittee on General Government, which deals with the MDT budget.
	Fiscal Notes or Policy Impact Statements for Legislative Use	The state budget director prepares fiscal notes for bills, in cooperation with the state or local agencies that would be affected by them (Mont. Code Ann. §5-4-203). MDT participates in this process.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The five members of the Transportation Commission are appointed by the governor, subject to confirmation by the Senate and within statutory requirements for district residency, geographic representation, and partisan balance. At least one must have specific knowledge of Indian culture and tribal transportation needs, and must be selected by the governor after consultation with the Montana members of the Montana-Wyoming Tribal Leaders Council. No state official or state employee may serve on the commission (Mont. Const. art. VI, §8; Mont. Code Ann. §2-15-2502). The MDT director is appointed by the governor to hold office until the end of the governor's term, subject to confirmation by the Senate, and serves at the pleasure of the governor (Mont. Code Ann. §2-15-2501 and §2-15-111).	
<b>Legislature Able to Remove DOT Leaders?</b>	No. Members of the Transportation Commission and the MDT director serve at the pleasure of the governor.	
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules are reviewed by the relevant joint interim committees. The role of these committees is mainly advisory (Mont. Code Ann. §§2-4-402 et seq.).	
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. MDT is subject to audits conducted by the Legislative Audit Division, under consultation and advisement with the Joint Legislative Audit Committee. State law requires the division to conduct a financial and compliance audit of each state agency at least every two years (Mont. Code Ann. §5-13-304). Montana does not conduct sunset reviews of state agencies or programs.	
<b>Required DOT Reports to the Legislature</b>	MDT must submit biennial reports to the Legislature concerning emergency medical services grants (Mont. Code Ann. §61-2-109).	
<b>Legislative Role in DOT Performance Management</b>	None besides the reporting requirements listed above.	
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from MDT.	
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.	



## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month budgets; fiscal year begins July 1. Biennial budget requests are reviewed and approved by the Legislature.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to MDT as state legislative appropriations to departmental programs or broad spending categories, not to specific projects, as part of the biennial budget process.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to MDT as legislative appropriations to departmental programs or broad spending categories, as part of the biennial budget process.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2016 and FY 2017 (enacted) (see notes)	
<b>Authorized Expenditures (FY 2017 only)</b>	Personal services	\$166,059,776
	Operating expenses	\$470,965,680
	Equipment and intangible assets	\$3,257,658
	Capital outlay	\$12,956,865
	Grants	\$41,050,954
	Benefits and claims	\$500
	Transfers	\$17,801,593
	Debt service	\$85,270
	Local assistance	\$4,794,412
	<b>Total</b>	<b>\$716,972,708</b>
<b>Revenue Sources (FY 2017 only)</b>	State/other special revenue funds	\$282,977,886
	Federal special revenue funds	\$433,994,822
	<b>Total</b>	<b>\$716,972,708</b>

**Note:** The numbers in this chart include MDT's [enacted legislative budget](#) for FY 2017, plus \$37,759,250 in statutory appropriations and an additional \$7,045,579 that was provided for personal services (as required to implement a new state employee compensation plan under 2015 Mont. Laws, Chap. 438).

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	MDT staff engage in a number of different planning processes, including the Statewide Transportation Improvement Program (STIP). The Transportation Commission selects, prioritizes, and gives final approval for construction and reconstruction projects, based on information and recommendations from MDT staff and local governments (Mont. Code Ann. §60-2-110).
<b>Legislative Role in the Planning Process</b>	No legislative role. The Legislature reviews and approves the MDT budget, but not at the project-specific level. The Transportation Commission, not the Legislature, approves projects. In the past, the Legislature has been known to require or address an individual project in statute (e.g., U.S. Highway 2 in Mont. Code Ann. §60-2-133), but this kind of special legislation is rare and generally discouraged. Like any member of the public, a legislator may testify at a meeting of the Transportation Commission.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel, highway use (fixed rate)	•	•	•	•				•		Mont. Code Ann. §15-70-403, §60-3-201; \$75,000 allocated annually to public transit
Fuel taxes: alternative fuels	•	•	•	•				•		Includes taxes on compressed natural gas and liquefied petroleum gas; allocated the same way as gasoline and diesel taxes (Mont. Code Ann. §15-70-711)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Mont. Code Ann. §60-3-201, §67-1-301, §15-70-403)
Fuel taxes: other non-highway use	•	•				•	•		•	Allocated to boating, snowmobiles, off-road vehicles, and aeronautics (Mont. Code Ann. §60-3-201)
Vehicle registration and title fees	•	•					•		•	As of 2016, motor vehicle taxes and fees are deposited to the general fund, except for set-asides for boating, snowmobiles, and off-road vehicles (Mont. Code Ann. §15-1-122, §61-3-203, §61-3-321, §61-3-562; 2015 Mont. Laws, Chap. 430)
Gross vehicle weight fees (light and heavy trucks)	•	•	•					•		Deposited to the highway revenue account (Mont. Code Ann. §61-10-201, §61-10-225, §61-10-226)
Oversize/overweight truck permit fees	•	•	•	•	• Passenger and freight	•		•		Deposited to the non-restricted account, which can be used for any activity (Mont. Code Ann. §§61-10-124 et seq.)
Sales taxes on rental vehicles	•	•		•						As of 2016, 25 percent of revenues go to senior citizen and persons with disabilities transit services (Mont. Code Ann. §7-14-112, §15-68-102, §15-68-820; 2015 Mont. Laws, Chap. 430)
Airport property sales or leases	•	•				•				For state-owned airports (Mont. Code Ann. §67-2-302)
Interest income	•	•	•	•	• Passenger and freight	•		•		Restricted and non-restricted accounts (Mont. Code Ann. §15-70-101, §15-70-125)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Ten percent of the revenues from aircraft registration fees and pilot license fees are distributed to MDT for administration and enforcement costs (Mont. Code Ann. §67-3-205), not for the kinds of transportation activities described in this chart. The remainder goes to the state general fund.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges (with exceptions). The state constitution restricts the use of excise and license taxes on gasoline, fuel, and other energy sources used to propel vehicles on public highways to public highways, streets, roads, and bridges; payment of county, city, and town obligations on streets, roads, and bridges; and enforcement of highway safety, driver education, tourist promotion, and administrative collection costs. Such revenues may be appropriated for other purposes by a three-fifths vote of each house of the Legislature (Mont. Const. art. VIII, §6). Despite this restriction, \$75,000 in fuel tax revenues is allocated to public transit each year.
<b>Restrictions on Other Transportation Revenues</b>	As with fuel taxes, the state constitution restricts the use of gross vehicle weight fees to road and bridge purposes, unless otherwise appropriated by a three-fifths vote of each house of the Legislature (Mont. Const. art. VIII, §6). State statute directs gasoline and diesel taxes from non-highway uses to the modes of transportation to which they are attributed, including boating, snowmobiles, off-road vehicles, and aeronautics (Mont. Code Ann. §60-3-201). Other aviation fuel taxes are also directed to aeronautics (Mont. Code Ann. §67-1-301).
<b>Dedicated or Restricted Transportation Funds</b>	State statute identifies two accounts in MDT’s state special revenue fund: a restricted account funded with constitutionally restricted revenues and a nonrestricted account funded with other revenues (Mont. Code Ann. §15-70-125, §15-70-101, and §61-10-226). State statute also identifies accounts for MDT’s aeronautics activities (Mont. Code Ann. §67-1-301). In general, however, the law places restrictions on special revenues, rather than the accounts into which they are deposited.
<b>Revenue Sources Prohibited in State Law</b>	None.

**State Finance Mechanisms**

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•		•							Highway revenue bonds are authorized in statute (Mont. Code Ann. §§17-5-901 et seq.); not currently in use, aside from GARVEE bonds (see notes)
GARVEE bonds	See notes	•	•							Generally authorized in state statute (see notes); most recent issue for new money was in 2008
Advance construction		•	•							

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Partial conversion of advance construction		•	•							
Federal-aid matching: flexible match		•	•							
Design-build	•	•	•							Authorized for highway projects (Mont. Code Ann. §60-2-111, §60-2-112, §60-2-137); used for several projects
Land swaps or donations from land owners		•	•							

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- State statute authorizes the use of highway revenue bonds that are backed by constitutionally restricted state highway revenues, including fuel taxes, or “any other revenues, taxes, or receipts credited to the department in the state special revenue fund and the Federal special revenue fund” (Mont. Code Ann. §17-5-903). Although it does not mention GARVEE bonds specifically, this statute is what authorizes MDT to use GARVEE debt as a financing mechanism for highway projects. Montana does not, however, currently use any other bonding for transportation projects.

<b>Transportation-Related Bonding</b>	No, except for GARVEE bonds. Montana is one of three states that has borrowed against future Federal-aid funding through the use of GARVEE bonds, but otherwise does not currently use bonding for transportation projects.
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<b>Restrictions on Finance Mechanisms</b>	None.
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<b>Finance Mechanisms Prohibited in State Law</b>	None.
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## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. MDT is authorized to retain excess funds in the Highway Fund with no limit. Any unused or unencumbered authority, however, must have a new appropriation in the subsequent biennium in order to be spent.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	State law includes low-bid requirements for highway construction projects that exceed \$50,000 (Mont. Code Ann. §60-2-112) and other services and goods (Mont. Code Ann. §18-4-303). State statute also prohibits the establishment of footpaths and bicycle trails if their cost is excessively disproportionate to the need or probable use, or if sparse population, other available ways, or other factors indicate an absence of any need for them (Mont. Code Ann. §60-3-303).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. State law annually allocates \$16.7 million of state fuel tax revenues to local entities for road projects. Of this, \$6.3 million is distributed to counties by a statutory formula based on rural road mileage, rural population, and land area, and \$10.3 million is distributed to incorporated cities and towns by a formula based on population and street miles. Consolidated city-county governments receive a single payment based on a combined calculation (Mont. Code Ann. §15-70-101). In addition, the Montana Aeronautics Board awards grants to municipalities for airport development or improvement programs, funded by a portion of aviation fuel taxes (Mont. Code Ann. §67-1-301).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to adopt local option fuel taxes for road construction and maintenance (Mont. Code Ann. §§7-14-301 et seq.). Counties, municipalities, railway authorities, and urban transportation districts may assess property taxes for transportation purposes (Mont. Code Ann. §7-14-232, §7-14-1633, §7-14-2502, §7-14-2503, and §7-14-2807). Resort communities may levy sales taxes for public facilities that include streets, bridges, and docks (Mont. Code Ann. §§7-6-1501 et seq.). Improvement districts may levy special assessments for public improvements that include streets and parking facilities (Mont. Code Ann. §§7-12-1101 et seq., §§7-12-4101 et seq., and §§7-12-4401 et seq.) and local governments may use tax increment financing to pay for public improvements in an urban renewal area or targeted economic development district (Mont. Code Ann. §7-15-4288). Counties and municipalities may charge development impact fees to pay for capital improvements (Mont. Code Ann. §§7-6-1601).

# NEBRASKA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	175,875 (161,560 rural, 14,315 urban)
	Bridges	15,341
	Toll facilities	Yes (bridges: 2)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, demand response
	Urban transit trips in 2015	6.3 million
<b>Rail</b>	Freight rail route miles	3,375
<b>Aviation</b>	Total airports	197
	Public-use airports	80
	Passengers boarded in 2015	2.3 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	9,000

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Nebraska Legislature
<b>Structure</b>	Unicameral, nonpartisan
<b>Chambers</b>	Legislature (49 members, all called senators)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to June (odd years), Jan. to Apr. (even years)
<b>Legislative Measures Introduced in 2016</b>	446
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Committee on Transportation and Telecommunications

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	Nebraska Department of Roads (NDOR)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	NDOR Director (serves on governor’s cabinet), State Highway Commission (within NDOR, advisory only)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	2,146

<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, pedestrian/bicycle. NDOR has jurisdiction over rural public transit only, and over pedestrian and bicycle facilities for the state highway system only. NDOR is also in the process of developing a multimodal state freight plan, which will include highway, rail, air, and marine components.
<b>Includes DMV?</b>	No. The Nebraska Department of Motor Vehicles is an independent state agency. It is funded by its own cash funds, which are derived primarily from fee revenues, not out of NDOR's budget.
<b>Includes Highway Patrol?</b>	No. The Nebraska State Patrol is an independent state agency. Its traffic safety functions are funded by state general funds, not out of NDOR's budget. Its motor carrier enforcement functions are funded by annual legislative transfers from NDOR's Roads Operations Cash Fund (Neb. Rev. Stat. §81-2004.01).
<b>Jurisdiction Over Toll Facilities?</b>	No. The only toll facilities in Nebraska are two privately operated bridges. NDOR does, however, have authority over the inspections of these bridges.

### Other

<b>Other State-Level Transportation Entities</b>	Nebraska Department of Aeronautics (state agency)	Nebraska does not have an integrated, multimodal department of transportation. Instead, the Nebraska Department of Aeronautics, the Nebraska Department of Motor Vehicles, and NDOR are all independent state agencies that report directly to the governor. The Department of Aeronautics is mainly funded by aviation fuel taxes. Other sources of revenue include state-owned airfield operation and rental, trust fund income, and state aircraft rentals. Federal funds are passed through to local airports for airport improvements.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through a dedicated liaison. Most communication goes through the Legislature's Transportation and Telecommunications Committee and NDOR's Government Affairs Office, which functions as a dedicated legislative liaison and works to advance the department's legislative agenda. Senators' offices also contact the Government Affairs Office directly when they have questions or need information. In addition, NDOR must present required reports to the Legislature, including an annual highway needs assessment.	
<b>DOT Legislative Liaison</b>	NDOR's Government Affairs Office is the main point of contact between the department and the Legislature.	

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Neb. Const. art. III, §18; Neb. Rev. Stat. §§81-701.01 et seq.; Neb. Rev. Stat. ch. 3, 39, 60, and 74; portions of Neb. Rev. Stat. ch. 66 and 77 (revenues); portions of Neb. Rev. Stat. ch. 13 (public transit assistance)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. As a "code agency" subject to the governor's direct control, NDOR must work through the Governor's Policy and Research Office to propose legislation. Only legislators can formally sponsor or introduce legislation, although they may do so "on behalf of the governor." If given permission, NDOR's director or Governmental Affairs Office will typically coordinate legislative proposals with the Legislature's Transportation and Telecommunications Committee. NDOR can directly request legislative bill drafts.
	Advocacy and Lobbying	NDOR must work through the Governor's Policy and Research Office to support, oppose, or offer an amendment to a bill, regardless of which committee holds jurisdiction.
	Fiscal Notes or Policy Impact Statements for Legislative Use	NDOR prepares fiscal notes on all introduced legislation that impacts highway financing.



## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The eight members of the State Highway Commission are appointed by the governor with the consent of the Legislature, within statutory requirements for geographic representation, U.S. citizenship, age, state residency, and partisan balance (Neb. Rev. Stat. §39-1101). The commission is advisory only and has no authority over NDOR (Neb. Rev. Stat. §39-1110). As head of a state department, the NDOR director (called the “Director-State Engineer” in statute) is appointed by the governor, subject to confirmation by the Legislature (Neb. Rev. Stat. §81-102).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The governor can remove members of the State Highway Commission for inefficiency, neglect of duty, or misconduct in office, after an opportunity for a hearing (Neb. Rev. Stat. §39-1104). The NDOR director serves at the pleasure of the governor (Neb. Const. art. IV, §10; Neb. Rev. Stat. §81-102).
<b>Legislative Review of Administrative Rules</b>	Yes (optional). The relevant standing committees have the opportunity to review all proposed rules and amendments and may submit comments for the record (Neb. Rev. Stat. §84-907.07).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. NDOR is subject to audits performed by the Legislative Audit Office. Nebraska does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	NDOR must submit an annual report to the Legislature detailing the needs of the state highway system, the department’s planning procedures, and progress being made on the expressway system. This report must include lists of projects funded and planned to be funded by the 2016 Transportation Innovation Act’s Accelerated State Highway Capital Improvement Program, County Bridge Match Program, and Economic Opportunity Program (Neb. Rev. Stat. §39-1365.02; 2016 Neb. Laws, L.B. 960). NDOR must also submit an annual report to the Legislature concerning the public transit assistance program (Neb. Rev. Stat. §13-1210). The State Highway Commission must submit a quarterly status and financial report (Neb. Rev. Stat. §39-1111).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, the Legislature has also prescribed certain performance goals in law, such as the completion of the expressway system by 2033 (Neb. Rev. Stat. §39-1365 and §39-1365.02).
<b>Other Legislative Oversight Mechanisms</b>	Legislative committees and individual senators introduce resolutions that direct committees to study issues between legislative sessions. In 2015, for example, the Transportation and Telecommunications Committee was directed to study Nebraska’s state and local roads system, NDOR’s process for designing and building expressways, vehicle weight limits, and distracted driving. There are, however, no currently active resolutions that directly relate to transportation. Other oversight mechanisms include legislative requests for information from NDOR.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month budgets; fiscal year begins July 1. As required by law, NDOR submits an annual highway needs assessment to the Legislature before session. The assessment is presented at a joint meeting of the appropriations and transportation committees that provides a forum for discussion. The Legislature then determines the overall level of state funding to be provided for transportation through the normal budget and appropriations process for executive agencies. This process includes review by the Appropriations Committee, public hearings, and deliberations of the full Legislature. The governor approves NDOR's budget request before it is submitted to the Legislature and can exercise veto power.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds flow directly into NDOR's cash fund. The Legislature does not limit the flow of Federal funds, but does provide appropriations at the level of departmental programs that reflect a cash flow estimate. NDOR can exceed these estimates as needed without legislative involvement.
	State Revenues	Legislative appropriation. A department-wide Highway Cash Fund appropriation sets an amount of state funds available to NDOR. The variable fuel tax is then set to generate revenue equal to this amount when added to other revenue sources. As with Federal funds, the Legislature appropriates these state funds at the level of departmental programs. In addition, the Build Nebraska Act dedicates a portion of general sales taxes for transportation (Neb. Rev. Stat. §77-27,132; 2011 Neb. Laws, L.B. 84), and NDOR's percentage of these revenues is also appropriated at the program level. These appropriations reflect a cash flow estimate that NDOR can exceed without legislative involvement. The exception is an appropriation for transit aid, which is a set dollar amount.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2016 and FY 2017 (enacted)	
<b>Authorized Expenditures (FY 2017 only)</b>	Assistance to local transit	\$6,312,705
	Highway administration	\$17,809,931
	Construction	\$681,820,256
	Services and support	\$29,376,889
	Highway maintenance	\$146,578,178
	<b>Total</b>	<b>\$881,897,959</b>
<b>Revenue Sources (FY 2017 only)</b>	Cash	\$881,897,959
	<b>Total</b>	<b>\$881,897,959</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	All transportation planning and project prioritization is done by NDOR, with ultimate authority resting with the governor. The State Highway Commission reviews NDOR's plans, but acts in an advisory and informational capacity only. MPOs and city and county departments work with NDOR when the need arises.
<b>Legislative Role in the Planning Process</b>	No legislative role. The state constitution expressly prohibits the Legislature from laying out, planning, or directing the construction of roads or highways (Neb. Const. art. III, §18). The only legislative role is to generate and appropriate funding.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate and variable rate—percentage of price, other)	•	•	•	•						Taxes on gasoline and diesel have a fixed-rate component, a variable component that is adjusted every six months as 5 percent of the wholesale price, and a variable component that is adjusted annually to provide for legislative appropriations and debt service; the fixed rate component is set to increase 1.5 cents each year from 2016 through 2019 (Neb. Rev. Stat. §66-4,105, §66-4,145, §66-4,146; Neb. Rev. Stat. §66-489.02; Neb. Rev. Stat. §66-4,140, §66-4,144; 2015 Neb. Laws, L.B. 610)
Fuel taxes: alternative fuels (fixed rate and variable rate—percentage of price, other)	•	•	•	•						Includes taxes on liquefied and compressed natural gas, liquefied petroleum gas, and other compressed fuels; assessed the same way as taxes on gasoline and diesel (Neb. Rev. Stat. §§66-6,100 et seq.)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Neb. Rev. Stat. §3-148)
Vehicle registration fees	•	•	•	•						Neb. Rev. Stat. §60-3,141, §60-3,143
Special fees on electric and some alternative fuel vehicles	•	•	•	•						Applies to electric vehicles and vehicles fueled by any other alternative fuel except compressed fuel; allocated to Highway Trust Fund (Neb. Rev. Stat. §60-306, §60-3,191)
Sales taxes on motor vehicle sales and leases	•	•	•	•						Neb. Rev. Stat. §77-27,132
Truck registration fees (based on gross vehicle weight)	•	•	•	•						Neb. Rev. Stat. §60-3,147
Oversize/overweight truck permit fees	•	•	•	•						Neb. Rev. Stat. §60-6,298
Property leases and rentals	•	•	•	•						Deposited to the Highway Cash Fund (Neb. Rev. Stat. §39-1323.01)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Airport property rentals	•	•				•				Neb. Rev. Stat. §3-146
Train-mile taxes	•	•	•		Grade crossings only					Used for highway-rail grade crossings (Neb. Rev. Stat. §74-1320)
Outdoor advertising revenues	•	•	•	•						Permit fees (Neb. Rev. Stat. §39-220)
State general sales taxes	•	•	•							The 2011 Build Nebraska Act dedicates a tax rate of 0.25 percent to highways until July 1, 2033 (Neb. Rev. Stat. §77-27,132; 2011 Neb. Laws, L.B. 84)
Interest income	•	•	•	•	Grade crossings only	•				Department of Aeronautics Cash Fund, State Aid Bridge Fund, State Recreation Road Fund, Highway Trust Fund, State Highway Capital Improvement Fund, Highway Cash Fund, Grade Crossing Protection Fund (Neb. Rev. Stat. §3-126, §39-846, §39-1390, §39-2215, §39-2703, §66-4,100, §74-1317; Neb. Rev. Stat. §72-1248)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Although license plate fees are deposited into the Highway Trust Fund, they do not provide revenues for the kinds of transportation activities described in this chart. Rather, the funding to manufacture license plates comes out of highway revenues, and as plates are issued, the plate fee—which is required by state statute to cover only the cost of the license plate and validation decals (Neb. Rev. Stat. §60-3,102)—is deposited back into the Highway Trust Fund to minimize the impact of this process on highway funds.
- Nebraska’s only toll facilities are two privately operated bridges.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon), variable rate (percentage of price), variable rate (adjusted to provide for legislative appropriations and debt service)
<b>Restrictions on State Fuel Taxes</b>	Statutory, roads and bridges, public transit. State statute directs fuel tax revenues from highway users to the Highway Trust Fund and, from there, to other funds to be used for NDOR highway and public transit programs, local road and street purposes, and debt service (Neb. Rev. Stat. §39-2215, §66-489.02, §66-499, §66-4,144, and §66-4,147).
<b>Restrictions on Other Transportation Revenues</b>	State statute directs various highway-user fees and taxes to the Highway Trust Fund and, from there, to other funds to be used for NDOR highway and public transit programs, local road and street purposes, grade crossings, debt service, and administrative costs (Neb. Rev. Stat. §39-2215). An exception is that a portion of vehicle registration fees is credited to the State Recreation Road Fund (Neb. Rev. Stat. §60-3,156). Aviation fuel taxes are dedicated to aeronautics (Neb. Rev. Stat. §3-149) and train-mile taxes to grade crossings (Neb. Rev. Stat. §74-1321).
<b>Dedicated or Restricted Transportation Funds</b>	State statute directs the use of the Highway Trust Fund, which receives fuel taxes and other transportation revenues, to the Highway Cash Fund, debt service, local entities for road and street purposes, and other programs (Neb. Rev. Stat. §39-2215). The Highway Cash Fund, in turn, is allocated to NDOR for highway construction and maintenance, debt service, and public transit assistance programs (Neb. Rev. Stat. §66-4,100). Other funds governed by state statute include the State Highway Capital Improvement Fund (Neb. Rev. Stat. §39-2703), the State Aid Bridge Fund (Neb. Rev. Stat. §§39-846 et seq.), the State Recreation Road Fund (Neb. Rev. Stat. §39-1390), the Grade Crossing Protection Fund (Neb. Rev. Stat. §74-1317), the Aeronautics Cash Fund (Neb. Rev. Stat. §3-126), and the new Transportation Infrastructure Bank Fund (Neb. Rev. Stat. §39-2803).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Advance construction		•	•							
Design-build	•		•							Authorized by legislation enacted in April 2016 (2016 Neb. Laws, L.B. 960); not yet in use
State infrastructure bank		See notes	•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; not authorized in state statute; currently inactive (see notes)

#### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- The state constitution allows revenue bonds for highways, but only if approved by a three-fifths vote of the Legislature (Neb. Const. art. XIII, §1). Bonding is not currently in use.

- In 2016, Nebraska enacted legislation to establish a Transportation Infrastructure Bank Fund (Neb. Rev. Stat. §39-2803; 2016 Neb. Laws, L.B. 960). This fund, however, does not meet the criteria used here for identifying state infrastructure banks inasmuch as it will not issue loans or collect repayments. Rather, it will function as a capital improvement fund for new road and bridge construction projects.

<b>Transportation-Related Bonding</b>	No. No bonds have been issued since 1969. This makes Nebraska one of five states that does not currently use bonding of any kind for transportation projects.
<b>Restrictions on Finance Mechanisms</b>	The state constitution allows revenue bonds for highways, but only if approved by a three-fifths vote of the Legislature (Neb. Const. art. XIII, §1).
<b>Finance Mechanisms Prohibited in State Law</b>	The Nebraska constitution generally prohibits extending the credit of the state (Neb. Const. art. XIII, §3), although it does allow for bonds backed by specific revenues, including highway bonds, in limited cases (Neb. Const. art. XIII, §1).

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. The Highway Cash Fund appropriation determines the amount of state funding available to NDOR each year and the variable fuel tax is set to attempt to generate this amount of revenue. The tax rate can be raised or lowered mid-year if needed. If actual revenues exceed the appropriation, they remain in the Highway Cash Fund until subsequently appropriated by the Legislature. If collections fall short, NDOR is simply out this amount of money. NDOR also retains unspent allocations of general sales tax revenues that are generated by the Build Nebraska Act. All excess funds must be re-appropriated to be spent.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No. The Legislature does not get involved at the project-specific level.
<b>Legislative Actions to Control DOT Costs</b>	State statute provides direction to NDOR concerning contracts for highway construction, including low-bid requirements and the prequalification of eligible bidders (Neb. Rev. Stat. §§39-1348 et seq.).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and grants. The state Highway Trust Fund is funded by fuel taxes and other transportation revenues. After set-asides, 23.3 percent of the Highway Trust Fund is allocated to counties and 23.3 percent to municipalities, (Neb. Rev. Stat. §39-2215). Funds are distributed to counties for road projects by a statutory formula based on rural and total population, lineal feet of bridges and overpasses, rural and total motor vehicle registrations, road miles, and sales of farm products (Neb. Rev. Stat. §39-2507). Funds are distributed to municipalities for street projects by a statutory formula based on population, motor vehicle registrations, and lane miles (Neb. Rev. Stat. §39-2517). Before these distributions, incentive payments are made to counties and municipalities with licensed county highway or city street superintendents. Incentive payment amounts are based on population and the superintendent's level of licensure (Neb. Rev. Stat. §§39-2501 et seq. and §§39-2511 et seq.). A portion of dedicated general sales tax revenues is distributed to counties and municipalities by the same formulas (Neb. Rev. Stat. §66-4,148 and §77-27,132), as are motor vehicle fees, but without the incentive payments (Neb. Rev. Stat. §60-3,190). The state also may award discretionary grants to local entities for intercity bus operating costs (Neb. Rev. Stat. §§13-1213) or up to half of their eligible transit capital and operating costs (Neb. Rev. Stat. §§13-1209 et seq.; 2016 Neb. Laws, L.B. 977).
<b>Local Revenue Sources Authorized in State Law</b>	In addition to state vehicle fees that are levied for local use, municipalities may also adopt motor vehicle fees for road and street maintenance (Neb. Rev. Stat. §14-109 and §18-1214). Counties, municipalities, and transit authorities may levy property taxes for transportation purposes (Neb. Rev. Stat. §14-1821 and §23-397). Municipalities may levy local option sales taxes for public infrastructure including roads, airports, ports, and public transit (Neb. Rev. Stat. §77-27,142). Improvement districts may levy special assessments for road or street improvements (Neb. Rev. Stat. §17-510 and §39-1601).



# NEVADA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	100,899 (76,152 rural, 24,747 urban)
	Bridges	1,994
	Toll facilities	No (see notes)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, monorail, vanpool, demand response
	Urban transit trips in 2013	74.5 million
<b>Rail</b>	Freight rail route miles	1,085
<b>Aviation</b>	Total airports	126
	Public-use airports	49
	Passengers boarded in 2015	21.9 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	0

### Notes:

- These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.
- A 6.4-mile stretch of road that is operated within the Valley of Fire State Park by the Nevada State Parks Division is reported to the [Federal Highway Administration](#) as a toll road because there is a required entrance fee, but it is not considered a toll road for the purposes of this report. The revenue generated from the fee does not go to road repair or maintenance.

## Organizational Facts

### Legislature

<b>Name</b>	Nevada Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (21 members), Assembly (42 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Biennial, approx. Feb. to June (odd years only)
<b>Legislative Measures Introduced in 2016</b>	None (no regular 2016 session)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation Assembly Committee on Transportation Senate Committee on Finance/Assembly Committee on Ways and Means <ul style="list-style-type: none"> <li>• Joint Subcommittee on Public Safety, Natural Resources, and Transportation</li> </ul> [Interim] Interim Finance Committee [Interim] Legislative Commission [Commission] Commission on Special License Plates

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.



## Department of Transportation

<b>Name</b>	Nevada Department of Transportation (NDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	NDOT Director (serves on governor's cabinet), NDOT Board of Directors (within NDOT, governor serves ex officio)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	1,825
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, pedestrian/bicycle. NDOT's Planning Division also has sections dedicated to aviation, public transit, and rail.
<b>Includes DMV?</b>	No. The Nevada Department of Motor Vehicles is an independent state agency. It is primarily funded by appropriations from the Highway Fund and fee revenues, not out of NDOT's budget.
<b>Includes Highway Patrol?</b>	No. The Nevada Highway Patrol is a division of the Department of Public Safety. It is primarily funded by appropriations from the Highway Fund and Federal grants, not out of NDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	No. Nevada has no toll facilities (see notes on pp. 321 and 327).

## Other

<b>Other State-Level Transportation Entities</b>	Nevada Department of Business and Industry—Nevada Transportation Authority and Nevada Taxicab Authority (state agency)	The Nevada Transportation Authority, a division of the Nevada Department of Business and Industry, has statewide regulatory responsibility over the transportation of passengers and household goods, including the tow truck, bus, limousine, and taxicab industries. The exception is taxicabs in Clark County, which are regulated by the Nevada Taxicab Authority, another division in the same state department (Nev. Rev. Stat. §§706.011 et seq. and §§706.8818 et seq.). Both authorities are funded by fee revenues. The Nevada Transportation Authority also receives appropriations from the State Highway Fund.
	Public Utilities Commission of Nevada—Railroad Safety Program and Pipeline Safety Program (state agency)	Among other duties, the Public Utilities Commission of Nevada, a state regulatory agency, oversees railroad and pipeline safety.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Mainly formal. NDOT and the Legislature interact primarily through committee hearings, the budget process, and policy decisions, although the department has open access to legislators year-round. NDOT's communications director, among other duties, acts as the department's legislative liaison.
<b>DOT Legislative Liaison</b>	NDOT's communications director also acts as the legislative liaison and, among other duties, serves as the main point of contact between the department and the Legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Nev. Rev. Stat. tit. 35, 43, and 44; Nev. Const. art. IX, §5 (revenue restrictions); portions of Nev. Rev. Stat. tit. 32 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. By law, the governor may request bill drafts for up to 110 measures each session, including those approved on behalf of executive departments (Nev. Rev. Stat. §218D.175). After getting feedback from staff and leadership, NDOT submits bill draft requests that are approved by the governor. These bill drafts, however, must be introduced by a legislator or a standing committee to advance through the legislative process.
	Advocacy and Lobbying	NDOT is usually neutral on most legislative issues. The department's role is to provide information and get direction from the Legislature and the governor. NDOT does, however, advocate for the passage of bills that the department submitted as bill draft requests and that were approved by the governor. NDOT also sometimes testifies in favor of driver and pedestrian safety initiatives, since the department's goal is to keep people safe and connected.
	Fiscal Notes or Policy Impact Statements for Legislative Use	The legislative Fiscal Analysis Division coordinates and distributes fiscal notes for bills using estimates from state and local agencies that would be affected by them (Nev. Rev. Stat. §§218d.430 et seq.). NDOT participates in this process.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	Four of the seven members of the NDOT Board of Directors are appointed to four-year terms by the governor with no legislative involvement, and within statutory requirements for geographic representation and state residency. Each appointed member must be informed and interested concerning highway construction and maintenance and other transportation matters and must also be an engineer, a general contractor, or a person with expertise in financial matters and business administration. No appointed member may have an interest in highway construction and maintenance in Nevada. The other three board members are the governor, lieutenant governor, and state controller, who serve ex officio (Nev. Rev. Stat. §408.106). The NDOT director is appointed by the NDOT Board of Directors, also without legislative involvement, within statutory requirements for qualifications and experience. The director may not have other simultaneous employment (Nev. Rev. Stat. §§408.160 et seq.).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The NDOT director may be removed by the NDOT Board of Directors. No process is specified for removing members of the NDOT Board of Directors before the end of their respective terms of office.
<b>Legislative Review of Administrative Rules</b>	Yes. The Legislative Commission, an ongoing statutory committee, reviews all proposed rules. The commission may approve or reject a rule. If it objects, the agency must revise and resubmit the rule until the commission approves it. If the rule is not approved, it does not go into effect (Nev. Rev. Stat. §§233b.067 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. NDOT is subject to audits conducted by the Audit Division of the Legislative Counsel Bureau, under the direction of the Legislative Audit Commission's Audit Subcommittee. Nevada does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	Each year, the NDOT director is required to submit to the Legislature an annual performance report (Nev. Rev. Stat. §408.133) and a report that outlines highway construction and maintenance requirements for the next 10 years (Nev. Rev. Stat. §408.203). Every other year, the director must submit reports concerning highway requirements for the next four years, highway preservation, and mobile equipment (Nev. Rev. Stat. §408.203), and, until 2023 or until NDOT can demonstrate that disparities no longer exist in contract awards, disadvantaged business enterprises (Nev. Rev. Stat. §408.38726).

## Legislative Role in DOT Performance Management

In addition to the reporting requirements and legislative audits listed above, state statute requires the executive branch to submit a proposed budget that includes the long-term performance goals of departments and an explanation of the means by which the proposed budget will provide adequate funding to achieve those goals (Nev. Rev. Stat. §353.205). In addition, NDOT's board of directors is required to adopt a plan for measuring NDOT performance that includes measures for the department as a whole and for each of its divisions (Nev. Rev. Stat. §408.133; this statute also requires the related report to the Legislature that is listed above).

## Other Legislative Oversight Mechanisms

In the interim between legislative sessions, the Legislative Council Bureau's Fiscal Analysis Division provides ongoing fiscal and programmatic oversight of NDOT's activities, while the Interim Finance Committee reviews executive branch finances and program operations and, when necessary, considers modifications to NDOT's biennial work program. Other interim committees are occasionally formed to review state financing of highway construction and other projects, but none are currently active. In addition, the Legislative Commission may conduct reviews of state agencies and recommend whether each should be continued, consolidated, or terminated. Likewise, the Legislative Commission's Sunset Subcommittee may review all boards and commissions that have been created by the Legislature (Nev. Rev. Stat. §§232B.010 et seq.), including the NDOT board of directors, although NDOT's board has not been reviewed since the subcommittee was created in 2011. The subcommittee's review process is not a true sunset, however, because the entity under review is not automatically terminated if there is no action of the Legislature. Other oversight mechanisms include legislative requests for information from NDOT.

## Resources Provided to DOT to Support Compliance with Oversight Requirements?

No.

# Transportation Funding and Finance

## Budgeting and Appropriations

### Budgeting and Appropriations Overview

Biennial enactment of two 12-month budgets; fiscal year begins July 1. The Legislature approves the overall NDOT budget in its biennial session. The budget is based on investment priorities, Federal requirements, and the governor's recommendations. When reviewing and approving the NDOT budget, the Nevada Legislature strives to maximize highway construction while also maintaining a minimum Highway Fund balance (one month of operating expenses and 1.5 months of capital expenses, which is approximately \$115.6 million in the 2015–17 biennium).

### Allocation of Transportation Revenues to the DOT

Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to NDOT as lump sum appropriations to the department in the state's Authorizations Act. When the Legislature is not in session, NDOT's use of Federal transportation funds may be approved by the Interim Finance Committee.
State Revenues	Legislative appropriation. State transportation funds are allocated to NDOT based on legislatively approved expenditure categories for the department, which may reflect expenditures for specific programs. In addition, the Legislature may enact legislation that dedicates state tax or bond revenue to fund highway projects. When the Legislature is not in session, NDOT may request and receive additional state Highway Fund appropriations if approved by the Interim Finance Committee.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2016 and FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures (FY 2017 only)</b>	Transportation administration: base	\$620,966,850
	Transportation administration: maintenance	\$2,834,704
	Transportation administration: enhancement	\$24,175,300
	Bond construction	\$150,000,000
	<b>Total</b>	<b>\$797,976,854</b>
<b>Revenue Sources (FY 2017 only)</b>	Federal fund	\$320,000,000
	Highway fund	\$322,295,530
	Interagency transfer	\$4,905,929
	Other fund	\$775,395
	FY 2017 bond issue	\$150,000,000
	<b>Total</b>	<b>\$797,976,854</b>

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	NDOT is responsible for identifying projects, developing and approving transportation plans, coordinating with the state's four MPOs, and facilitating all transportation improvements in non-MPO areas. NDOT develops the four-year Statewide Transportation Improvement Program (STIP) annually in collaboration with MPOs, local entities, and 23 tribal governments. The MPOs have primary stewardship for transportation planning within their boundaries. Projects are evaluated by a standardized criteria related to feasibility and use benefits. Areas not under MPO authority must submit applications for proposed transportation improvement projects. These applications are ranked by an NDOT project evaluation team, and high-priority projects are forwarded to the director and deputy director for final selection. The number of projects included in the STIP for the next four-year period is limited by anticipated available funding. The NDOT Board of Directors approves the STIP annually.
<b>Legislative Role in the Planning Process</b>	No legislative role. The Legislature approves the overall NDOT budget, but not at the project-specific level. At times, the Legislature may enact specific bills that fund highway construction projects through tax modifications or bond issuances. NDOT, however, is responsible for selecting and approving those projects.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•							Nev. Rev. Stat. §§365.175 et seq., §366.190, §408.235
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied and compressed natural gas, liquefied petroleum gas, and others (Nev. Rev. Stat. §366.190, §366.700)
Fuel taxes: recreational boating	•	•					•			Allocated to recreational boating-related uses (Nev. Rev. Stat. §365.535)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Vehicle registration and title fees	•	•	•							Nev. Rev. Stat. §482.480, §408.235
Truck registration fees (based on gross vehicle weight)	•	•	•							Nev. Rev. Stat. §482.482, §408.235
Driver's license and state ID card fees	•	•	•					•		Generally deposited to the Motor Vehicle Fund, the balance of which is transferred to the State Highway Fund (Nev. Rev. Stat. §483.410, §483.820, §482.180); additional driver's license fees support pedestrian and bicycle projects (Nev. Rev. Stat. §483.415)
Rest area sponsorship	•		•							Authorized but not currently in use; revenues may be used for rest areas only (Nev. Rev. Stat. §§408.551 et seq.)
Passenger carrier excise taxes	•	•	•							Includes taxes on transportation network companies, taxicabs, and common motor carriers; first \$5.0 million each biennium is allocated to the State Highway Fund (Nev. Rev. Stat. §372B.170; 2015 Nev. Stats., Chap. 278 and 447)
Petroleum cleanup fees	•	•	•							NDOT is annually allocated 10 percent of any revenues that exceed \$7,500,000 in the Fund for Cleaning Up Discharges of Petroleum, for use in counties that have a population of less than 100,000 (Nev. Rev. Stat. §408.242, §445C.350)
Occupational and business licensing fees	•	•	•							Fees for vehicle manufacturer's, distributor's, dealer's, or rebuilder's licenses (Nev. Rev. Stat. §482.325); deposited to the State Highway Fund
Governmental services taxes	•	•	•							Tax imposed for the privilege of operating any vehicle upon the public highways of the state; to be deposited in equal shares to the State Highway Fund and the general fund in FY 2017, and entirely to the State Highway Fund starting in FY 2018 (Nev. Rev. Stat. §371.060, §482.182; 2015 Nev. Stats., Chap. 487)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Interest income	•	•	•	See notes						State Highway Fund (Nev. Rev. Stat. §408.235, §408.271) (see notes)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- A 6.4-mile stretch of road that is operated within the Valley of Fire State Park by the Nevada State Parks Division is reported to the [Federal Highway Administration](#) as a toll road because there is a required entrance fee, but it is not considered a toll road for the purposes of this report. The revenue generated from the fee does not go to road repair or maintenance.
- Nevada statute allows NDOT to use interest income from the State Highway Fund to conduct transit studies and provide the state match for public transit capital purchases (Nev. Rev. Stat. §408.271). However, due to insufficient revenues, NDOT has had to discontinue this funding. Currently, no state funds are allocated to public transit, rail, or other non-highway modes (except recreational boating).
- Although NDOT is authorized to collect permit fees for the operation of oversize or overweight vehicles, these fees do not provide revenues for the kinds of transportation activities described in this chart. Rather, state statute requires that the aggregate amounts received from the fees may not exceed the costs of administering the permit system (Nev. Rev. Stat. §484D.625). Similarly, license plate fees are used only to defray the cost of producing the plates (Nev. Rev. Stat. §482.268).
- Proceeds from state aviation fuel taxes are allocated to local airport operators and the Civil Air Patrol, not used by state agencies (Nev. Rev. Stat. §365.170, §365.545, and §365.565).
- General funds have sometimes been authorized for NDOT use. This occurred most recently in 2007, when the Legislature appropriated \$170.0 million in general funds for highway construction projects in southern Nevada (2007 Nev. Stats., Chap. 372). Due to the subsequent decline in the state economy, only \$33.6 million of this appropriation was spent.



<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution dedicates motor vehicle fuel taxes to public highways and administrative costs (Nev. Const. art. IX, §5). State statute repeats this restriction, and caps the administrative costs for collecting the fuel tax at 1 percent of the total proceeds (Nev. Rev. Stat. §408.235).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution dedicates vehicle-related fees and charges, except any tax that is imposed in lieu of an ad valorem property tax, to public highways and administrative costs (Nev. Const. art. IX, §5). State statute repeats this restriction and caps the administrative costs for collecting license and registration fees at 27 percent of the total proceeds (Nev. Rev. Stat. §408.235); this administrative cap is slated to return to 22 percent after July 1, 2020 (2015 Nev. Stats., Chap. 394). State statute also allocates fuel tax revenues attributable to recreational boating and aviation to purposes related to those modes (Nev. Rev. Stat. §365.535, §365.545, and §365.565).
<b>Dedicated or Restricted Transportation Funds</b>	State statute establishes the State Highway Fund, which receives fuel taxes and other vehicle-related revenues (Nev. Rev. Stat. §408.235), and the Fund for Aviation, which is authorized to receive revenues for airport projects (Nev. Rev. Stat. §494.048). In general, however, the law places restrictions on revenues, rather than the funds into which the revenues are deposited.
<b>Revenue Sources Prohibited in State Law</b>	Tolls are prohibited. State statute authorizes NDOT to develop, construct, improve, maintain, or operate transportation facilities, but defines the term “transportation facility” to specifically exclude toll bridges and toll roads (Nev. Rev. Stat. §408.5471 and §408.5473).

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•							Highway Improvement Revenue Bonds (Nev. Rev. Stat. §408.273)
GARVEE bonds	See notes									Not currently in use; See notes
Advance construction		•	•							
Design-build	•	•	•	See notes	See notes	See notes				Authorized in statute for various transportation modes, not including toll roads or bridges; allowed for projects with cost estimates of over \$10 million, and up to two projects between \$5 million and \$10 million (Nev. Rev. Stat. §408.388, §§408.5471 et seq.); used for several road projects
Public-private partnerships	•	See notes	•	See notes	See notes	See notes				Authorized in statute for various transportation modes (Nev. Rev. Stat. §§338.161 et seq.); not currently in use (see notes)
Land swaps or donations from land owners	•		•							Nev. Rev. Stat. §408.489



**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Although GARVEE bonds are not identified by name in state statute, their use is permitted under a statutory provision that allows NDOT to secure special obligation bonds for highway construction projects with state highway revenues or by pledging Federal highway grants payable to the state (Nev. Rev. Stat. §408.273). According to NDOT, this statute would also allow private activity bonds (PABs) to be issued.
- Nevada statute authorizes state use of design-build and public-private partnerships for various non-highway modes including public transit, railroads, and airports (Nev. Rev. Stat. §338.161 and §408.5471), but because no state funds are currently used for these modes, it is also unlikely that these finance mechanisms would be used for them at the state level.
- The only known public-private partnership in Nevada, the Las Vegas Monorail, was sponsored by private entities, with some local and state involvement. The monorail continues to be privately owned and operated. No state-level projects were found.
- Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance has been used by local entities, but not at the state level.
- Nevada has used contracts involving construction managers at risk (Nev. Rev. Stat. §§338.1685 et seq.) as an additional innovative project delivery method.
- The Nevada Legislature has sometimes enacted session law to authorize general obligation bonds for transportation uses. This most recently happened in 2009, when the Legislature approved the sale of \$15 million in general obligation bonds in FY 2011 for highway projects (2009 Nev. Stats., Chap. 440). Although authorized by the Legislature, this bond sale did not occur. No general obligation bonds are currently authorized or in use for transportation purposes.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	Bonding may only be used for highway construction projects (Nev. Rev. Stat. §408.273). Design-build is authorized for projects with cost estimates of over \$10 million, and up to two projects between \$5 million and \$10 million, but not for toll roads or bridges (Nev. Rev. Stat. §408.388 and §§408.5471 et seq.).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, in some cases. NDOT may retain unspent revenues that are restricted by law to certain programs (for example, driver's license fees that must be used for pedestrian and bicycle activities) and balance them forward from one fiscal year to the next. In general, these revenues can be spent without further legislative approval. Pursuant to the State Budget Act (Nev. Rev. Stat. §§353.150 et seq.), however, legislative approval may be required if NDOT wishes to use program-restricted revenues for a different expenditure category than the one originally approved by the Legislature in the prior fiscal year. Unspent appropriations, unless approved by the Legislature to carry forward to the second year of a biennium, typically revert to their respective funds at the end of each fiscal year and must be re-appropriated. Excess bond proceeds may be carried forward according to NDOT construction schedules, and without legislative approval.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No. NDOT may require legislative approval to transfer funds between expenditure categories, but not between highway projects. The Legislature approves NDOT's overall funding level for each year of the biennium, but NDOT retains authority within those funding levels to modify project-specific funding. This allows NDOT to maintain flexibility in its program and to implement the approved investment priorities efficiently and effectively.
<b>Legislative Actions to Control DOT Costs</b>	State statute establishes low-bid requirements for most contracts (Nev. Rev. Stat. §408.343).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. Regional transportation commissions in Clark and Washoe counties are annually allocated 70 percent and 20 percent, respectively, of any revenues that exceed \$7.5 million in the Fund for Cleaning Up Discharges of Petroleum (Nev. Rev. Stat. §408.242). Nevada also allocates state transportation funding to local entities by legislative appropriation. Local governments are not eligible to receive appropriations from the Highway Fund, which may only be used for the construction, maintenance, and repair of public highways of the state, but they do receive local gas tax revenue for the construction and maintenance of roads.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to levy local option fuel taxes, which may be indexed to inflation, for road and street uses (Nev. Rev. Stat. §§373.010 et seq.). Counties may also levy sales taxes or lodging taxes for transportation purposes (Nev. Rev. Stat. §377A.020 and §244.3351 et seq.), development privilege taxes for growth-related transportation improvements (Nev. Rev. Stat. §278.710), local option aviation fuel taxes for airport purposes (Nev. Rev. Stat. §365.203, §365.545, and §365.565), and, for counties with populations under 100,000, vehicle privilege taxes for road and street projects (Nev. Rev. Stat. §371.045). Counties with a population of 100,000 or more must allocate a portion of their property taxes to the State Highway Fund for highway projects in that county (Nev. Rev. Stat. §354.59815 and §408.235). At NDOT's request, counties with a population of 700,000 or more (currently Clark County) must issue bonds for up to \$300 million to assist with highway projects in that county. These bonds may be backed by local revenues from recreational facilities, lodging taxes, or other sources (Nev. Rev. Stat. §244A.637). Road maintenance districts may levy special assessments (Nev. Rev. Stat. §320.110). Counties and cities may charge developers impact fees to pay for development-related capital improvements (Nev. Rev. Stat. §278B.010 et seq.).

# NEW HAMPSHIRE

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	33,243 (22,510 rural, 10,732 urban)
	Bridges	3,848
	Toll facilities	Yes (roads: 96.5 miles)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, ferry boat, demand response
	Urban transit trips in 2013	3.9 million
<b>Rail</b>	Freight rail route miles	344
<b>Aviation</b>	Total airports	145
	Public-use airports	25
	Passengers boarded in 2013	1.2 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	2.8 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	New Hampshire General Court
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (24 members), House of Representatives (400 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to July
<b>Legislative Measures Introduced in 2016</b>	850 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Finance Senate Committee on Transportation Senate Committee on Ways and Means House Committee on Finance House Committee on Public Works and Highways House Committee on Transportation House Committee on Ways and Means Joint Committee on Dedicated Funds [Study] Committee to Study the Feasibility of a Complete Streets Program (2016 only) [Commission] Commission to Study Recommendations of the National Transportation Safety Board [Commission] New Hampshire Conservation Number Plate Advisory Committee [Commission] Oversight Commission on Motor Vehicle Fines

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	New Hampshire Department of Transportation (NHDOT)
<b>Structure</b>	Organized mainly by functional activity. One of NHDOT's five divisions, however, is dedicated to specific transportation modes (aeronautics, rail, and public transit).
<b>Leadership</b>	NHDOT Commissioner (does not serve on governor's cabinet; New Hampshire has no formal cabinet system)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	1,639
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Division of Motor Vehicles is a division of the Department of Safety. It is funded by vehicle registration fees. Pursuant to the state constitution (N.H. Const. part II, art. 6-a), any costs associated with the collection and administration of highway funds by the Department of Safety are deducted by the department before the funds are credited to the Highway Fund. This includes both fuel tax and vehicle fee collections.
<b>Includes Highway Patrol?</b>	No. The New Hampshire State Police is a division of the Department of Safety. Funding sources for these functions include fuel taxes, vehicle registration fees, Turnpike toll revenues, and general funds. These are not part of the NHDOT budget, but are appropriated to the Department of Safety.
<b>Jurisdiction Over Toll Facilities?</b>	Yes.

## Other

<b>Other State-Level Transportation Entities</b>	Pease Development Authority—Division of Ports and Harbors (corporation/ instrumentality)	The Pease Development Authority, a self-supporting corporation and instrumentality of the state, contains the Division of Ports and Harbors. The division is funded by port operating revenues (N.H. Rev. Stat. Ann. §§12-G:1 et seq. and §§12-G:42 et seq.).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. NHDOT commissioners, directors, assistant directors, and administrators meet with and appear before the legislature on bills that impact the department, or at the request of legislators for issues involving transportation infrastructure, planning, funding, and budgets.
<b>DOT Legislative Liaison</b>	NHDOT's Front Office serves as the main point of contact. The department also has a staff member who serves as the legislative liaison and works with the key legislative policy committees.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	N.H. Rev. Stat. Ann. ch. 21-L, 228 to 272, and 422 to 424; N.H. Rev. Stat. Ann. §§12-G:42 et seq.; portions of N.H. Rev. Stat. Ann. tit. 34; N.H. Const. part II, art. 6-a (revenue restrictions); portions of N.H. Rev. Stat. Ann. tit. 5 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. In New Hampshire, only legislators may request legislative bill drafts and sponsor and introduce legislation. At times, however, the department works with legislators to draft or revise legislation.
	Advocacy and Lobbying	By law, state funds cannot be used to lobby or attempt to influence legislation (N.H. Rev. Stat. Ann. §15:5). State agencies can, however, provide factual information.
	Fiscal Notes or Policy Impact Statements for Legislative Use	By law, fiscal impact notes are prepared by the legislative budget assistant, who can request assistance or data from a state agency such as NHDOT (N.H. Rev. Stat. Ann. §14:46).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The NHDOT commissioner is appointed to a four-year term by the governor, with the consent of the Executive Council (an elected agency in the executive branch) but with no legislative involvement. State statute requires the commissioner to be qualified for the position “by reason of education and experience” (N.H. Rev. Stat. Ann. §21-L:3).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The attorney general, the governor, or an Executive Council member may petition for the NHDOT commissioner’s removal for cause. Removal is effected by a majority vote of the Executive Council in concurrence with the governor (N.H. Rev. Stat. Ann. §4:1).
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Legislative Committee on Administrative Rules reviews all proposed rules and proposed interim rules. The committee may approve, conditionally approve, or object to a proposed rule. If the committee does not act within 45 or 60 days, the proposed rule is automatically approved. If the committee does object, it may sponsor a joint resolution to permanently prevent adoption of the proposed rule. In addition, the committee must actively approve all proposed interim rules (N.H. Rev. Stat. Ann. §§541-A:1 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. NHDOT is subject to audits conducted by the Audit Division of the Office of Legislative Budget Assistant. New Hampshire does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	NHDOT is required to submit annual reports to the legislature concerning the state infrastructure bank (N.H. Rev. Stat. Ann. §21-L:23), real property (N.H. Rev. Stat. Ann. §4:39-e), and the highway and bridge betterment program (N.H. Rev. Stat. Ann. §235:23-a). Every five years, the department must submit a report concerning dedicated funds (N.H. Rev. Stat. Ann. §6:12 and §6:12-j).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, as a result of legislation enacted in 2014, all state departments are now required to submit “efficiency expenditure requests” as part of the biennial budget process. These requests must include performance goals and measures, and those related to the appropriations of highway funds must be reported to the General Court (N.H. Rev. Stat. Ann. §9:4 and §9:6; 2014 N.H. Laws, Chap. 168).
<b>Other Legislative Oversight Mechanisms</b>	The General Court regularly forms study committees and commissions to address specific issues for a limited period of time. Other oversight mechanisms include legislative requests for information from NHDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No. There is no specific allocation of funds to comply with required reporting. It is done as a part of the department’s normal duties.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month operating budgets and one 24-month capital budget; fiscal year begins July 1. NHDOT submits its operating and capital budget requests to the governor, who then submits recommended budgets to the legislature. The legislature enacts budget bills and presents them to the governor for signature.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation and plan approval. Federal transportation funds are allocated to NHDOT as lump sum appropriations to the department. The General Court also approves the Statewide Transportation/Ten-Year Improvement Plan, which reflects the overall amount of Federal funding.
	State Revenues	Legislative appropriation and plan approval. State transportation funds are allocated to NHDOT as appropriations at the level of departmental programs or broad spending categories. The General Court also approves the Statewide Transportation/Ten-Year Improvement Plan, including the use of state funds for individual projects.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2016 and FY 2017 ( <a href="#">enacted</a> ), separate <a href="#">capital</a> and <a href="#">operating</a> budgets (see note)	
<b>Authorized Expenditures (Capital Budget, FY 2016 and FY 2017)</b>	Aeronautics, rail, and transit	\$63,711,023
	Software, facilities, and equipment	\$12,970,000
	<b>Total</b>	<b>\$76,681,023</b>
<b>Revenue Sources (Capital Budget, FY 2016 and FY 2017)</b>	Federal funds	\$55,906,400
	General funds	\$7,804,623
	Highway funds	\$12,970,000
	<b>Total</b>	<b>\$76,681,023</b>
<b>Authorized Expenditures (Operating Budget, FY 2017 only)</b>	Division of Aeronautics, Rail, and Transit	\$16,505,053
	Administration	\$35,296,051
	Division of Finance	\$3,342,180
	Division of Policy and Administration	\$2,317,167
	Division of Operations	\$126,566,459
	Division of Project Development	\$38,905,015
	Municipal aid	\$60,625,777
	Construction program	\$49,269,085
	Consolidated Federal aid program	\$104,648,113
	Turnpike system	\$152,551,539
	<b>Total</b>	<b>\$590,026,439</b>
<b>Revenue Sources (Operating Budget, FY 2017 only)</b>	Federal funds	\$170,878,689
	General funds	\$1,003,485
	Highway funds	\$190,172,199
	Turnpike funds	\$149,519,063
	Other funds	\$78,453,003
	<b>Total</b>	<b>\$590,026,439</b>

**Note:** NHDOT's capital budget (in [House Bill 25](#)) includes software, facilities, and equipment, as well as matching funds for aeronautics and transit Federal programs that are bond-financed during the biennium. The capital budget bill also makes appropriations from the Highway Fund to the Department of Administrative Services and the Department of Safety, which are not included here. NHDOT's operating budget (in [House Bill 1](#)) includes debt service and infrastructure such as roads and bridges.



For ease of comparison with other states, this chart displays only one year of NHDOT's biennial operating budget, which is enacted as two 12-month budgets. The capital budget, however, is enacted as one 24-month budget, and is reflected here in its entirety.

### Planning and Projects

#### Transportation Planning and Capital Project Selection Process

NHDOT uses the Governor's Advisory Council on Intermodal Transportation process for transportation planning and for creating the Statewide Transportation/Ten-Year Improvement Program, which by law must be updated every other year (N.H. Rev. Stat. Ann. §228:99 and ch. 240). NHDOT, after gathering information and input from the local level, drafts the plan and presents it to the governor's council. After debating the plan in public hearings, the governor's council forwards it to the governor for review. The governor then submits the plan to the General Court for review (including more public hearings), revision, and final approval. MPOs incorporate approved projects into their own plans. In 2010, NHDOT also developed a Long-Range Transportation Plan with extensive review by NHDOT, the General Court, and others.

#### Legislative Role in the Planning Process

Substantial legislative role. The General Court biennially reviews, revises, and adopts the Statewide Transportation/Ten-Year Improvement Program. Typically, the plan undergoes many legislative changes related to specific projects before it is approved. In 2010, General Court also reviewed the Long-Range Transportation Plan.

### State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•							N.H. Rev. Stat. Ann. §§260:32 et seq., §260:35, §260:52
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied natural gas, compressed natural gas, and propane, but not electricity (N.H. Rev. Stat. Ann. §260:32-c)
Vehicle registration and title fees	•	•	•							N.H. Rev. Stat. Ann. §261:20, §261:141
Truck registration fees (based on gross vehicle weight)	•	•	•							N.H. Rev. Stat. Ann. §261:20
Tolls	•	•	•							Turnpike System (N.H. Rev. Stat. Ann. §237:9)
Rest area sponsorship			•							Authorized in session law, not statute; not currently in use; revenues may be used for rest areas only (2013 N.H. Laws, Chap. 259)
Rest area food or fuel concessions		•	•							The Turnpike System has an arrangement with a third party for I-93 Welcome Centers



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Railroad taxes and other rail fees	•	•			• Passenger and freight					N.H. Rev. Stat. Ann. §82:31, §228:69
Rail property leases and sales	•	•			• Passenger and freight					N.H. Rev. Stat. Ann. §228:68
General funds		•		•	• Passenger and freight	•				Legislative appropriations for debt service for aviation, transit, and rail projects, and for NHDOT operating expenses related to these modes
Interest income	•	•	•							Turnpike System (N.H. Rev. Stat. Ann. §237-A:1)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Port operating revenues are collected and used by the Division of Ports and Harbors of the Pease Development Authority, which is a self-supporting instrumentality of the state (N.H. Rev. Stat. Ann. §12-G:42).
- At this time, there is no dedicated state funding for state-level aviation activities or the State Aeronautical Fund. Proceeds from state aviation fuel taxes and aircraft registration and operating fees go to local entities and to the general fund (N.H. Rev. Stat. Ann. §§422:31 et seq.). State legislation is expected to be drafted as part of the biennial budget for FY 2018 and FY 2019 to restrict the use of aviation fuel tax revenues to aviation purposes, in compliance with recent Federal Aviation Administration rulings.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of gasoline road tolls and other motor fuel taxes to public highways, including traffic supervision and debt, and prohibits their diversion to any other purpose (N.H. Const. part II, art. 6-a). State statute further directs the use of the revenues attributable to the gas tax increase enacted in 2014 (N.H. Rev. Stat. Ann. §§260:32-b).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle-related charges and taxes to public highways, including traffic supervision and debt, and prohibits their diversion to any other purpose (N.H. Const. part II, art. 6-a). State statute requires toll revenues from the New Hampshire Turnpike System to be used for turnpike operations, construction, reconstruction, maintenance, or debt, and prohibits their diversion to any other purpose (N.H. Rev. Stat. Ann. §237:9).
<b>Dedicated or Restricted Transportation Funds</b>	The Highway Fund receives fuel taxes and other highway revenues. State statute makes allocations from the fund to NHDOT, the Department of Safety, and other agencies (N.H. Rev. Stat. Ann. §9:9-b). The Highway and Bridge Betterment Account, which also receives a portion of fuel tax revenues, is restricted to highway and bridge projects, and is distributed to the state highway districts by statutory formula (N.H. Rev. Stat. Ann. §235:23-a). State statute also establishes a railroad fund (N.H. Rev. Stat. Ann. §§228:68 et seq.) and aeronautical fund (N.H. Rev. Stat. Ann. §422:35).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•	• Passenger and freight	•				Typically authorized in session law (N.H. House Bill 25, the capital budget bill); also authorized in state statute for the I-93 project (N.H. Rev. Stat. Ann. §6:13-d) (see notes)
Revenue bonds	•	•	•							Used for the Turnpike System only (N.H. Rev. Stat. Ann. §237-A:2); also authorized in statute for the I-93 project (N.H. Rev. Stat. Ann. §6:13-d) (see notes)
Build America Bonds		•	•							Issued in conjunction with Turnpike revenue bonds and GARVEE bonds in 2010
GARVEE bonds	•	•	•							Authorized in state statute; capped at a total of \$490 million (N.H. Rev. Stat. Ann. §§228-A:1 et seq.); most recently issued in 2012
Federal credit assistance: TIFIA	•	•	•							Authorized in statute (N.H. Rev. Stat. Ann. §6:13-d); active loan(s) as of May 2016 (see notes)
Advance construction		•	•							
Federal-aid matching: toll credits ("soft match")		•	•	•						Occasionally used for transit when Congestion Mitigation and Air Quality program funding is transferred to the Federal Transit Administration

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Design-build	•	•	•							Authorized in statute for highways, bridges, or “other item directly related to transportation”; additional approvals required for projects over \$25 million (N.H. Rev. Stat. Ann. §228:4); used for at least one bridge project
Public-private partnerships	•		•	•	• Pas-senger and freight					As of Aug. 15, 2016, authorized for multimodal transportation infrastructure projects (N.H. Rev. Stat. Ann. §228:21, §228:107 et seq.; 2016 N.H. Laws, Chap. 276)
State infrastructure bank	•		•	•	• Pas-senger and freight		•			Established in 2014 but not yet capitalized; may be used for “surface transportation projects that contribute to multi-modal and intermodal transportation” (N.H. Rev. Stat. Ann. §§21-L:19 et seq.); not currently in use

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- State statute allows the use of general obligation and revenue bonds for improvements to Interstate 93 and caps total debt for the project at \$200 million (N.H. Rev. Stat. Ann. §6:13-d). No such bonds, however, are being used. Instead, the state has entered into a \$200 million direct loan under the Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program, which is to be repaid by a general obligation pledge of the state and gas tax revenues.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	Total GARVEE bonding is capped at \$490 million (N.H. Rev. Stat. Ann. §228-A:2). Additional approvals from the governor and the Executive Council are required for design-build projects costing more than \$25 million (N.H. Rev. Stat. Ann. §228:4). Total debt for the I-93 project is capped at \$200 million (N.H. Rev. Stat. Ann. §6:13-d).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, for funds related to the construction and reconstruction of highways. These funds are retained and do not require further approvals to be spent. All other NHDOT revenues that are received in excess of budget estimates are transferred to the Highway Surplus Account, use of which must be approved by the Joint Legislative Fiscal Council and the governor (N.H. Rev. Stat. Ann. §§228:11 et seq.).
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	State statute contains low-bid requirements for Turnpike projects and other state transportation projects (N.H. Rev. Stat. Ann. §228:4, 237:14, and §237:44).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas, legislative appropriations, and grants. New Hampshire allocates state revenues to localities through its Highway Block Grant Aid program and discretionary state aid programs for highways and bridges. By law, all municipalities that have class IV and V highway mileage are entitled to Highway Block Grant Aid for projects on those highways. As part of this aid, at least 12 percent of state fuel tax and motor vehicle fee revenues must be distributed to municipalities by a statutory formula based on population and class IV and V highway miles. An additional amount of at least \$400,000 per year is distributed by a formula based on class V highway miles only (N.H. Rev. Stat. Ann. §235:23). In addition, a municipality may apply to the commissioner for discretionary state aid for class I, II, and III highway projects (N.H. Rev. Stat. Ann. §§235:10 et seq.) or for bridge projects on class II highways (N.H. Rev. Stat. Ann. §234:1 et seq.). Both of these programs require a local match. State transportation funds are also allocated to local entities through state legislative appropriations.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes cities and towns to adopt additional registration fees for transportation improvements including roads, bridges, public transit, and bicycle and pedestrian facilities (N.H. Rev. Stat. Ann. §261:153). Municipalities may also charge developers impact fees to pay for development-related capital improvements (N.H. Rev. Stat. Ann. §674:21).

# NEW JERSEY

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	85,266 (11,719 rural, 73,547 urban)
	Bridges	6,686
	Toll facilities	Yes (roads: 335.0 miles; bridges: 26; tunnels: 2)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, heavy rail, light rail, commuter rail, ferry boat, streetcar, vanpool, demand response
	Urban transit trips in 2013	391.5 million
<b>Rail</b>	Freight rail route miles	981
<b>Aviation</b>	Total airports	99
	Public-use airports	42
	Passengers boarded in 2013	18.2 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	147.2 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	New Jersey Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (40 members), Assembly (80 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	6,600 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Law and Public Safety Senate Committee on Transportation Assembly Committee on Law and Public Safety Assembly Committee on Transportation and Independent Authorities

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	New Jersey Department of Transportation (NJDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Commissioner of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	3,141 (not including the Motor Vehicle Commission and NJ Transit)
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, freight rail, aviation, ports/waterways, pedestrian/bicycle. Some marine transportation is under NJDOT jurisdiction, but most is under independent authorities. The New Jersey Transit Corporation (NJ Transit), which has jurisdiction over public transit, is a corporation and instrumentality of the state that by law is allocated to NJDOT, but functions as an independent entity (see below).
<b>Includes DMV?</b>	No. The Motor Vehicle Commission is an independent state agency. It is funded by fee revenues.
<b>Includes Highway Patrol?</b>	No. The New Jersey State Police and the Division of Highway Traffic Safety are under the Department of Law and Public Safety. State Transportation Trust Fund funds are used to support state-level highway patrol functions related to work zone enforcement on NJDOT construction projects. Other enforcement efforts are funded through Federal sources and other general fund appropriations.
<b>Jurisdiction Over Toll Facilities?</b>	No. The New Jersey Turnpike Authority and the South Jersey Transportation Authority are corporations and instrumentalities of the state that are statutorily within NJDOT, but function as independent, quasi-public entities (see below). NJDOT has no jurisdiction over toll facilities operated by bi-state authorities.

## Other

<b>Other State-Level Transportation Entities</b>	New Jersey Transportation Trust Fund Authority (corporation/ instrumentality)	The New Jersey Transportation Trust Fund Authority finances the annual capital programs of NJDOT and NJ Transit. The authority is a corporation and instrumentality of the state that is allocated to NJDOT to meet constitutional requirements (N.J. Const. art. V, §4, ¶1) but otherwise functions as an independent, quasi-public entity. The commissioner of transportation serves as the authority's chair ex officio (N.J. Stat. Ann. §§27:1B-4 et seq.).
	New Jersey Turnpike Authority (corporation/ instrumentality)	The New Jersey Turnpike Authority is a corporation and instrumentality of the state that is statutorily within NJDOT, but otherwise functions as an independent, quasi-public entity. The commissioner of transportation or designee serves as a member ex officio (N.J. Stat. Ann. §§27:23-1 et seq.).
	South Jersey Transportation Authority (corporation/ instrumentality)	The South Jersey Transportation Authority is a corporation and instrumentality of the state that is allocated to NJDOT to meet constitutional requirements (N.J. Const. art. V, §4, ¶1) but otherwise functions as an independent, quasi-public entity. The commissioner of transportation serves as a member ex officio (N.J. Stat. Ann. §§27:25a-1 et seq.).
	New Jersey Transit Corporation (corporation/ instrumentality)	The New Jersey Transit Corporation (NJ Transit) is a corporation and instrumentality of the state that is allocated to NJDOT to meet constitutional requirements (N.J. Const. art. V, §4, ¶1) but otherwise functions as an independent, quasi-public entity. NJ Transit is funded by transit fares, legislative appropriations, Federal funds, and the Transportation Trust Fund. The commissioner of transportation serves as NJ Transit's chair ex officio (N.J. Stat. Ann. §§27:25-1 et seq.).
	South Jersey Port Corporation (corporation/ instrumentality)	The South Jersey Port Corporation, a quasi-state entity within New Jersey's Department of the Treasury, operates marine shipping terminals in the seven-county South Jersey Port District (N.J. Stat. Ann. §§12:11A-1 et seq.).

Port Authority of New York and New Jersey (bi-state corporation)	The Port Authority of New York and New Jersey is a bi-state corporation that oversees bridges, tunnels, airports, ports, and some transit facilities in the Port of New York district (N.J. Stat. Ann. §§32:1-1 et seq.). It is primarily funded by fares and toll revenues.
Waterfront Commission of the New York Harbor (bi-state corporation/ instrumentality)	The Waterfront Commission of the New York Harbor is a bi-state corporation and instrumentality of New York and New Jersey that acts as the regulatory agency for the Port of New York (N.J. Stat. Ann. §§32:23-7 et seq.).
Delaware River Port Authority (bi-state corporation/ instrumentality)	The Delaware River Port Authority is a bi-state public corporate instrumentality (N.J. Stat. Ann. §§32:3-1 et seq.) that oversees four bridges and a transit system between New Jersey and Pennsylvania.
Delaware River Joint Toll Bridge Commission (bi-state corporation/ instrumentality)	The Delaware River Joint Toll Bridge Commission is a bi-state public corporate instrumentality (N.J. Stat. Ann. §§32:8-1) that oversees 20 toll and toll-supported bridges between New Jersey and Pennsylvania. It is funded by toll revenues.
Delaware River and Bay Authority (bi-state government agency)	The Delaware River and Bay Authority, a bi-state government agency of Delaware and New Jersey (N.J. Stat. Ann. §§32:11E-1 et seq.) maintains and operates five regional airports, the Cape-May Lewes Ferry, and the Delaware Memorial Bridge Twin Span. It is funded by operating revenues and investments.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. Formal communication between NJDOT and the Legislature occurs in relation to legislative approval of NJDOT's executive budget, the annual Transportation Capital Program, and other transportation plans (N.J. Stat. Ann. §27:1B-22). Staff in NJDOT's Government and Community Relations Division interact with legislators and legislative staff about various matters, including pending legislation, and analyze transportation-related bills.
<b>DOT Legislative Liaison</b>	The director of legislative, administrative, and regulatory actions in NJDOT's Government and Community Relations Division is the main point of contact between the department and the Legislature. Other NJDOT staff are also key sources of information and testimony.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	N.J. Stat. Ann. tit. 6, 27, and 39; portions of N.J. Stat. Ann. tit. 12, 32, and 48; N.J. Const. art. VIII, §2, ¶14 (revenue restrictions); portions of N.J. Stat. Ann. tit. 54 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	No direct role. In New Jersey, only legislators may request legislative bill drafts and sponsor and introduce legislation.
	Advocacy and Lobbying	NJDOT advises legislative transportation committees of its position on pending legislation and, in many cases, offers suggestions for amendments.
	Fiscal Notes or Policy Impact Statements for Legislative Use	By law, state agencies must prepare fiscal notes for bills that would affect them, as directed by the state budget director (N.J. Stat. Ann. §§52:13B-6 et seq.). NJDOT participates in this process. State agencies do not always, however, provide fiscal notes for bills.



## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The commissioner of transportation is appointed by the governor to a term that coincides with the governor's, with the advice and consent of the Senate. State statute requires the commissioner to be "qualified by training and experience to perform the duties of [the] office" (N.J. Stat. Ann. §27:1A-4).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The commissioner of transportation serves at the pleasure of the governor during the governor's term of office.
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules are reviewed by the relevant standing committees. The role of these committees is mainly advisory (N.J. Stat. Ann. §52:14B-4.1). In addition, under the state constitution, the full Legislature may review any proposed or existing rule, and can invalidate or prohibit such a rule by concurrent resolution if it is found to be inconsistent with legislative intent (N.J. Const. art. V, §4, ¶16).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. NJDOT is subject to periodic operational audits conducted by the Office of the State Auditor, in the legislative branch. These audits are reviewed by the Legislature. The state conducts sunset reviews, but not of NJDOT.
<b>Required DOT Reports to the Legislature</b>	NJDOT must submit a report at least every six months to the Legislature concerning projects funded by the Transportation Trust Fund (N.J. Stat. Ann. §27:1B-17). The commissioner of transportation is required to submit annual reports concerning NJDOT operations (N.J. Stat. Ann. §27:1A-5), NJDOT and NJ Transit salaries and overhead expenses (N.J. Stat. Ann. §27:1B-21), and roadway pavements (N.J. Stat. Ann. §27:1B-21.23 and §27:1B-21.24). The Transportation Trust Fund Authority must make an annual report concerning all its activities (N.J. Stat. Ann. §27:1B-17).
<b>Legislative Role in DOT Performance Management</b>	None besides the reporting requirements and legislative audits listed above. New Jersey has a performance-based budgeting system in which NJDOT sets goals in conjunction with the Department of the Treasury as part of the budget process, but the Legislature has no role in these activities.
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from NJDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	Yes. Funds have been allocated to NJDOT to support its compliance with legislative oversight requirements.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation and plan approval. Federal transportation funds that support NJDOT's capital program, as with all other funding of state government activities, are constitutionally subject to appropriation (N.J. Const. art. VIII, §2, para. 2). The Legislature approves the Annual Transportation Capital Program, including the use of Federal funds, in the appropriations act (N.J. Stat. Ann. §27:1B-22.2). Any Federal funds that become available to the state for transportation projects that have not been appropriated to NJDOT in the annual appropriations act are deemed appropriated and may, subject to approval by the Joint Budget Oversight Committee and the state treasurer, be expended for any qualified purpose (N.J. Stat. Ann. §27:1B-21).
	State Revenues	Legislative appropriation and plan approval. State transportation funds are generally allocated to NJDOT as lump sum appropriations to the Transportation Trust Fund, from which they are appropriated for specific projects as part of the annual appropriations act. The Legislature approves the Annual Transportation Capital Program, including the use of state funds, as part of the annual appropriations act (N.J. Stat. Ann. §27:1B-22.2). The Transportation Trust Fund Act limits the final appropriation, exclusive of Federal funds, to \$1.6 billion (N.J. Stat. Ann. §27:1B-21.1).

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2016 capital program ( <a href="#">approved</a> ) (see notes)	
<b>Authorized Expenditures</b>	Infrastructure preservation	\$1,477,151,000
	Mass transit	\$2,099,515,009
	Mobility and congestion relief	\$254,269,000
	Operating and maintenance	\$77,141,000
	Safety	\$125,808,000
	Port Authority of New York and New Jersey bridges	\$950,000,000
	<b>Total</b>	<b>\$4,983,884,009</b>
<b>Revenue Sources</b>	Transportation Trust Fund	\$1,247,000,000
	Port Authority of New York and New Jersey	\$353,000,000
	Federal revenues	\$2,357,500,000
	Other revenues	\$1,026,400,000
	<b>Total</b>	<b>\$4,983,900,000</b>

### Notes:

- The [Transportation Trust Fund Renewal Act of 2012](#), which reauthorized the Transportation Trust Fund program for four years, expired on June 30, 2016. No new spending authorization was in place as of July 1, 2016.
- New Jersey's annual transportation capital program includes expenditures for NJDOT, NJ Transit, and the Port Authority of New York and New Jersey, all of which are included in this chart.

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	State law requires a one-year capital program and a five-year capital plan to be submitted annually. In addition, a transportation master plan is required every five years and a statewide capital investment strategy may be updated annually (N.J. Stat. Ann. §27:1B-22). Each year, NJDOT prepares its proposed Annual Transportation Capital Program. NJDOT selects and prioritizes projects for the program in consultation with MPOs. The commissioner of transportation submits the program to the Legislature, and either chamber may return it with objections or recommended modifications. The Legislature approves the program as part of the annual appropriations act.
<b>Legislative Role in the Planning Process</b>	Substantial legislative role. The Legislature reviews and approves projects in the Annual Transportation Capital Program as part of the annual appropriations act, and in the process may make changes. The Legislature also has some discretion in how it appropriates transportation revenues, even those that are dedicated in state statute to specific purposes, as the appropriations act traditionally takes precedence over statutory dedications. Dedications in the constitution, however, are considered binding.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate and variable rate—percentage of price)	•	•	•	•	• Pas-senger and freight	•	•	•		Taxes on gasoline and diesel include a fixed-rate component and a variable component, the petroleum products gross receipts tax, which is adjusted twice per year based on average retail price; \$200 million per year from proceeds of the petroleum products gross receipts tax is dedicated to transportation (N.J. Stat. Ann. §54:39-103, §54:15B-3; N.J. Const. art. VIII, §2, ¶14)
Fuel taxes: alternative fuels (fixed rate and variable rate—percentage of price)	•	•	•	•	• Pas-senger and freight	•	•	•		Includes taxes on liquefied petroleum gas, which is also subject to the petroleum products gross receipts tax (N.J. Stat. Ann. §54:39-103, §54:15B-3)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (N.J. Stat. Ann. §6:1-92, §54:39-102, §54:39-103, §54:39-149)
Vehicle registration surcharges	•	See notes	•	•	• Pas-senger and freight	•	•	•		Good Driver Surcharge; dedicated in statute (N.J. Stat. Ann. §17:33b-63, §27:1B-20) but not currently in use for transportation (see notes)
Sales taxes on motor vehicle sales	•	•	•	•	• Pas-senger and freight	•	•	•		\$200 million per year is dedicated to transportation (N.J. Stat. Ann. §27:1B-20; N.J. Const. art. VIII, §2, ¶14)
Truck registration fees (based on gross vehicle weight)	•	See notes	•	•	• Pas-senger and freight	•	•	•		A portion of registration fees on heavy trucks is dedicated in statute (N.J. Stat. Ann. §27:1B-20, §39:3-20) but not currently in use for transportation (see notes)
Tolls/contractual contributions	•	•	•	•	• Pas-senger and freight	•	•	•		The Transportation Trust Fund is allocated at least \$24.5 million per year from contracts with toll road authorities and other agencies (N.J. Stat. Ann. §27:1B-20)
Rest area sponsorship	•		•							Authorized but not currently in use; law also allows sponsorship of other highway-related services or programs; use of revenues is restricted to highway uses (N.J. Stat. Ann. §§27-7-44.18 et seq.)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Aeronautical facilities licensing fees	•	•				•				N.J. Stat. Ann. §6:1-44.1
Interest income	•	•	•	•	• Passenger and freight	•	•	•		Transportation Trust Fund (N.J. Stat. Ann. §27:1B-6)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- The New Jersey Transit Corporation (NJ Transit)—which is a corporation and instrumentality of the state, not a state agency—receives revenues from transit fares, property leases or sales (N.J. Stat. Ann. §27:25-5), and other sources. The Delaware River and Bay Authority, a bi-state government agency of Delaware and New Jersey (N.J. Stat. Ann. §§32:11E-1 et seq.) maintains and operates five regional airports, the Cape-May Lewes Ferry, and the Delaware Memorial Bridge Twin Span, and is funded by operating revenues and investments.
- In general, passenger vehicle registration and title fees are allocated to the Motor Vehicle Commission and to the general fund (N.J. Stat. Ann. §39:2A-36), not to the kinds of transportation activities described in this chart. Revenues from the additional registration fee known as the Good Driver Surcharge (N.J. Stat. Ann. §17:33b-63) and a portion of registration fees on heavy trucks (N.J. Stat. Ann. §39:3-20), although statutorily dedicated to the Transportation Trust Fund Account N.J. Stat. Ann. §27:1B-20), have not been appropriated by the Legislature to transportation purposes since FY 2001.
- Net proceeds from tire fees in excess of \$2.3 million per year are made available for appropriation to NJDOT for snow removal operations (N.J. Stat. Ann. §54:32F-2), but not for the kinds of transportation activities described in this chart.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon) and variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, multimodal transportation. The state constitution dedicates 10.5 cents per gallon of motor fuel tax revenues to transportation purposes, including debt, and prohibits the Legislature from borrowing, appropriating, or using any part of these funds for any other purpose (N.J. Const. art. VIII, §2, ¶14).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution annually dedicates at least \$200 million in petroleum products gross receipts tax revenues and \$200 million in state sales tax revenues to transportation purposes, including debt, and prohibits the Legislature from using these revenues for any other purpose (N.J. Const. art. VIII, §2, ¶14). State statute directs these and other revenues to the multimodal Transportation Trust Fund (N.J. Stat. Ann. §27:1B-20). Statutory dedications of revenue, however, unlike those in the constitution, are not binding on the Legislature. The annual appropriations act takes precedence over dedication language in statute, and the Legislature typically has chosen not to fully appropriate the statutory revenues.
<b>Dedicated or Restricted Transportation Funds</b>	State statute dedicates the multimodal Transportation Trust Fund, which receives fuel taxes and other revenues, to transportation system capital projects (N.J. Stat. Ann. §27:1B-21.4). The Airport Safety Fund, which receives aviation-related revenues, must be used for authorized aviation purposes (N.J. Stat. Ann. §6:1-92).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Appropriation credit bonds (see notes)	•	•	•	•	• Pas-senger and freight	•	•	•		Transportation Trust Fund Authority (N.J. Stat. Ann. §27:1B-6) (see notes)
Build America Bonds		•	•	•	• Pas-senger and freight	•	•	•		Issued in 2009 by the Transportation Trust Fund Authority (see notes); tax credits now used to offset the authority's debt service costs
GARVEE bonds	See notes	•	•							Authorized in state statute (N.J. Stat. Ann. §27:1B-9) (see notes); most recently issued in 2006
Advance construction		•	•							Authorized in session law (2016 N.J. Laws, Chap. 10), not statute
Federal-aid matching: toll credits ("soft match")		•	•	•						Used to match all Federal highway and public transit funds
Design-build		See notes	See notes	See notes		See notes				Used for past projects, but not currently in use; no current authorizing statute found (see notes)
Public-private partnerships		See notes	See notes	See notes		See notes				Used for past projects, but not currently in use; no current authorizing statute found (see notes)

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. For New Jersey, however, bonds issued by the Transportation Trust Fund Authority, which exists in part to finance NJDOT's capital program, are included. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."
- The Transportation Trust Fund Authority is authorized to issue its own bonds to finance the legislatively approved Annual Transportation Capital Program, up to a statutory limit (N.J. Stat. Ann. §27:1B-6, §27:1B-9). These bonds are considered "appropriation credit" bonds rather than revenue bonds because actual yields from each of the revenue sources do not automatically flow to the Authority. Instead, the Legislature must appropriate specific revenue amounts each year.
- GARVEE bonds are authorized under a state statute that allows the Transportation Trust Fund Authority to "issue notes in anticipation of the receipt of appropriations, grants, reimbursements or other funds, including without limitation grants from the Federal government for Federal aid highways or public transportation systems" and exempts such notes from other statutory debt limitations (N.J. Stat. Ann. §27:1B-9).
- New Jersey has a number of corporations that function as quasi-state entities. Among these, Port Authority of New York and New Jersey, a bi-state corporation, has used private activity bonds (PABs), a TIFIA loan, design-build, and public-private partnerships, and NJ Transit has used design-build and public-private partnerships (see below).
- In the late 1990s, several public-private partnerships were established in New Jersey. In 1997, NJDOT entered into a partnership for a tunnel project, and from 1996 to 1999, two quasi-public entities—NJ Transit and the Port Authority of New York and New Jersey—entered into partnerships for transit and airport projects. All of these projects included design-build components and most of them continue to be privately operated. In addition, in 2013, the Port Authority of New York and New Jersey entered into a partnership for the Goethals Bridge project. In terms of statutory authority, from 1997 to 2002, state law authorized up to seven public-private transportation demonstration projects, including design-build contracting (N.J. Stat. Ann. §§27:1D-1 et seq.). No current authorizing statutes, however, were found.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	State statute allows the Transportation Trust Fund Authority to issue its own bonds to finance the legislatively approved Annual Transportation Capital Program, up to a statutory limit. The annual limit has been decreasing since 2012, with a cap of \$626.8 million for FY 2016 (N.J. Stat. Ann. §27:1B-6 and §27:1B-9).
<b>Finance Mechanisms Prohibited in State Law</b>	None.



## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. State Transportation Trust Fund spending authority that is not obligated at the end of a fiscal year carries over to the next fiscal year and must be used for capital projects. Other state funding sources, including operating and maritime funds, also carry over via authorizing budget language in the annual appropriations act. No additional approval is required to spend these funds, provided appropriated capital funds are spent on the original programmed project. Excess re-appropriated funds within the maintenance and operations budget are available for spending in that program.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. Notwithstanding state statutes to the contrary (N.J. Stat. Ann. §27:1B-21), annual appropriations acts have long authorized NJDOT to transfer appropriated funds among projects if approved by the director of the state treasury's Division of Budget and Accounting. The Legislative Budget and Finance Officer, in general, must only be notified of any such approved transfers. The Legislative Budget and Finance Officer, however, is required to approve transfers between state accounts.
<b>Legislative Actions to Control DOT Costs</b>	In 2006, the Legislature created the Financial Policy Review Board "to assure fiscal discipline" for the Transportation Trust Fund Authority, in part by certifying annually that the authority adheres to statutory caps on bonding and permitted maintenance expenditures, as well as a statutory \$1.6 billion annual limit on total appropriations of state funds for project costs (N.J. Stat. Ann. §27:1B-22.2 and §27:1B-9). State statute also contains low-bid requirements for highway construction projects and transit capital projects (N.J. Stat. Ann. §27:7-25 and §27:25-11) and limits the annual amount spent on NJDOT and NJ Transit salaries and overhead at 13 percent of that year's appropriations from the Transportation Trust Fund (N.J. Stat. Ann. §27:1B-21).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory and other formulas, legislative appropriations, and grants. By law, the Legislature must annually appropriate at least \$175 million from the Transportation Trust Fund for state aid to counties and municipalities for transportation projects. Of the total appropriated amount, 10 percent is set aside for the commissioner to allocate at his or her discretion. Another \$5 million is distributed to municipalities that qualify for state Urban Aid, using a formula computed by the state's Department of Community Affairs. A further portion of the appropriation is awarded to municipalities through the competitive Municipal Aid grant program. Under this program, each county is allocated a share of the available funding by a statutory formula based on population and road miles. Municipalities then compete for portions of their county's share. The commissioner of transportation makes the final project selection (N.J. Stat. Ann. §27:1B-25). NJDOT also awards discretionary grants for county aid, local bridges, bikeway projects, safe transit access, and transit-oriented development.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes certain municipalities to impose special assessments for local road improvements (N.J. Stat. Ann. §40:56-48). Municipalities may require developers to pay a share of necessary street and other improvements (N.J. Stat. Ann. §40:55D-42). Similarly, counties may charge development fees to pay for transportation improvements (N.J. Stat. Ann. §§27:1C-1 et seq.).



# NEW MEXICO

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	144,629 (125,639 rural, 18,990 urban)
	Bridges	3,960
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, commuter rail, vanpool, demand response
	Urban transit trips in 2015	15.4 million
<b>Rail</b>	Freight rail route miles	1,837
<b>Aviation</b>	Total airports	138
	Public-use airports	58
	Passengers boarded in 2013	2.4 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	0

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	New Mexico Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (42 members), House of Representatives (70 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to Mar. (odd years), Jan. to Feb. (even years)
<b>Legislative Measures Introduced in 2016</b>	932
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Corporations and Transportation Senate Committee on Finance House Committee on Appropriations and Finance House Committee on Transportation and Public Works [Interim] Transportation Infrastructure Revenue Subcommittee

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	New Mexico Department of Transportation (NMDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet), State Transportation Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	2,448
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit (including commuter rail), passenger rail, aviation, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Motor Vehicle Division is a division of the New Mexico Taxation and Revenue Department. It is funded by general funds, fee revenues, and the sale of driver's license database information.
<b>Includes Highway Patrol?</b>	No. The New Mexico State Police is a division of the Department of Public Safety. It is funded primarily by general funds.
<b>Jurisdiction Over Toll Facilities?</b>	No. New Mexico has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	None. New Mexico has no state-level transportation entities besides NMDOT, the State Transportation Commission, and those that perform DMV and highway patrol functions.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly during the legislative session. Communication is frequent between NMDOT and legislative staff, and as needed between NMDOT and legislators. NMDOT interacts with the Legislature about transportation-related legislation all year, but especially from the start of the budget cycle to the end of the session. NMDOT's Office of the Secretary is responsible for most of the department's interactions with legislators and legislative staff. As needed, legislative committee staff communicate directly with the secretary and other NMDOT senior officials in an informal, hands-on manner to prepare budgets and legislation or provide answers for legislators.
<b>DOT Legislative Liaison</b>	NMDOT's Office of the Secretary acts as the main point of contact between the department and the Legislature. Other senior NMDOT officials are also key sources of information.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	N.M. Stat. Ann. ch. 64 to 67; portions of N.M. Stat. Ann. ch. 63; portions of N.M. Stat. Ann. ch. 7 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	No direct role. In New Mexico, only legislators may request legislative bill drafts and sponsor and introduce legislation. NMDOT senior officials do, however, consult informally with legislative committee staff concerning the preparation of new legislative proposals.
	Advocacy and Lobbying	Only the secretary of transportation is allowed to lobby the Legislature. NMDOT staff provide technical information regarding specific legislation. The department does not use contract lobbyists.
	Fiscal Notes or Policy Impact Statements for Legislative Use	NMDOT provides input as appropriate to the Legislative Finance Committee, which prepares fiscal impact reports for proposed bills.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The six members of the State Transportation Commission are appointed to staggered six-year terms by the governor, with the advice and consent of the Senate and within statutory requirements for geographic representation and partisan balance. If the governor fails to follow the procedure for Senate confirmation, however, the Senate appoints and confirms the commissioners (N.M. Stat. Ann. §§67-3-2 et seq.). The secretary of transportation is appointed by the governor, with the advice and consent of the Senate and the approval of the State Transportation Commission (N.M. Stat. Ann. §67-3-23).
<b>Legislature Able to Remove DOT Leaders?</b>	No legislative entity has the power to remove a DOT leader from office. However, although members of the State Transportation Commission serve at the pleasure of the governor, they cannot be removed from office without Senate approval (N.M. Stat. Ann. §67-3-5). The governor may remove the secretary of transportation (N.M. Const. art. V, §5).
<b>Legislative Review of Administrative Rules</b>	No. New Mexico has no formal process for legislative review of administrative rules.
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. NMDOT is subject to audits conducted by the Legislative Finance Committee. New Mexico conducts sunset reviews, but not of NMDOT.
<b>Required DOT Reports to the Legislature</b>	NMDOT must provide quarterly progress reports to the Legislative Finance Committee (N.M. Stat. Ann. §67-3-59.4).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, as part of the state's performance-based budgeting process (N.M. Stat. Ann. §§6-3A-1 et seq.), the Legislature annually reviews NMDOT's progress on its performance goals and, after consensus with the governor's office and NMDOT, enacts updated goals and measures into the appropriation act. The Legislative Finance Committee prepares quarterly performance report cards on a number of state agencies, including NMDOT. The Legislature also tracks performance through frequent NMDOT presentations to various legislative committees.
<b>Other Legislative Oversight Mechanisms</b>	The Legislative Council can create interim committees to study major problems between legislative sessions. In 2015, for example, the Legislative Council created the Transportation Infrastructure Revenue Subcommittee to study and make recommendations concerning the state's transportation needs and revenue sources. Other oversight mechanisms include legislative requests for information from NMDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	Yes. Legislative requests come in the form of memorials or resolutions from the House, Senate, or both. Occasionally an appropriation is included in other legislation for the costs of the report; more frequently, NMDOT will conduct the study or report from the operating budget for the specific area from which the report is generated. Memorials and resolutions do not have the force of law, so if a request is overly burdensome, the department will not undertake the study.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. New Mexico is one of five states in which a legislative entity—in this case, the Legislative Finance Committee—produces a comprehensive budget as an alternative to the governor's proposal.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Partial legislative appropriation and plan approval. Federal transportation funds are allocated to NMDOT in several ways, including direct flow from the U.S. DOT with no state legislative involvement, lump sum legislative appropriations to the department, appropriations to broad spending categories and specific projects, and through annual approval of the Statewide Transportation Improvement Program (STIP).
	State Revenues	Legislative appropriation and plan approval. State transportation funds are allocated to NMDOT as lump sum legislative appropriations to the department and appropriations to broad spending categories and specific projects, and through annual approval of the Statewide Transportation Improvement Program (STIP).

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Project design and construction	\$529,905,000
	Highway operations	\$233,794,900
	Program support	\$42,171,900
	Modal	\$61,681,200
	<b>Total</b>	<b>\$867,553,000</b>
<b>Revenue Sources</b>	General fund	\$0
	Other state funds	\$458,633,200
	Federal funds	\$408,919,800
	<b>Total</b>	<b>\$867,553,000</b>

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	The Legislature, the Department of Finance and Administration, and NMDOT come to agreement during the legislative session on budget numbers and priorities. NMDOT then coordinates the process for updating the four-year Statewide Transportation Improvement Program (STIP) with input from MPOs, tribes, and others. The State Transportation Commission advises and amends the plan as appropriate, given changing needs in the state. The Legislature has oversight of and can comment upon the commission's amendments, but cannot change them. The governor gives input through the budget process and before State Transportation Commission meetings. NMDOT also spearheads the development of the state's 20-year Long-Range Multi-Modal Transportation Plan, which sets longer-term priorities and guides decision-making.
<b>Legislative Role in the Planning Process</b>	Substantial legislative role. The Legislature is one of the three critical actors in the planning process, along with NMDOT and the State Transportation Commission. The primary legislative role is to set budget priorities in cooperation with the Department of Finance and Administration and NMDOT, and then to approve those priorities through committee action. The Legislature has oversight of and can comment upon the commission's amendments to the Statewide Transportation Improvement Program (STIP), but cannot change them.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated in part to the multimodal State Road Fund, the State Aviation Fund, and the Motorboat Fuel Tax Fund (N.M. Stat. Ann. §7-1-6.10, §7-13-3, §7-16a-3)
Fuel taxes: alternative fuels	•	•	•	•	• Pas-senger and freight	•	•	•		Includes taxes on liquefied petroleum gas, liquefied and compressed natural gas, and others; allocated the same way as gasoline and diesel taxes (N.M. Stat. Ann. §7-1-6.10, §7-16B-1, §7-16B-4)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (N.M. Stat. Ann. §7-1-6.7)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight	•	•	•		N.M. Stat. Ann. §66-6-19, §66-6-23, §67-3-66
Sales taxes on motor vehicle leases and rentals	•	•	•							Gross receipts taxes; allocated in part to the Highway Infrastructure Fund (N.M. Stat. Ann. §7-14A-10)
Weight-distance taxes (trucks)	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated to State Road Fund (N.M. Stat. Ann. §7-1-6.10, §§7-15A-1 et seq.)
Trip taxes	•	•	•	•	• Pas-senger and freight	•	•	•		In lieu of registration fees and weight distance taxes for foreign-based motor carriers (N.M. Stat. Ann. §7-15-3.1, §7-15-5)
Oversize/overweight truck permit fees	•	•	•	•	• Pas-senger and freight	•	•	•		N.M. Stat. Ann. §66-6-23, §66-7-413, §66-7-413.4
Driver's license fees	•	•	•	•	• Pas-senger and freight	•	•	•		N.M. Stat. Ann. §66-6-23, §67-3-66
Aircraft registration fees	•	•				•				N.M. Stat. Ann. §64-4-11, §64-4-14
Outdoor advertising revenues	•	•	•	•	• Pas-senger and freight	•	•	•		Permit fees (N.M. Stat. Ann. §67-12-5)
State general sales taxes	•	•				•				Statute dedicates a percentage to the State Aviation Fund until June 30, 2018 (N.M. Stat. Ann. §7-1-6.7; 2016 N.M. Laws, Chap. 87)
Interest income	•	•	•	•	• Pas-senger and freight	•	•	•		State Aviation Fund, State Road Fund (N.M. Stat. Ann. §64-1-15, §67-3-65)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs,

or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Although the State Road Fund can be used for multimodal purposes, more than 95 percent of NMDOT’s operating budget is used for highways.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation (with exceptions). State statute directs most fuel tax revenues to the State Road Fund for multimodal transportation purposes. Allocations are also made to local entities, the State Aviation Fund, the Motorboat Fuel Tax Fund, qualified tribes, and the general fund (N.M. Stat. Ann. §7-1-6.10). In general, state law restricts the use of the funds into which the revenues are deposited, rather than the revenues themselves.
<b>Restrictions on Other Transportation Revenues</b>	State statute specifies the funds to which various transportation-related revenues are credited. In general, state law restricts the use of the funds into which the revenues are deposited, rather than the revenues themselves.
<b>Dedicated or Restricted Transportation Funds</b>	State statute dedicates the State Road Fund, which is supported mainly by fuel taxes, the weight-distance tax, and vehicle registration fees, to transportation projects and debt, including bicycle and pedestrian facilities (N.M. Stat. Ann. §67-3-63 and §67-3-65.1). The fund has been used for multimodal activities that include highways, transit, rail, aviation, and waterways. Other dedicated funds include the Highway Infrastructure Fund (N.M. Stat. Ann. §67-3-59.2), the State Aviation Fund (N.M. Stat. Ann. §64-1-15), and the Motorboat Fuel Tax Fund, which must be used for boating purposes (N.M. Stat. Ann. §16-2-19.1).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•	•						N.M. Stat. Ann. §67-3-72; used for highway projects and transit (Rail Runner commuter rail service)
GARVEE bonds		•	•							Most recently issued in 2001
Advance construction		•	•							
Federal-aid matching: tapered match		•	•							
Design-build	•	•	•							As of May 2016, authorized in statute for eligible road construction projects (N.M. Stat. Ann. §13-1-119.2; 2016 N.M. Laws, Chap. 86); used for several road projects (see notes)

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
State infrastructure bank		•	•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; active but not authorized in state statute; may be used for highway or transit projects

#### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Legislation enacted in 2016 authorizes NMDOT to use design-build at its discretion for road construction projects that have a maximum allowable construction cost of more than \$50 million and are funded at least in part by Federal-aid highway funds (N.M. Stat. Ann. §13-1-119.2; 2016 N.M. Laws, Chap. 86). Before this, although highway and road projects were excluded from design-build authorization in state law, NMDOT had been granted legislative approval on a case-by-case basis to use design-build for certain large projects.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	State statute limits total revenue bonds for highways to \$1.124 billion, and the state constitution limits general obligation bonds for highways to \$2 million (N.M. Const. art. IX, §16; N.M. Stat. Ann. §67-3-59.1). Design-build may only be used for road construction projects that have a maximum allowable construction cost of more than \$50 million and are funded at least in part by Federal-aid highway funds (N.M. Stat. Ann. §13-1-119.2).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

#### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Unspent funds are automatically re-appropriated to the same purpose. No additional approval is required to spend these funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes. NMDOT obtains legislative approval by submitting budget adjustment requests to the Legislature.
<b>Legislative Actions to Control DOT Costs</b>	State statute requires the State Transportation Commission to comply with the procurement code, including low-bid requirements (N.M. Stat. Ann. §67-3-12 and §§13-1-28 et seq.).



## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and grants. The Local Government Road Fund provides funding for local government road projects. Revenue sources for the fund include 9.25 percent of the special fuel excise tax (N.M. Stat. Ann. §7-1-6.39), 5 cents per gallon of the petroleum products loading fee (N.M. Stat. Ann. §7-13A-3 and §7-1-6.25), 25 percent of the leased vehicle gross receipts tax (N.M. Stat. Ann. §7-14A-10), 100 percent of reinstatement fees for driver's licenses that were revoked for driving while intoxicated (N.M. Stat. Ann. §66-5-33.1), and, for the fund's municipal arterial program only, 1.44 percent of the state gas tax (N.M. Stat. Ann. §7-1-6.28). Each year, NMDOT may use up to \$500,000 from the fund to provide equipment to, and up to \$1 million to cover local matches for, municipalities and counties in financial hardship. After those set-asides, 42 percent of the fund goes to cooperative grant agreements (of which 33 percent is distributed to counties and 49 percent to municipalities), 16 percent to the municipal arterial program, and 26 percent to the county arterial program. The county arterial program distributes its funds to counties by a statutory formula based on road miles, and requires a local match of at least 25 percent of the allocation amount. The other programs award discretionary grants that cover up to 75 percent of project costs (N.M. Stat. Ann. §67-3-28.2 and §67-3-32). An additional 10.38 percent of state gas taxes is distributed directly to counties and municipalities, and another 5.76 percent just to municipalities, by statutory formulas based on taxable fuel sales (N.M. Stat. Ann. §7-1-6.9 and §7-1-6.27).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to impose an additional gasoline tax of up to 2 cents (N.M. Stat. Ann. §7-24A-5). County improvement districts may adopt property taxes for improvements that can include road, bridge, and railroad projects (N.M. Stat. Ann. §4-55a-12.1). Counties and municipalities may dedicate gross receipt taxes to special purposes that, depending on the tax, may include roads, streets, or public transit (N.M. Stat. Ann. §7-19D-9, §7-19D-11, §7-20E-11, and §7-20E-19). Counties and municipalities may charge developers impact fees to pay for development-related capital improvements (N.M. Stat. Ann. §§5-8-1 et seq.).

# NEW YORK

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	239,781 (130,844 rural, 108,937 urban)
	Bridges	17,498
	Toll facilities	Yes (roads: 538.0 miles; bridges: 28; tunnels: 4)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, heavy rail, light rail, commuter rail, ferry boat, vanpool, demand response
	Urban transit trips in 2014	4.0 billion
<b>Rail</b>	Freight rail route miles	3,447
<b>Aviation</b>	Total airports	462
	Public-use airports	126
	Passengers boarded in 2014	47.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2015	32.7 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	New York Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (63 members), Assembly (150 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	3,783
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	<ul style="list-style-type: none"> <li>Senate Committee on Infrastructure and Capital Investment</li> <li>Senate Committee on Transportation</li> <li>Assembly Committee on Corporations, Authorities, and Commissions <ul style="list-style-type: none"> <li>Subcommittee on Infrastructure</li> </ul> </li> <li>Assembly Committee on Transportation</li> <li>[Commission] Legislative Commission on Critical Transportation Choices</li> <li>[Commission] Legislative Commission on Rural Resources</li> </ul>

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	New York State Department of Transportation (NYSDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Commissioner of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	8,258
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	No. The New York Department of Motor Vehicles is an independent state agency. It is primarily funded through the Dedicated Highway and Bridge Trust Fund, which receives license and registration fees, among other revenues.
<b>Includes Highway Patrol?</b>	Yes and no. The New York State Police, an independent state agency, carries out highway patrol functions. It is funded by general funds, not out of NYSDOT's budget. The New York State Thruway Authority is responsible for its share of State Police (Troop T) costs. Enforcement of motor carriers is shared between NYSDOT and the State Police, with the NYSDOT component funded by its state appropriations and some Federal grants.
<b>Jurisdiction Over Toll Facilities?</b>	No.

## Other

<b>Other State-Level Transportation Entities</b>	New York State Thruway Authority (corporation)	The New York State Thruway Authority, which is responsible for the New York State Thruway and Canal System, is a corporation that functions as a quasi-state entity (N.Y. Public Authorities Law §§350 et seq.). Its finances are separate from state government and it is largely funded by tolls, although it does receive some financial assistance through the state budget.
	New York State Bridge Authority (corporation)	The New York State Bridge Authority, which is responsible for toll bridges in the Hudson River Valley, is a corporation that functions as a quasi-state entity (N.Y. Public Authorities Law §§525 et seq.). Its finances are separate from state government and it is primarily funded by tolls.
	Metropolitan Transportation Authority (corporation)	The Metropolitan Transportation Authority, which is responsible for public transit in the downstate region, is a public benefit corporation that functions as a quasi-state entity (N.Y. Public Authorities Law §§1260 et seq.). Its finances are separate from state government and it is largely funded by fares and a payroll tax, although it does receive some financial assistance through the state budget.
	Port Authority of New York and New Jersey (bi-state corporation)	The Port Authority of New York and New Jersey is a bi-state corporation that oversees bridges, tunnels, airports, ports, and some transit facilities in the Port of New York district (N.Y. Unconsolidated Law §§6401 et seq.). It is primarily funded by fares and toll revenues.
	Waterfront Commission of the New York Harbor (bi-state corporation/ instrumentality)	The Waterfront Commission of the New York Harbor is a bi-state corporation and instrumentality of New York and New Jersey that acts as the regulatory agency for the Port of New York (N.Y. Unconsolidated Law §§9801 et seq.).
	Albany Port District Commission (corporation)	The Albany Port District Commission (also known as the Albany Port Authority), which operates port facilities in the Albany Port District, is a corporation that functions as a quasi-state agency (1925 N.Y. Laws, Chap. 192 [N.Y. Unconsolidated Law]).

Odgensburg Bridge and Port Authority (corporation)	The Odgensburg Bridge and Port Authority, which is responsible for an international bridge as well as port, airport, and freight rail facilities in and around Odgensburg, is a public benefit corporation that functions as a quasi-state agency (N.Y. Public Authorities Law §§700 et seq. and §§1375 et seq.). It is mainly funded by operating revenues.
Port of Oswego Authority (corporation)	The Port of Oswego Authority, which operates the Port of Oswego, is a public benefit corporation that functions as a quasi-state agency (N.Y. Public Authorities Law §§1350 et seq.). It is mainly funded by operating revenues.
Upstate transportation authorities (corporations)	New York law establishes a number of transportation authorities that are responsible for public transit in their respective upstate regions. These include the Niagara Frontier Transportation Authority (N.Y. Public Authorities Law §§1299 et seq.), the Rochester-Genesee Regional Transportation Authority (N.Y. Public Authorities Law §§1299-AA et seq.), and the Capital District Transportation Authority (N.Y. Public Authorities Law §§1300 et seq.). Each is a public benefit corporation that functions as a quasi-state entity, with finances that are separate from state government. These authorities are funded largely by fares, although they do receive some financial assistance through the state budget.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, extensive. Interaction between NYSDOT and the Legislature occurs at all levels of both organizations. Individual legislators reach out to NYSDOT, and vice versa. Legislators and NYSDOT often work together on legislative initiatives, including “departmental” bills that NYSDOT works to advance through the governor’s office. NYSDOT staff attend and testify at public hearings concerning transportation-related legislation. The department’s outreach to the Legislature is coordinated by the commissioner’s chief of staff.
<b>DOT Legislative Liaison</b>	The NYSDOT commissioner’s chief of staff serves as the main point of contact between the department and the Legislature. Various other NYSDOT staff also engage with, and provide information and testimony to, the Legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	N.Y. Transportation Law; N.Y. Highway Law; N.Y. Vehicle and Traffic Law; N.Y. Navigation Law; N.Y. Railroad Law; portions of N.Y. Public Authorities Law; portions of N.Y. State Finance Law and N.Y. Tax Law (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. NYSDOT can propose legislative measures through the governor’s office or through a legislative sponsor. The governor can directly sponsor “governor’s bills,” while “departmental bills” are sponsored and introduced by a legislator or a standing committee. Departmental bills generally identify the agency after the sponsor’s name.
	Advocacy and Lobbying	NYSDOT does not lobby. The department does provide technical, project, and program guidance. It also, at times, may support or oppose specific legislation.
	Fiscal Notes or Policy Impact Statements for Legislative Use	Under <a href="#">joint legislative rules</a> , fiscal impact notes for bills proposed by a state department or agency must be prepared and furnished by that department or agency. NYSDOT may also provide fiscal information for other bills, upon request. The State Division of Budget generally takes the lead role in working with NYSDOT to provide fiscal and policy information to the Legislature.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The commissioner of transportation is appointed by the governor to a term that coincides with the governor's, with the advice and consent of the Senate (N.Y. Transportation Law §11).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The commissioner of transportation may be removed by the governor (N.Y. Const. art. V, §4).
<b>Legislative Review of Administrative Rules</b>	Yes. The Administrative Regulations Review Commission, a joint legislative committee, reviews all proposed rules. The commission's role is mainly advisory (N.Y. Legislative Law §86).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. NYSDOT is subject to legislative audits conducted by the Assembly Committee on Oversight, Analysis, and Investigation. New York does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	NYSDOT is required to submit numerous reports to the Legislature. NYSDOT must submit an annual report to the Legislature on public transit and the statewide operating assistance program (N.Y. Transportation Law §18-b) and a quarterly report on bond-reimbursable disbursements (N.Y. Highway Law §10-e). Every other year, the commissioner of transportation must submit a report concerning the highway construction and maintenance safety education program (N.Y. Vehicle and Traffic Law §224-a) and, every five years, a report on the condition of the state highway and bridge system, including goals for the next five years (N.Y. Highway Law §10). NYSDOT is also typically required by Memorandums of Understanding between the executive and legislative branches concerning the department's capital program to provide specific performance reports on capital program letting and implementation, capital program accomplishments, and bridge and pavement conditions.
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, the Legislature and the governor set NYSDOT's performance goals as part of the multi-year capital spending plan. There may also be other discussions between the Legislature and NYSDOT concerning performance and reporting targets.
<b>Other Legislative Oversight Mechanisms</b>	The Legislature reviews audits conducted by the executive Office of the New York State Comptroller and has the ability to hold public hearings on NYSDOT issues. Other oversight mechanisms include legislative requests for information from NYSDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins April 1. The governor submits a proposed budget to the Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations, and the Legislature gives final approval. NYSDOT receives appropriations through three different appropriation bills: one for capital projects, one for state operations, and one for aid to localities.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation and plan approval. Federal transportation funds are allocated to NYSDOT as lump sum appropriations to the department and as legislative appropriations to departmental programs or broad spending categories. The Legislature also approves a multi-year capital spending program, including use of Federal funds for specific projects, as part of the annual budget process.
	State Revenues	Legislative appropriation and plan approval. As with Federal funds, state transportation funds are allocated to NYSDOT as lump sum appropriations to the department, as legislative appropriations to departmental programs or broad spending categories, and through approval of the multi-year capital spending program. The Legislature also sometimes approves additional appropriations of state funds for specific projects.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> ) (see notes)	
<b>Authorized Expenditures</b>	Aviation	\$10,000,000
	Highway facilities	\$4,632,353,000
	Maintenance facilities	\$18,165,000
	Aid to localities	\$5,222,860,300
	Mass transportation and rail freight	\$111,330,000
	New York Works	\$850,329,000
	Other DOT operations	\$33,166,000
	<b>Total</b>	<b>\$10,878,203,300</b>
<b>Revenue Sources</b>	Capital Projects Fund	\$57,000,000
	Capital Projects Fund—Authority Bonds	\$1,328,126,000
	Dedicated Highway and Bridge Trust Fund	\$2,000,520,000
	Federal Capital Projects Fund	\$2,168,000,000
	Miscellaneous New York State Agency Fund	\$50,000,000
	New York Metro Transportation Council Account	\$18,531,000
	Special revenue funds—Federal and other	\$5,150,175,500
	General Fund	\$105,850,800
	<b>Total</b>	<b>\$10,878,203,300</b>

**Note:** NYSDOT, the Department of Motor Vehicles, and those quasi-state corporations that receive limited state funds (i.e., the New York State Thruway Authority and the Metropolitan Transportation Authority) all have their own detailed budgets. This chart shows the enacted FY 2017 budget for NYSDOT only. This budget includes all of NYSDOT's capital and operating expenses, as provided by the FY 2017 appropriation bills for capital projects, state operations, and aid to localities.

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	In general, NYSDOT develops the state's transportation plans and the governor and the Legislature are responsible for developing and approving the funding needed to support them. NYSDOT takes the lead in advancing the planning process and creating the four-year Statewide Transportation Improvement Program (STIP), in collaboration with MPOs, local transportation agencies, and others. NYSDOT oversees project identification and prioritization as part of a comprehensive planning process that includes public outreach. The governor approves the final STIP, and each year includes an updated multi-year capital spending program in the proposed budget for legislative approval. NYSDOT also oversees the state rail plan and aviation and port issues. In addition to these plans, every five years, the Metropolitan Transportation Authority (which provides subway, bus, and commuter rail service in the downstate region) must submit a new proposed five-year capital program. The program must be unanimously approved by the MTA Capital Program Review Board, on which the NYSDOT commissioner serves as chair, and which also includes members of Senate and Assembly (N.Y. Public Authorities Law §§1269-a et seq.).
<b>Legislative Role in the Planning Process</b>	Substantial legislative role. Although NYSDOT takes the lead in the planning process, the Legislature has various opportunities to influence spending priorities as well as to approve and advance specific projects. An updated multi-year capital spending program is usually prepared as part of the annual budget, which is proposed by the governor and requires legislative approval. This part of the budget often includes a memorandum of understanding with specific statewide and regional goals that have been agreed upon by NYSDOT. Legislators frequently work with NYSDOT to advance projects of interest.



## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate and variable rate—indexed, percentage of price)	•	•	•	•	• Pas-senger and freight	•	•	•		Gasoline and diesel are both subject to fixed-rate excise taxes, state sales taxes on the retail price, and petroleum business taxes that are annually indexed to the Producer Price Index for refined petroleum products (up to a 5 percent adjustment); revenues are allocated to the Dedicated Highway and Bridge Trust Fund and the Dedicated Mass Transportation Trust Fund (N.Y. Tax Law §282-a, §282-b, §282-c, §284, §284-a, §284-c, §289-e, §301-a, §301-j, §312, §515, §523, §528)
Fuel taxes: aviation fuels	•	•	•	•	• Pas-senger and freight	•	•	•		Includes taxes on aviation gasoline and jet fuel; allocated to the same funds as motor fuel taxes; as of Dec. 1, 2017, aviation business tax will go to aviation purposes (N.Y. Tax Law §301-e, §301-j, §312; 2016 N.Y. Laws, Chap. 60)
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated in part to the Dedicated Highway and Bridge Trust Fund and, until April 1, 2020, the Dedicated Mass Transportation Trust Fund (N.Y. Vehicle and Traffic Law §401, §2125)
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated in part to the Dedicated Highway and Bridge Trust Fund (N.Y. Vehicle and Traffic Law §401)
Weight-distance taxes (trucks)	•	•	•	•	• Pas-senger and freight	•	•	•		“Highway use tax”; allocated to Dedicated Highway and Bridge Trust Fund (N.Y. Tax Law §503, §503-b, §515)
Oversize/ overweight truck permit fees	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated to the Dedicated Highway and Bridge Trust Fund (N.Y. Vehicle and Traffic Law §385)
Sales taxes on rental vehicles	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated in part to Dedicated Highway and Bridge Trust Fund (N.Y. Tax Law §1160 et seq.)
Driver’s license fees	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated to the Dedicated Highway and Bridge Trust Fund (N.Y. Vehicle and Traffic Law §503)



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Franchise taxes on transmission and transportation companies	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated in part to transit operating assistance and, until March 31, 2018, the Dedicated Highway and Bridge Trust Fund (N.Y. Tax Law §183, §184, §205)
Outdoor advertising revenues	•	•	•	•	• Pas-senger and freight	•	•	•		Permit fees; allocated to the Dedicated Highway and Bridge Trust Fund (N.Y. Highway Law §88)
Misc. fines and fees	•	•	•	•	• Pas-senger and freight	•	•	•		Includes DOT document fees, permit fees, and other vehicle and traffic-related fees that are allocated to the Dedicated Highway and Bridge Trust Fund (N.Y. State Finance Law §89-b)
General funds		•	•	•	• Pas-senger and freight	•	•	•		The Dedicated Highway and Bridge Trust Fund can no longer fully support existing commitments and now requires significant annual support from the general fund
Interest income	•	•	•	•	• Pas-senger and freight	•	•	•		N.Y. State Finance Law §98-a (general power to invest public funds); N.Y. State Finance Law §89-c (interest on Dedicated Mass Transportation Trust Fund specifically)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- New York also has a number of corporations that function as quasi-state entities, the finances of which are not part of the state budget. Among these, the New York State Thruway Authority and New York State Bridge Authority are supported by revenues from tolls, and the Metropolitan Transportation Authority receives revenues from a state-administered payroll tax in the 12-county Metropolitan Commuter Transportation District (N.Y. Tax Law §§800 et seq.).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon), variable rate (indexed), variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation. State statute directs fuel tax revenues, including excise, sales, and petroleum business taxes, to the Dedicated Highway and Bridge Trust Fund for multimodal transportation purposes and to the Dedicated Mass Transportation Trust Fund for rail and transit (N.Y. Tax Law §§282-a et seq., §§284 et seq., §289-e, §301-a, §301-j, §312, §515, §523, and §528). In general, state law restricts the use of the funds into which the revenues are deposited, rather than the revenues themselves.
<b>Restrictions on Other Transportation Revenues</b>	Aviation fuel taxes are currently allocated to the same funds as motor fuel taxes. Starting Dec. 1, 2017, however, in response to the recent Federal Aviation Administration directive, aviation fuel business taxes will be allocated to a new aviation purpose account in the Dedicated Highway and Bridge Trust Fund to be used for aviation purposes only (2016 N.Y. Laws, Chap. 60). State statute directs various other revenues to the Dedicated Highway and Bridge Trust Fund.
<b>Dedicated or Restricted Transportation Funds</b>	State statute dedicates the multimodal Dedicated Highway and Bridge Trust Fund, which receives fuel taxes and other revenues, to roads, aviation, passenger and freight rail, ports, and ferries (N.Y. State Finance Law §89-b). As of April 1, 2017, the fund will include a new, dedicated aviation purpose account (2016 N.Y. Laws, Chap. 60). The Dedicated Mass Transportation Trust Fund is dedicated to transit and rail activities, including the Metropolitan Transportation Authority (N.Y. State Finance Law §89-c).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds		•	•	•	• Pas- senger and freight	•	•	•		Authorized by voter-approved bond acts (e.g., 2005 N.Y. Laws, Chap. 60)
Build America Bonds		•	•	•	• Pas- senger and freight	•	•	•		Issued in 2010 for Rebuild and Renew New York transportation capital projects (e.g., 2005 N.Y. Laws, Chap. 60)
Advance construction		•	•							
Design-build		•	•	See notes		See notes	See notes			Authorized until 2017 by session law, not statute (2011 N.Y. Laws, Chap. 56; 2015 N.Y. Laws, Chap. 60); NYSDOT's use is limited to projects that cost \$1.2 million or more each; used by NYSDOT for <a href="#">road and bridge projects</a>
State infrastructure bank			•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; not authorized in state statute; currently inactive

### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as

public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- New York also has a number of corporations that function as quasi-state entities, the finances of which are not part of the state budget. Among these, the New York State Thruway Authority has used revenue bonds (N.Y. Public Authorities Law §354), Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance (N.Y. Unconsolidated Law §6297), Federal-aid matching in the form of toll credits (“soft match”), and design-build; the Metropolitan Transportation Authority has used revenue bonds (N.Y. Public Authorities Law §1265) and Federal Railroad Rehabilitation and Improvement Financing (RRIF) loans; and the Port Authority of New York and New Jersey, a bi-state corporation, has used private activity bonds (PABs), a TIFIA loan, design-build, and public-private partnerships (see below).
- Public-private partnerships are not currently authorized in state law, and are neither authorized for nor used by NYS-DOT. The Port Authority of New York and New Jersey, however, a quasi-state entity, has entered into public-private partnerships for transit, airport, and bridge projects, some of which have included design-build elements.
- Design-build is currently authorized by session law that was enacted in 2011 and then re-enacted in 2015 (2011 N.Y. Laws, Chap. 56; 2015 N.Y. Laws, Chap. 60). The law authorizes use of the approach for capital infrastructure projects by a limited list of entities that include NYSDOT and two quasi-state entities, the New York State Thruway Authority and the New York State Bridge Authority. Eligible projects include canals, which are currently overseen by the Thruway Authority, as well as highways and bridges. The authorization is due to expire in 2017.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds require legislative and voter approval. They must be used for the purposes set forth in the ballot question and may not exceed the amount authorized by the voters. Design-build is currently only authorized until 2017, and NYSDOT’s use of the approach is limited to projects for which each project has a total cost of \$1.2 million or more (2011 N.Y. Laws, Chap. 56; 2015 N.Y. Laws, Chap. 60).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Capital program funds that are not obligated in the year of appropriation are automatically re-appropriated to the same purpose. NYSDOT is largely funded by the multimodal Dedicated Highway and Bridge Trust Fund. If revenues provided for this fund in the enacted budget exceed projections, the additional money remains in the fund. No additional approval is required to spend these funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	New York statute contains low-bid requirements for contracts for the construction or improvement of highways (N.Y. Highway Law §38).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. Each year, an amount is appropriated for local transportation improvements under the Consolidated Local Street and Highway Improvement Program (CHIPS). For FY 2017, the total appropriation for this program was \$438 million, out of a capital budget of \$2.5 billion. Each year, the allocation includes a statutorily required appropriation of \$145 million, of which 41.4 percent is distributed to New York City and counties by a formula based on motor vehicle registrations and highway miles, and the rest to local jurisdictions and municipalities by formulas based on vehicle miles traveled and lane miles. An additional amount, which varies annually, is distributed to towns (38 percent), counties (30 percent), New York City (14 percent), other cities (9 percent), and villages (9 percent) based on their historical receipts from the program and its predecessor (N.Y. Highway Law §10-c). New York's enacted budget for FY 2017 also includes \$100 million for the PAVE NY program, apportioned using the CHIPS formula. This program supports the rehabilitation and reconstruction of local highways and roads.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes towns to levy property taxes and special assessments for road and street improvements (N.Y. Highway Law §292; N.Y. Town Law §200 and §231). State statute establishes mortgage recording taxes for county use, and requires some counties to use the revenues for public transit (N.Y. Tax Law §§250 et seq.). The state has also imposed sales taxes (N.Y. Tax Law §1109), payroll taxes (N.Y. Tax Law §§800 et seq.), and special fees (N.Y. Vehicle and Traffic Law §§499 et seq. and §503) in the 12-county region served by the Metropolitan Transportation Authority to support authority operations.

# NORTH CAROLINA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	225,973 (135,235 rural, 90,738 urban)
	Bridges	18,124
	Toll facilities	Yes (roads: 9.2 miles)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, light rail, ferry boat, vanpool, demand response
	Urban transit trips in 2013	73.3 million
<b>Rail</b>	Freight rail route miles	3,258
<b>Aviation</b>	Total airports	345
	Public-use airports	110
	Passengers boarded in 2013	28.0 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	9.7 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	North Carolina General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (50 members), House of Representatives (120 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to July (odd years), May to July (even years)
<b>Legislative Measures Introduced in 2016</b>	1,100 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Appropriations Committee on Department of Transportation Senate Committee on Transportation House Committee on Appropriations <ul style="list-style-type: none"> <li>Subcommittee on Transportation</li> </ul> House Committee on Transportation Joint Legislative Oversight Committee on Capital Improvements Joint Legislative Transportation Oversight Committee [Select] House Select Committee on Strategic Transportation Planning and Long-Term Funding Solutions

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	North Carolina Department of Transportation (NCDOT)
<b>Structure</b>	Organized mainly by transportation mode
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet), Board of Transportation (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	12,337
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle, ferries
<b>Includes DMV?</b>	Yes. The Division of Motor Vehicles is a division of NCDOT and is funded out of NCDOT's budget.
<b>Includes Highway Patrol?</b>	No. The North Carolina State Highway Patrol is a division of the Department of Public Safety. It is funded out of the state general fund.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. The North Carolina Turnpike Authority is within NCDOT, under the direct supervision of the secretary of transportation (N.C. Gen. Stat. §136-89.182).

## Other

<b>Other State-Level Transportation Entities</b>	None. North Carolina has no state-level transportation entities outside of NCDOT, the Board of Transportation, and (for highway patrol functions) the Department of Public Safety. Within NCDOT, however, are three corporations under the direct supervision of the secretary of transportation: the North Carolina Turnpike Authority (N.C. Gen. Stat. §§136-89.180 et seq.), the North Carolina Global Transpark Authority (N.C. Gen. Stat. §§63A-1 et seq.), and the North Carolina State Ports Authority (N.C. Gen. Stat. §§136-260 et seq.).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. The secretary of transportation and members of the Board of Transportation make formal appearances before legislative committees, including appropriations committees (during the legislative session) and the Joint Legislative Transportation Oversight Committee (throughout the year). NCDOT's legislative director coordinates the department's responses to legislative issues.
<b>DOT Legislative Liaison</b>	NCDOT's legislative director is the main point of contact between the department and the General Assembly. The secretary of transportation and members of the Board of Transportation are also important sources of information and testimony.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	N.C. Gen. Stat. §§143B-345 et seq.; N.C. Gen. Stat. ch. 20, 63, 75A, 76A, and 136; portions of N.C. Gen. Stat. ch. 62; portions of N.C. Gen. Stat. ch. 105 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	No direct role. In North Carolina, only legislators may request legislative bill drafts and sponsor and introduce legislation.
	Advocacy and Lobbying	By law, all state agencies must designate one or two employees as liaisons to lobby for legislative actions (N.C. Gen. Stat. §120C-500). NCDOT's legislative director represents the department's interests in the legislative process.
	Fiscal Notes or Policy Impact Statements for Legislative Use	NCDOT prepares policy impact statements for legislative initiatives, but not fiscal notes, for use by the General Assembly.



## Legislative Oversight

**Appointment of DOT Leadership**

The secretary of transportation is appointed by the governor with no legislative involvement (N.C. Gen. Stat. §143B-9). The 19 voting members of the Board of Transportation are appointed to staggered four-year terms by the governor with no legislative involvement, and within statutory requirements for geographic representation and partisan balance. Fourteen members represent the state's highway divisions and five serve the state at large. One of the five at-large members must have knowledge of environmental issues, one of ports and aviation, one of government-related finance and accounting, one (who must live in a rural area) of rural transportation issues, and one (who must live in an urban area) of public transit issues. The secretary of transportation serves as an ex officio, non-voting member (N.C. Gen. Stat. §143B-350).

**Legislature Able to Remove DOT Leaders?**

No. The secretary of transportation serves at the pleasure of, the governor. The governor may remove a member of the Board of Transportation for any cause the governor finds sufficient, and must remove a member for certain convictions or violations.

**Legislative Review of Administrative Rules**

Yes. In general, proposed and existing rules are reviewed by the Rules Review Commission, an executive branch entity whose members are appointed by the General Assembly (N.C. Gen. Stat. §§143B-30.1 et seq.). A legislative committee, the Joint Legislative Administrative Procedure Oversight Committee, also reviews rules after the Rules Review Commission approves or objects to them, consults with agencies as part of their required rules review process, and can recommend to the full General Assembly that it direct an agency to review a specific rule (N.C. Gen. Stat. §§120-70.100 et seq. and §150B-21.3A).

**Legislative Audits or Sunset Reviews**

Legislative audits only. NCDOT is subject to audits conducted by the Program Evaluation Division of the Legislative Services Commission. North Carolina does not conduct sunset reviews of state agencies or programs.

**Required DOT Reports to the Legislature**

Each year, NCDOT is required to submit to the General Assembly a full annual report of its projects and finances (N.C. Gen. Stat. §136-12). It must also submit annual reports concerning use of recycled oil products in road construction (N.C. Gen. Stat. §130A-309.19), electric vehicle charging stations (N.C. Gen. Stat. §136-18.02), disadvantaged business enterprises (N.C. Gen. Stat. §136-28.4), state aid to municipalities (N.C. Gen. Stat. §136-41.3), the highway maintenance improvement program (N.C. Gen. Stat. §136-44.3A), the annual construction program (N.C. Gen. Stat. §136-44.4), agreements with counties and municipalities (N.C. Gen. Stat. §136-66.3), commute reduction (N.C. Gen. Stat. §143-215.107C), and, beginning in 2016, any changes made to the project prioritization process (N.C. Gen. Stat. §136-189.11). Every other year, NCDOT must submit reports concerning oversize permit fees (N.C. Gen. Stat. §20-119), the off-premise sign regulatory program (N.C. Gen. Stat. §136-12.1), and, in years when appropriations bills are considered, fee-based services (N.C. Gen. Stat. §136-44.2B). Twice per year, it must submit a report concerning its use of in-house and private counsel (N.C. Gen. Stat. §136-18.03). The secretary of transportation must submit annual reports concerning job satisfaction for NCDOT personnel, citizen satisfaction with road conditions (N.C. Gen. Stat. §136-180.05), small project bidding (N.C. Gen. Stat. §136-28.10) and agreements and partnerships with private developers (N.C. Gen. Stat. §136-28.6 and §136-28.6A). Every ten years, following the decennial census, the secretary must submit a report concerning MPO boundaries, governance, and structure (N.C. Gen. Stat. §136-200.2) and every five years, a report concerning regional boundaries (N.C. Gen. Stat. §136-202).

**Legislative Role in DOT Performance Management**

In addition to the reporting requirements and legislative audits listed above, the General Assembly enacted several performance goals and measurement requirements in the 2015 appropriations act (2015 N.C. Sess. Laws, Chap. 2015-241). By March 1, 2016, NCDOT was required to adjust its online performance dashboard to track monthly progress on maintenance projects costing over \$1 million, bridge replacement projects, bridge projects requiring road closures in excess of 24 hours, and construction projects in the State Transportation Improvement Program. The dashboard also had to include highway division- and county-specific data, with more detailed financial reporting and project delivery tracking. Further, NCDOT had to submit a study of its Division of Highways, including recommendations for performance- or incentive-based systems to improve its effectiveness, to the General Assembly by May 1, 2016. On an ongoing basis, the act requires NCDOT to establish annual baseline unit prices for goods used in highway maintenance and construction projects and to report any variances of more than 10 percent.



**Other Legislative Oversight Mechanisms**

Although North Carolina does not in general conduct sunset reviews, the General Assembly's appropriations committees have at times instituted "continuation reviews" of certain agency funds, programs, or divisions to determine if they should be continued. In addition, the Joint Legislative Transportation Oversight Committee can consider any transportation-related topic. Other oversight mechanisms include legislative requests for information from NCDOT.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Biennial enactment of two 12-month budgets; fiscal year begins July 1. The budget of the Highway Fund is recommended by the governor and goes through the full legislative process. The distribution of the Highway Trust Fund is determined by statute, the Board of Transportation, and NCDOT.

**Allocation of Transportation Revenues to the DOT**

Federal Revenues	No legislative role. Federal transportation funds flow directly to NCDOT from the U.S. DOT with no state legislative involvement.
State Revenues	Legislative appropriation. All state spending must be authorized by appropriation as part of the budget approved by the General Assembly, either as a lump sum to the department or as appropriations to departmental programs, broad spending categories, or specific projects.

### State Transportation Budget

**Most Recently Enacted Transportation Budget**

Biennial budget, FY 2016 and FY 2017 (revised) (see note)

**Authorized Expenditures (FY 2017 only)**

Department of Transportation administration	\$90,246,679
Division of Highways	\$1,380,716,021
State aid to municipalities	\$147,500,000
Intermodal divisions	\$229,480,752
Governor's Highway Safety	\$251,241
Division of Motor Vehicles	\$125,307,394
Other state agencies, reserves, and transfers	\$68,222,213
Capital improvements	\$6,965,700
<b>Total HIGHWAY FUND EXPENDITURES</b>	<b>\$2,048,690,000</b>
Program administration	\$35,064,813
Bond redemption	\$61,012,229
Turnpike Authority	\$49,000,000
Transfer to visitor center	\$400,000
Strategic prioritization	\$1,225,802,958
<b>Total HIGHWAY TRUST FUND EXPENDITURES</b>	<b>\$1,371,280,000</b>
Federal expenditures	\$1,257,697,716
<b>Total</b>	<b>\$4,677,667,716</b>

**Revenue Sources (FY 2017 only)**

Highway Fund	\$2,048,690,000
Highway Trust Fund	\$1,371,280,000
Federal revenues	\$1,257,697,716
<b>Total</b>	<b>\$4,677,667,716</b>

**Note:** This chart reflects NCDOT's entire FY 2017 budget. It includes legislative appropriations of state funds, as [revised by the 2016 appropriations act](#) (2016 N.C. Sess. Laws, Chap. 2016-94), as well as Federal revenues, which flow directly to NCDOT without state legislative action.

### Planning and Projects

#### Transportation Planning and Capital Project Selection Process

NCDOT uses a statutorily mandated process for prioritizing major transportation projects and making investment decisions. This "strategic prioritization process," which NCDOT first started developing in 2009 in response to an executive order (2009 Executive Order No. 02), was enacted into law in 2013 (N.C. Gen. Stat. §§136-189.10 et seq.). Every other year, projects are evaluated based on existing and future conditions, expected benefits, multimodal characteristics, and how a project fits in with local priorities. Projects are ranked in each of NCDOT's six modes of transportation (highway, ferry, rail, public transit, bicycle/pedestrian, and aviation). The results of this process serve as input to an updated ten-year State Transportation Improvement Program (STIP), which is released to the public for review and comment before being approved by the Board of Transportation and reviewed by the General Assembly. In addition, the General Assembly approves specific transit and rail projects as part of the appropriation process.

#### Legislative Role in the Planning Process

Limited legislative role. Projects are prioritized according to a process that the General Assembly enacted into law in 2013. The General Assembly reviews the State Transportation Improvement Program (STIP) and other transportation plans, but does not approve or modify them. NCDOT submits annual reports to the General Assembly about its projects and the project prioritization process. The General Assembly reviews and approves the NCDOT budget, and approves specific transit and rail projects, as part of the appropriation process. The General Assembly is not, however, involved in individual project selection.

### State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate; starting 2017: variable rate—indexed, other)	•	•	•	•	• Pas-senger and freight	•	•	•		A variable component, based on wholesale price, was repealed in 2015. In 2016, the tax is being levied at a flat rate. Starting Jan. 1, 2017, it will be annually adjusted based on population and the Consumer Price Index for energy costs (N.C. Gen. Stat. §105-449.38, §105-449.80; §105-449.125, §105-449.126; 2015 N.C. Sess. Laws, Chap. 2015-2)
Fuel taxes: alternative fuels (fixed rate; starting 2017: variable rate—indexed, other)	•	•	•	•	• Pas-senger and freight	•	•	•		Includes taxes on liquid and gas alternative fuels, including liquefied and compressed natural gas and liquefied propane gas; taxed the same way as gasoline and diesel; revenues mostly allocated to the Highway Fund and Highway Trust Fund (N.C. Gen. Stat. §105-449.38, §105-449.125, §105-449.130, §105-449.136)
Fuel taxes: aviation fuels	•	•				•				Includes sales taxes on aviation gasoline and jet fuel (N.C. Gen. Stat. §105-164.4, §105-164.44M)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Vehicle registration and title fees (starting 2020: indexed)	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated to the Highway Fund and Highway Trust Fund; will be indexed to the Consumer Price Index starting July 1, 2020 (N.C. Gen. Stat. §§20-85 et seq., §136-176; 2015 N.C. Sess. Laws, Chap. 2015-241)
Vehicle inspection fees	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated in part to the Highway Fund (N.C. Gen. Stat. §20-183.7)
Special fees on electric vehicles (starting 2020: indexed)	•	•	•	•	• Pas-senger and freight	•	•	•		Will be indexed to the Consumer Price Index starting July 1, 2020 (N.C. Gen. Stat. §20-87; 2015 N.C. Sess. Laws, Chap. 2015-241)
Sales taxes on motor vehicle sales and leases	•	•	•	•	• Pas-senger and freight	•	•			“Highway use tax”; used for multimodal purposes via the Highway Trust Fund; cannot be used for independent bicycle and pedestrian improvement projects (N.C. Gen. Stat. §§105-187.1 et seq., §136-176)
Truck registration fees (based on gross vehicle weight) (starting 2020: indexed)	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated to the Highway Fund; will be indexed to the Consumer Price Index starting July 1, 2020 (N.C. Gen. Stat. §20-88, §20-97; 2015 N.C. Sess. Laws, Chap. 2015-241)
Oversize/overweight truck permit fees	•	•	See notes							May be used for highway and bridge maintenance under some circumstances (see notes) (N.C. Gen. Stat. §§20-119 et seq.).
Tolls	•	•	•							Used by the North Carolina Turnpike Authority, which is within NCDOT; statutory authorization is capped at 11 projects (N.C. Gen. Stat. §136-89.183)
High-occupancy toll (HOT) lanes	•		•							Authorized in statute (N.C. Gen. Stat. §136-89.199); planned to open in 2018
Driver's license fees (starting 2020: indexed)	•	•	•	•	• Pas-senger and freight	•	•	•		Allocated to the Highway Fund; will be indexed to the Consumer Price Index starting July 1, 2020 (N.C. Gen. Stat. §20-7; 2015 N.C. Sess. Laws, Chap. 2015-241)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Business license fees (starting 2020: indexed)	•	•	•	•	• Pas-senger and freight	•	•	•		Business license fees for vehicle dealers, distributors, wholesalers, and manufacturers; allocated to the Highway Fund; will be indexed to the Consumer Price Index starting July 1, 2020 (N.C. Gen. Stat. §20-289, §20-4.02; 2015 N.C. Sess. Laws, Chap. 2015-241)
North Carolina Rail Company dividends	•	•	Grade cross-ings only		• Freight only					Allocated to the Freight Rail and Rail Crossing Safety Improvement Fund within the Highway Fund (N.C. Gen. Stat. §124-5.1)
Port reve-nues	•	•					•			North Carolina State Ports Authority (N.C. Gen. Stat. §136-262)
Interest income	•	•	•	•	• Pas-senger and freight	•	•	•		Highway Fund, Highway Trust Fund (N.C. Gen. Stat. §143C-1-4)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- The North Carolina State Ports Authority was appropriated \$35 million per year from the Highway Fund for FY 2016 and FY 2017 (2015 N.C. Sess. Laws, Chap. 2015-241).
- State statute requires oversize and overweight truck permit fees to be adjusted periodically so that fee revenues equal the cost of administering the permitting program. Any excess revenues, however, must be used for highway and bridge maintenance required as a result of damages caused by overweight or oversize loads (N.C. Gen. Stat. §§20-119 et seq.).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon); variable rate (indexed and adjusted based on population) starting Jan. 1, 2017
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation (with exceptions). After set-asides for the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund and the Water and Air Quality Account, state statute allocates 71 percent of fuel tax revenues to the Highway Fund and 29 percent to the Highway Trust Fund (N.C. Gen. Stat. §105-449.125; 2015 N.C. Sess. Laws, Chap. 2015-241), to be used for multimodal transportation projects. State statute also allocates small shares of fuel tax revenues to the Wildlife Resources Fund for boating and water safety activities and to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund for dredging activities (N.C. Gen. Stat. §105-449.126).
<b>Restrictions on Other Transportation Revenues</b>	State statute requires the annual appropriation of sales taxes on aviation fuels to NCDOT's Division of Aviation for aviation-related capital improvements (N.C. Gen. Stat. §105-164.4 and §105-164.44M). State statute directs various transportation-related revenues to the Highway Trust Fund and the Highway Fund. The North Carolina Turnpike Authority may only establish up to 11 toll road projects, which must meet certain statutory requirements (N.C. Gen. Stat. §136-89.183).
<b>Dedicated or Restricted Transportation Funds</b>	The Highway Fund, which is primarily funded by fuel taxes and other revenues, is used for multimodal transportation purposes that include maintenance and operations for highways and bridges, public transit, rail, aviation, ferries, and waterways (N.C. Gen. Stat. §105-449.126, §136-44.2, and §136-44.3A). A separate fund, the Highway Trust Fund, is primarily funded by motor vehicle use taxes and fuel taxes along with titling fees, and is used for turnpike debt service and statewide capital strategic transportation investments that include fixed guideway projects but not independent bicycle and pedestrian improvement projects (N.C. Gen. Stat. §136-176 and §136-189.11). Although distribution of the Highway Trust Fund is determined by statute, the General Assembly sometimes overrides the statutes during the appropriations process.
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds		•	•							Highway Bonds; authorized in session law, not statute
Revenue bonds	•	•	•							North Carolina Turnpike Authority (N.C. Gen. Stat. §136-89.189)
Build America Bonds		•	•							Issued in 2010 by the North Carolina Turnpike Authority; authorized in session law, not statute
GARVEE bonds	•	•	•							Authorized in state statute; debt service is capped at 15 percent of expected average annual Federal revenue (N.C. Gen. Stat. §136-18); most recently issued in 2015
Private activity bonds	•	•	•							Authorized in statute for public-private partnerships (N.C. Gen. Stat. §136-18); issued
Federal credit assistance: TIFIA		•	•							Active loan(s), used for highway projects

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Advance construction		•	•							
Partial conversion of advance construction		•	•							
Federal-aid matching: tapered match		•	•							
Design-build	•	•	•	•	• Pas-senger and freight	•	•	•		Authorized in statute; not restricted by mode (N.C. Gen. Stat. §136-28.11); used for several road projects
Public-private partnerships	•	•	•	•	• Pas-senger and freight	•		•		Authorized in statute for a limited number of projects; various transportation modes are eligible (N.C. Gen. Stat. §136-18, §§136-28.6 et seq., §§136-89.180 et seq.); used by the state for at least two road projects
State infrastructure bank	•	•	•	•						Capitalized with Federal funds; may be used for highway or transit projects (N.C. Gen. Stat. §136-18)

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds require legislative and voter approval. NCDOT and the North Carolina Turnpike Authority are both limited in the number of public-private partnerships they may undertake (N.C. Gen. Stat. §136-18 and §136-89.183). GARVEE debt service is capped at 15 percent of expected average annual Federal revenue (N.C. Gen. Stat. §136-18). In addition, the Debt Affordability Advisory Committee in the Department of State Treasurer, which among other duties is required by law to establish debt guidelines annually for the Highway Fund and the Highway Trust Fund (N.C. Gen. Stat. §142-101), <a href="#">set a guideline in 2016</a> that limits total transportation-related debt service to 6 percent of total state transportation revenues.
<b>Finance Mechanisms Prohibited in State Law</b>	None.



## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Excess funds revert to the funds from which they came—the Highway Fund or the Highway Trust Fund—and are available for expenditure. Approval is required from the executive branch Office of State Budget and Management in order to spend these funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. Generally, legislative approval is required to repurpose funds that were appropriated to specific transit and rail projects, but not to move funds among highway and other projects that were selected by NCDOT.
<b>Legislative Actions to Control DOT Costs</b>	State statute contains low-bid requirements for infrastructure construction, repair, and maintenance projects costing under \$2.5 million (N.C. Gen. Stat. §136-28.1). Also, the 2015 appropriations act required NCDOT to establish a baseline unit pricing structure for transportation goods used in highway maintenance and construction and prohibits any highway division from exceeding a 10 percent variance over a baseline unit price set for that year. The act further provides that, in order to drive savings, unit pricing may be reduced annually as efficiencies are achieved. As part of a larger study to be submitted by May 1, 2016, the act also required NCDOT to develop a plan to eliminate at least 10 percent of NCDOT job positions that perform administrative, managerial, supervisor, or oversight functions (2015 N.C. Sess. Laws, Chap. 2015-241).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. North Carolina has a highly centralized transportation system, in which NCDOT builds and maintains secondary roads and there are no county road departments. Municipalities, however, do receive state aid for local projects. Under the “Powell Bill” program (N.C. Gen. Stat. §§136-41.1 et seq.), upon appropriation of funds by the General Assembly to NCDOT for state aid to municipalities, allocations are then made to eligible municipalities by a statutory formula based on population and road miles. Funds may be used for street, bridge, bikeway, or sidewalk projects. NCDOT has made these allocations annually since the 1950s.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties and cities to assess property taxes for roads, public transit, rail, airports, and ports (N.C. Gen. Stat. §153A-149 and §160A-209), as well as special assessments for street improvements (N.C. Gen. Stat. §153A-185, §153A-205, and §160A-216). Municipalities and transportation authorities may levy vehicle registration fees for public transit uses (N.C. Gen. Stat. §20-97 and §105-561). Transportation authorities may also adopt vehicle rental taxes (N.C. Gen. Stat. §105-551). County and municipal service districts may impose property taxes for specified transportation purposes (N.C. Gen. Stat. §153A-301, §153A-307, §160A-536, and §160A-542).



# NORTH DAKOTA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	176,745 (172,073 rural, 4,672 urban)
	Bridges	4,409
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, demand response
	Urban transit trips in 2015	2.5 million
<b>Rail</b>	Freight rail route miles	3,330
<b>Aviation</b>	Total airports	256
	Public-use airports	89
	Passengers boarded in 2015	1.2 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2015	0

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	North Dakota Legislative Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (47 members), House of Representatives (94 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Biennial, approx. Jan. to Apr. (odd years only)
<b>Legislative Measures Introduced in 2016</b>	None (no regular 2016 session)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation House Committee on Transportation [Interim] Joint Interim Committee on Transportation

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	North Dakota Department of Transportation (NDDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	NDDOT Director (serves on governor’s cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	1,080.5 authorized, 1,054.5 actual
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, pedestrian/bicycle. NDDOT also has an Aviation Services function, but aviation is generally under the jurisdiction of the North Dakota Aeronautics Commission.

<b>Includes DMV?</b>	Yes. NDDOT performs driver's licensing and vehicle registration functions. Driver's licensing functions are funded from the State Highway Fund, and vehicle registration functions are funded from the state Highway Tax Distribution Fund. Both functions are funded through the NDDOT budget.
<b>Includes Highway Patrol?</b>	No. The North Dakota Highway Patrol is an independent state agency. It currently receives its funding from the state's general fund (\$46.7 million), the Highway Tax Distribution Fund, (\$6.7 million), and Federal funds (\$6.4 million).
<b>Jurisdiction Over Toll Facilities?</b>	No. North Dakota has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	North Dakota Aeronautics Commission (state agency)	The North Dakota Aeronautics Commission has authority over the state's aviation functions (N.D. Cent. Code §§2-05-01 et seq.). It is funded primarily by aviation-related state revenues, Federal funds, and state general funds.
	Public Service Commission (state agency)	The North Dakota Public Service Commission, an elected state agency, has authority over railroads (N.D. Cent. Code §§49-01-01 et seq.).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Mainly formal. NDDOT interacts with the legislature primarily by providing testimony and required reports to legislative committees. NDDOT disseminates information to its stakeholders, including legislative bodies, through its Communications Division.
<b>DOT Legislative Liaison</b>	NDDOT's Communications Division, under Business Support, is the main point of contact between the department and the Legislative Assembly. NDDOT has no dedicated legislative liaison or governmental affairs office.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	N.D. Cent. Code tit. 2, 24, and 39; portions of N.D. Cent. Code tit. 49; N.D. Const. art. X, §11 (revenue restrictions); N.D. Cent. Code §§54-27-19 et seq. (funds); portions of N.D. Cent. Code tit. 57 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. Although bills may only be introduced by legislative entities, North Dakota executive agencies can have bills automatically introduced in the name of the standing committee to which the bill will be referred. NDDOT is allowed to introduce legislation relating to any transportation topic.
	Advocacy and Lobbying	NDDOT may testify on any bill being considered by the Legislative Assembly.
	Fiscal Notes or Policy Impact Statements for Legislative Use	Joint legislative rules require state agencies and departments to prepare fiscal notes, at the request of the Legislative Council, for bills that would affect them. NDDOT participates in this process.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The NDDOT director is appointed by the governor with no legislative involvement (N.D. Cent. Code §24-02-01.3).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The NDDOT director serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. The interim Administrative Rules Committee reviews all new rules. The committee can void a rule. If the committee does not object, the rule is automatically approved. The committee may also review existing rules (N.D. Cent. Code §§28-32-01 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Neither. Audits are generally conducted by the Office of State Auditor, which is not a legislative entity, although the audits may be directed or reviewed by the Legislative Audit and Fiscal Review Committee. North Dakota does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	Every other year, NDDOT must submit to the Legislative Assembly a report on its operations for the previous two fiscal years (N.D. Cent. Code §54-06-04).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements listed above, NDDOT will testify to the Joint Interim Transportation Committee.
<b>Other Legislative Oversight Mechanisms</b>	Interim committees study various issues in the two years between legislative sessions. In 2015, for example, the Joint Interim Transportation Committee was directed to study truck size and weight provisions (2015 N.D. House Bill 1012) and truck permits in oil and gas producing counties (2015 N.D. House Bill 1377), and to consider studying several other transportation topics. The Legislative Audit and Fiscal Review Committee may review audits conducted by the Office of State Auditor. Other oversight mechanisms include legislative requests for information from NDDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of one 24-month budget; fiscal year begins July 1. NDDOT presents a budget request to the Legislative Assembly that may be modified. The Legislative Assembly approves an overall budget for the department as a whole.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to NDDOT as lump sum appropriations to the department.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds also are allocated to NDDOT as lump sum appropriations to the department. Some appropriations of general funds may be directed to departmental programs or broad spending categories.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, 2015–17 fiscal biennium ( <a href="#">enacted</a> )	
<b>Authorized Expenditures (2015–17 biennium total)</b>	Salaries and wages	\$207,778,278
	Operating expenses	\$395,822,751
	Capital assets	\$1,107,696,960
	Grants	\$62,918,030
	<b>Total</b>	<b>\$1,774,216,019</b>
<b>Revenue Sources (2015–17 biennium total)</b>	Estimated income	\$1,774,156,019
	General fund	\$60,000
	<b>Total</b>	<b>\$1,774,216,019</b>

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

NDDOT is responsible for developing and maintaining transportation plans for the state, including the Statewide Strategic Transportation Plan (TransAction) and the Statewide Transportation Improvement Program (STIP). NDDOT identifies transportation needs, selects projects, and develops the plans, with input from political subdivisions and members of the public. The governor may provide direction in determining investment priorities.

### Legislative Role in the Planning Process

Limited legislative role. No formal process exists to involve the Legislative Assembly in transportation planning. Transportation plans do not need legislative approval and appropriations do not include funding for specific projects. The Legislative Assembly can provide input into the Statewide Transportation Improvement Program (STIP) and occasionally provides direction for specific plans. NDDOT may be asked to provide transportation plan updates to legislative committees.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•							N.D. Cent. Code §57-43.1-02, §57-43.2-02
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied and compressed natural gas, liquefied petroleum gas, and other alternative fuels (N.D. Cent. Code §57-43.2-02, §57-43.2-03, §57-43.2-19)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (N.D. Cent. Code §57-43.3-04, §57-43.3-06)
Vehicle registration and title fees	•	•	•	•						A portion of registration fees is used for public transit via the Highway Tax Distribution Fund (see notes) (N.D. Cent. Code §39-04-19, §39-04-39, §54-27-19; 2009 N.D. Sess. Laws, Chap. 40)
Truck registration fees (based on gross vehicle weight)	•	•	•							N.D. Cent. Code §39-04-19, §39-04-39
Driver's license and state ID card fees	•	•	•							Deposited to the State Highway Fund (N.D. Cent. Code §39-06-49)
Aircraft registration fees	•	•				•				N.D. Cent. Code §2-05-11
Aircraft excise taxes	•	•				•				N.D. Cent. Code §57-40.5-02

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Aircraft dealer license fees	•	•				•				N.D. Cent. Code §2-08-03
General funds		•	•	•		•				Legislative appropriations in the biennial budget bill for highways, public transit, and aviation
Interest income	•	•	•							80 percent of interest from the State Highway Fund is allocated to the Special Road Fund for access roads (N.D. Cent. Code §24-02-37)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Diesel taxes are deposited to the Highway Tax Distribution Fund, except that, until June 30, 2019, all taxes on diesel sold to railroads (up to \$275,000 per year) must go to the Rail Safety Fund (N.D. Cent. Code §57-43.2-02, §57-43.2-19; 2015 N.D. Sess. Laws, Chap. 42). These revenues are being used for rail inspections, however, not for the kinds of transportation activities described in this chart.
- North Dakota’s constitution restricts the use of fuel taxes and vehicle registration and license taxes solely to the construction, reconstruction, repair, and maintenance of public highways (N.D. Const. art. X, §11). State statute, however, establishes the Highway Tax Distribution Fund, into which fuel taxes and vehicle registration fees are deposited, and distributes 1.5 percent of the fund’s revenues to the Public Transportation Fund (N.D. Cent. Code §54-27-19). This allocation is generally considered to be drawn from vehicle registration fees, inasmuch as a flat registration surcharge was used to support the Public Transportation Fund from 1989 to 2009, when it was replaced by an equivalent increase to vehicle registration fees (1989 N.D. Sess. Laws, Chap. 457; 1999 N.D. Sess. Laws, Chap. 337; 2005 N.D. Sess. Laws, Chap. 326; 2009 N.D. Sess. Laws, Chap. 40; N.D. Cent. Code §39-04.2-03 [repealed]).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of revenues from gasoline and other motor fuel excise and license taxes, except aviation fuel taxes, to public highways (N.D. Const. art. X, §11).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of revenues from vehicle registration and license taxes to public highways (N.D. Const. art. X, §11). A portion of registration fees, however, is allocated to public transit via the Highway Tax Distribution Fund. State statute directs aviation fuel taxes, aircraft registration fees, and aircraft sales and rental taxes to the Aeronautics Commission Special Fund to be used for airport projects (N.D. Cent. Code §2-05-11, §57-40.5-09, and §57-43.3-06). From July 1, 2015, to June 30, 2019, up to \$275,000 per year from taxes on diesel sold to railroads must be directed to the Rail Safety Fund. After that, all diesel taxes will go to the Highway Tax Distribution Fund (N.D. Cent. Code §57-43.2-19).

**Dedicated or Restricted Transportation Funds**

State statute allocates the Highway Tax Distribution Fund, which receives transportation-related revenues and appropriations, to the State Highway Fund, local entities, and the Public Transportation Fund (N.D. Cent. Code §54-27-19). The State Highway Fund, which also receives all other NDDOT revenues, is dedicated to highways (N.D. Cent. Code §24-02-37 and §24-02-41).

**Revenue Sources**

None.

**Prohibited in State Law****State Finance Mechanisms**

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
GARVEE bonds		•	•							Most recently issued in 2005
Advance construction		•	•							
Public-private partnerships	•	See notes	•							Authorized in statute for “fee-based facilities” (N.D. Cent. Code §§48-02.1-01 et seq.); not currently in use (see notes)
State infrastructure bank			•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; not authorized in state statute; currently inactive

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- North Dakota’s public-private partnerships law (N.D. Cent. Code §§48-02.1-01 et seq.), enacted in 1993, reportedly applies to fee-based transportation facilities and had been used for a toll bridge. As of 2016, however, no toll facilities exist in the state.
- North Dakota’s limited design-build authorization, which had been enacted in 2009, expired on Dec. 31, 2013 (2009 N.D. Sess. Laws, Chap. 236; ND. Cent. Code §24-02-47).

**Transportation-Related Bonding**

No, except for GARVEE bonds. North Dakota is one of three states that has borrowed against future Federal-aid funding through the use of GARVEE bonds, but otherwise does not currently use bonding for transportation projects.

**Restrictions on Finance Mechanisms**

The state constitution restricts general obligation debt and requires legislative approval for all revenue bonding (N.D. Const., art. X).

**Finance Mechanisms Prohibited in State Law**

None.



## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, with legislative approval. NDDOT retains all unspent funds at the end of the biennial budget cycle, but they must be re-appropriated to be spent. The Legislative Assembly may also continue appropriations for new construction, major repair or improvement projects, and eligible equipment and land purchases for up to two more years (N.D. Cent. Code 54-44.1-11). NDDOT may seek legislative approval to spend any funds received above the biennial budget appropriation.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	State statute requires a formal bidding process for most highway improvement projects and that the project be awarded to the responsible bidder submitting the lowest and best bid (N.D. Cent. Code §§24-02-17 et seq.).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. The state's Highway Tax Distribution Fund receives revenues from state motor fuel taxes, vehicle registrations, license taxes, and other sources. After set-asides, 2.7 percent of the fund is distributed through counties to townships by a statutory formula based on township road miles. To be eligible for funds, townships must provide a 50 percent local match. Another 34.5 percent of the Highway Tax Distribution Fund is distributed first to incorporated cities by a statutory formula based on population, and then after the cities' share is deducted, to counties based on vehicle registrations (N.D. Cent. Code §§54-27-19 et seq.). All money from the Highway Tax Distribution Fund must be used on road projects, per constitutional restrictions on transportation revenues (N.D. Const. art. X, §11). In addition, 6 percent of the state's oil and gas gross production tax goes to townships for road projects. Half of this is distributed equally to all townships in eligible counties, and half by a statutory formula based on township road miles (N.D. Cent. Code §57-51-15). Counties also are allocated funds for public transit by a statutory formula based on population (N.D. Cent. Code §39-04.2-04).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes home rule counties to levy local option fuel taxes and vehicle registration fees (N.D. Cent. Code §11-09.1-05). Counties and municipalities may assess property taxes for various transportation purposes including roads, bridges, airports, and public transit (N.D. Cent. Code §24-05-01, §57-15-06.7, §57-15-19.4, §57-15-20.2, §57-15-22, and §57-15-55). Special assessments may be levied by counties for public improvements, including transportation uses (N.D. Cent. Code §11-09.1-05 and §11-11-55.1), and by cities for sidewalks (N.D. Cent. Code §40-29-14).



# OHIO

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	262,166 (154,729 rural, 107,437 urban)
	Bridges	27,104
	Toll facilities	Yes (roads: 241.2 miles; bridges: 2)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, heavy rail, light rail, vanpool, demand response
	Urban transit trips in 2013	112.6 million
<b>Rail</b>	Freight rail route miles	5,288
<b>Aviation</b>	Total airports	452
	Public-use airports	157
	Passengers boarded in 2013	9.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	97.4 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Ohio General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (33 members), House of Representatives (99 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	725 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation, Commerce, and Labor House Committee on Finance <ul style="list-style-type: none"> <li>Subcommittee on Transportation</li> </ul> House Committee on Transportation and Infrastructure

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Ohio Department of Transportation (ODOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Director of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	4,855
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, aviation, ports/waterways, pedestrian/bicycle. Also, the Ohio Rail Development Commission, which has jurisdiction over rail, is an independent state agency located within ODOT. The director of transportation serves as an ex officio member of the commission (Ohio Rev. Code Ann. §§4981.02).
<b>Includes DMV?</b>	No. The Ohio Bureau of Motor Vehicles is a division of the Department of Public Safety. It is funded by state taxes, fees, and fines collected by the Registrar of Motor Vehicles (Ohio Rev. Code Ann. §4501.25), not out of ODOT's budget.
<b>Includes Highway Patrol?</b>	No. The Ohio State Highway Patrol is a division of the Department of Public Safety. It is funded by Federal funds and by state taxes, fees, and fines on vehicle and trailer registrations, vehicle inspections, and driver's licenses (Ohio Rev. Code Ann. §4501.06, §4501.13, and §4508.08), not out of ODOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	Yes (in law but not in practice). Although ODOT is authorized to collect tolls (Ohio Rev. Code Ann. §5531.11; 2009 Ohio Laws, H. 2), it does not currently do so. At present, Ohio's only toll roads are managed by the Ohio Turnpike and Infrastructure Commission.

## Other

<b>Other State-Level Transportation Entities</b>	Ohio Turnpike and Infrastructure Commission (corporation/ instrumentality)	The Ohio Turnpike and Infrastructure Commission is a corporation and instrumentality of the state that operates the Ohio Turnpike. It is funded by tolls, service concession agreements, and \$0.05 on every gallon of fuel sold on the turnpike. The director of transportation or designee serves on the commission as an ex officio voting member (Ohio Rev. Code Ann. §§5537.01 et seq. and §5735.23).
	Ohio Public Works Commission (state entity)	The Ohio Public Works Commission provides financing for local public infrastructure improvements, including roads and bridges. The director of transportation serves as an ex officio non-voting member (Ohio Rev. Code Ann. §164.02). It is funded by state general funds and fuel taxes.
	Public Utilities Commission of Ohio (state entity)	The Public Utilities Commission of Ohio has jurisdiction over rail grade crossings and motor carrier registration and inspection. It is funded by special revenues and, for the grade crossing program, fuel taxes (Ohio Rev. Code Ann. §§4907.01 et seq.).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. ODOT officials interact with the General Assembly by providing testimony, making required reports, responding to legislative requests for information, and engaging informally with legislators. ODOT's dedicated Office of Legislative Affairs fosters positive working relationships between the department and legislature, monitors transportation-related bills, handles constituent casework that originates within a legislative office, and coordinates efforts to ensure that legislative initiatives are consistent with the overall policies and goals of the administration.
<b>DOT Legislative Liaison</b>	The legislative liaison in ODOT's Office of Legislative Affairs is the main point of contact between the department and the General Assembly.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Ohio Rev. Code Ann. tit. 45 and 55; portions of Ohio Rev. Code Ann. tit. 49; Ohio Const. art. VIII, §2m (bonding); Ohio Const. art. XII, §5a (revenue restrictions); portions of Ohio Rev. Code Ann. tit. 57 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	No direct role. In Ohio, only legislators may request legislative bill drafts and sponsor and introduce legislation.
	Advocacy and Lobbying	ODOT's Office of Legislative Affairs advocates for departmental goals and legislative positions before the General Assembly.
	Fiscal Notes or Policy Impact Statements for Legislative Use	ODOT provides fiscal notes and policy statements when requested by the Ohio Legislative Services Commission.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The director of transportation is appointed by the governor to a term of office that coincides with the governor's, with the advice and consent of the Senate (Ohio Rev. Code Ann. §121.03; Ohio Const. art. III, §21).
<b>Legislature Able to Remove DOT Leaders?</b>	Legislative approval is required. The governor can remove the director of transportation for cause, but only with the advice and consent of the Senate (Ohio Rev. Code Ann. §3.04).
<b>Legislative Review of Administrative Rules</b>	Yes. The Joint Committee on Agency Rule Review reviews all proposed rules, amendments, and rescissions. The committee, the role of which is mainly advisory, may recommend to the full legislature that it adopt a concurrent resolution to invalidate a proposed rule. If no resolution is adopted within 65 days, the rule is automatically approved. Agencies are also required to review each of their existing rules at least every five years, and to submit their findings to the joint committee for review (Ohio Rev. Code Ann. §101.35, §§106.02 et seq., and §§119.02 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Neither. Audits are generally conducted by the Office of State Auditor, which is not a legislative entity. The state conducts sunset reviews, but not of ODOT.
<b>Required DOT Reports to the Legislature</b>	ODOT is required to submit annual reports to the General Assembly concerning its finances and activities (Ohio Rev. Code Ann. §5501.06), highway expenditures (Ohio Rev. Code Ann. §5501.52), and toll projects (Ohio Rev. Code Ann. §5531.16). Every other year, ODOT must submit a fiscal forecast (Ohio Rev. Code Ann. §5512.04) and a report concerning major new transportation capacity projects (Ohio Rev. Code Ann. §5512.06).
<b>Legislative Role in DOT Performance Management</b>	None besides the reporting requirements listed above.
<b>Other Legislative Oversight Mechanisms</b>	Every six years, Ohio's legislative Sunset Review Committee conducts a substantial sunset review process (Ohio Rev. Code Ann. §§101.82 et seq.). This process does not include ODOT, but does include the Transportation Review Advisory Council (TRAC), a nine-member body that oversees ODOT's selection process for major new transportation capacity projects (Ohio Rev. Code Ann. §§5512.01 et seq.). In addition, the Ohio Legislative Service Commission continuously monitors DOT revenues and expenditures and reports on significant developments in a monthly newsletter to legislators and legislative staff. This gives the General Assembly another window into the DOT's financial activities. Other oversight mechanisms include legislative requests for information from ODOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month budgets; fiscal year begins July 1. State executive agencies, including ODOT, submit a budget request to the Office of Budget and Management, which then makes recommendations to the governor. The governor submits a budget bill to the General Assembly, the final version of which is passed by the House and Senate and then submitted to the governor—who has line-item veto power—for signature.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation and other approval. Federal transportation funds are allocated to ODOT as state legislative appropriations based on line items, not on programs or projects. The governor's budget submission to the General Assembly details the programs that are funded within each line item. The legislative Controlling Board also must approve any state use of capital funds for passenger rail development, and the Ohio Rail Commission's use of any public funds for rail operations (Ohio Rev. Code Ann. §4981.02).
	State Revenues	Legislative appropriation and other approval. As with Federal funds, state transportation funds are allocated to ODOT as state legislative appropriations based on line items. The legislative Controlling Board also must approve any state use of capital funds for passenger rail development, and the Ohio Rail Commission's use of any public funds for rail operations (Ohio Rev. Code Ann. §4981.02).

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2016 and FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures (FY 2017 only)</b>	Highway infrastructure bank	\$13,325,000
	Infrastructure debt reserve	\$1,175,000
	Roadway infrastructure bank	\$3,500,000
	Aviation infrastructure bank	\$2,000,000
	Transportation facilities lease rental bond payments	\$12,162,500
	Planning and research	\$54,371,282
	Highway construction	\$1,689,720,003
	Major new state infrastructure bond debt service	\$172,393,700
	Highway maintenance	\$519,400,000
	Public transportation	\$32,732,549
	Grade crossings	\$14,072,000
	Airport improvements	\$405,000
	Aviation administration	\$6,666,416
	Administration	\$92,690,582
	Rail transportation—other	\$2,875,800
	County airport maintenance	\$620,000
	Highway construction—bonds	\$166,254,827
	Highway infrastructure bank—bonds	\$206,053,254
	<b>Total</b>	<b>\$2,990,417,913</b>
<b>Revenue Sources (FY 2017 only)</b>	Highway Operating Fund Group	\$2,614,614,032
	Capital Projects Fund Group	\$372,308,081
	Dedicated Purpose Fund Group	\$3,495,800
	<b>Total</b>	<b>\$2,990,417,913</b>

**Note:** Ohio's biennial transportation budget act contains funding for four agencies: ODOT, the Department of Public Safety, the Public Works Commission, and the Development Services Agency. This chart shows the budget for ODOT only.

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

ODOT takes the lead in creating the state's transportation plans, including long-range plans and the four-year Statewide Transportation Improvement Program (STIP). Projects are nominated by ODOT, rail development commissions, MPOs, transit and port authorities, local governments, and other authorized entities. ODOT selects and prioritizes major new transportation capacity projects under the oversight of the Transportation Review Advisory Council (TRAC), which was legislatively created in 1997 to bring an open, numbers-driven system to the selection process. The council reviews and ranks nominated projects through a process that includes up to six hearings and public comment on new projects (Ohio Rev. Code Ann. §§5512.01 et seq.).

### Legislative Role in the Planning Process

No legislative role. The General Assembly historically has refrained from establishing or controlling specific projects by legislation. The General Assembly sets general appropriation limits, within which funds are allocated to projects and programs. ODOT submits a biennial report to the General Assembly, with approval of the Transportation Review Advisory Council, on the selection, prioritization, and progress of major new transportation capacity projects (Ohio Rev. Code Ann. §5512.06).

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate and variable rate—percentage of price)	•	•	•		Grade crossings only					State taxes on gasoline and diesel include a fixed-rate "motor fuel tax" that is made up of five different levies (Ohio Rev. Code Ann. §5735.01, §5735.05, §5735.23, §5735.25, §5735.29, §5735.30) and a gross receipts tax, known as the "Petroleum Activity Tax," that is based on the wholesale price (Ohio Rev. Code Ann. §5736.01 et seq.); use of both taxes is restricted to roads; the motor fuel tax may be used for grade crossings (Ohio Rev. Code Ann. §4907.472)
Fuel taxes: alternative fuels (fixed rate and variable rate—percentage of price)	•	•	•		Grade crossings only					Includes taxes on liquid petroleum gas, liquid natural gas, or other liquid fuels; taxed the same way as gasoline and diesel (Ohio Rev. Code Ann. §5735.01, §5735.05, §5735.25, §5735.29, §5735.30, §5736.01 et seq.)
Fuel taxes: watercraft	•	•					•			Allocated to waterways and boating purposes (Ohio Rev. Code Ann. §5735.051)
Leases of rights-of-way	•	•	•							Ohio Rev. Code Ann. §5501.311
Outdoor advertising revenues	•	•	•							Logo sign and tourist attraction sign fees (Ohio Rev. Code Ann. §4511.101, §4511.103)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Rest area sponsorship	•		•							Authorized but not currently in use; allocated to the Highway Operating Fund (Ohio Rev. Code Ann. §5515.08)
Rail loan repayments and loan servicing fees	•	•			• Pas-senger and freight					Ohio Rail Development Commission (Ohio Rev. Code Ann. §4981.13)
Rail property leases and sales	•	•			• Pas-senger and freight					Ohio Rail Development Commission (Ohio Rev. Code Ann. §4981.08, §4981.09)
Aircraft license tax	•	•				•				Ohio Rev. Code Ann. §§4561.17 et seq.
General funds		•		•	• Pas-senger and freight	•				Legislative appropriations for transit, rail, and aviation
Interest income	•	•	•							State Highway Safety Fund, Highway Capital Improvement Fund, Highway Operating Fund (Ohio Rev. Code Ann. §4501.06, §5528.53, §5735.291)

### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Although state law authorizes ODOT to collect tolls (Ohio Rev. Code Ann. §5531.11; 2009 Ohio Laws, H. 2), Ohio’s only currently tolled roads are managed by the Ohio Turnpike and Infrastructure Commission, which is an instrumentality of the state, not a state agency. The turnpike is supported by toll revenues, service concession agreements, a portion of the tax on fuel sold at turnpike gas stations (Ohio Rev. Code Ann. §5735.23), and other sources.
- The Ohio Rail Development Commission is an independent state agency within ODOT (Ohio Rev. Code Ann. §4981.02).
- Automobile registration taxes are allocated entirely to local governments, not for state use (Ohio Rev. Code Ann. §§4501.03 et seq. and §§4503.01 et seq.). Commercial motor vehicle registration taxes, which were previously deposited in part to the Highway Operating Fund and the Highway Obligations Bond Retirement Fund, are now directed to the State Highway Safety Fund as a result of legislation enacted in 2015. After set-asides, the remainder is allocated to local governments (Ohio Rev. Code Ann. §§4501.044 et seq., §4503.02, §4503.042, and §4503.65; [2015 Ohio Laws, H. 53](#)). Consequently, none of these revenues are currently used for the kinds of transportation activities described in this chart.



<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon) and variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of fuel tax revenues from highway users to public highways and bridges, other statutory highway purposes, traffic enforcement, and the hospitalization of indigent people who are injured in highway accidents (Ohio Const. art. XII, §5a).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle-related revenues to public highways and bridges, other statutory highway purposes, traffic enforcement, and the hospitalization of indigent people who are injured in highway accidents (Ohio Const. art. XII, §5a). State statute directs the use of tax revenues attributable to watercraft to the Waterways Safety Fund and the Wildlife Boater Angler Fund (Ohio Rev. Code Ann. §5735.051).
<b>Dedicated or Restricted Transportation Funds</b>	State statute dedicates the Highway Operating Fund, which receives fuel tax revenues, to highway and road purposes. The law also allows the use of some fund revenues to pay the costs of the Department of Public Safety “in administering and enforcing state law relating to the registration and operation of motor vehicles” (Ohio Rev. Code Ann. §5735.27), but the fund is not currently used for this purpose. State statute also dedicates the Rail Development Fund to passenger and freight rail, as well as transit safety (Ohio Rev. Code Ann. §4981.09), and the Airport Assistance Fund, which receives aircraft license taxes and fines, to aviation uses (Ohio Rev. Code Ann. §4561.21). Any project financed by the Highway Capital Improvement Fund, which is supported by bond revenues, must use Ohio products, materials, services, and labor to the extent practicable (Ohio Rev. Code Ann. §5528.53).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•							State capital improvement bonds and state highway capital improvement bonds (“state highway bonds”); generally authorized in state constitution and statute; require further legislative approval; state law caps annual issuances and total outstanding principal (Ohio Const. art. VIII, §2i, §2m; Ohio Rev. Code Ann. §151.01, §151.06)
Build America Bonds		•	•							Issued in 2010
GARVEE bonds	•	•	•							Authorized in state statute (Ohio Rev. Code Ann. §5531.10); most recently issued in 2014
Federal credit assistance: TIFIA		•	•							Active loan(s), used for a highway project
Advance construction		•	•							



State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Federal-aid matching: toll credits ("soft match")		•	•							
Design-build	•	•	•							Authorized for highway and bridge projects; use is capped at \$1 billion per year (Ohio Rev. Code Ann. §5517.011); used for several projects
Public-private partnerships	•	•	•	•	• Pas- senger and freight	•	•			Authorized in statute for various transportation modes (Ohio Rev. Code Ann. §§5501.70 et seq.); used by the state for a road project and a bridge
State infrastructure bank	•	•	•	•	• Pas- senger and freight	•				Separate Federally and state-capitalized accounts; may be used for highway, transit, aviation, and rail projects (Ohio Rev. Code Ann. §5531.09)

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds require legislative approval, and state law limits annual bond issuances and maximum outstanding principal balances for state highway capital improvement bonds ("state highway bonds") and state capital improvement bonds (Ohio Const. art. VIII, §2m; Ohio Rev. Code Ann. §151.01 and §151.06). Design-build contracts are capped at \$1 billion per fiscal year (Ohio Rev. Code Ann. §5517.011).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, with legislative and other approval. Ohio's transportation budget bill routinely allows unspent appropriations at the end of one fiscal year to be legislatively re-appropriated into the next, subject to additional approval from the director of the Office of Budget and Management. After that office gives its approval for unspent appropriations to be re-appropriated (carried forward) to the current year, no further approvals are required for the excess funds to be spent.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	State statute contains low-bid requirements for construction contracts (Ohio Rev. Code Ann. §5525.01) and requires the legislative Controlling Board to waive the use of competitive bidding for state agency purchases or leases that exceed certain amounts (Ohio Rev. Code Ann. §127.16). State statute also caps change order increases on construction contracts (Ohio Rev. Code Ann. §5525.14). Also, although not required, state law allows for contract clauses by which a contractor may propose a project change that, without impairing the project's essential functions and characteristics, saves ODOT time or money. If the proposal is adopted, at least half the resulting savings must go to the contractor (Ohio Rev. Code Ann. §5525.01).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. Ohio's overall state fuel tax is made up of five separate tax levies, each set at its own rate per gallon. Four of these five levies are allocated in part to local entities, according to statutory percentages and formulas. All fuel tax revenues allocated to municipalities are distributed among them by a formula based on vehicle registrations. Revenues allocated to counties are divided among them equally. Some revenues allocated to townships are divided equally, while others are either divided equally or distributed using a formula based on lane miles and vehicle registration, whichever is greater (Ohio Rev. Code Ann. §5735.05 and §5735.23 to §5735.291). Vehicle registration fees are also allocated to local governments by statutory formulas. After set-asides, 34 percent of these funds are returned to the county or municipality where each vehicle was registered, and an additional 47 percent goes to just the county of registration. A further 9 percent is distributed to counties, and 5 percent to townships, by statutory formulas based on road miles. The final 5 percent is divided equally among the counties (Ohio Rev. Code Ann. §4501.04). Revenues from fuel taxes and registration fees must be used for highway purposes, traffic enforcement, or the hospitalization of indigent people who are injured in highway accidents, per constitutional restrictions on transportation revenues (Ohio Const. art. XII, §5a).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties and municipalities to adopt vehicle license taxes and property taxes for road, street, and bridge projects (Ohio Rev. Code Ann. §§4504.01 et seq., §5521.09, §5555.48, §5555.49, §5555.95, and §5705.06). Counties may also levy sales taxes to provide revenues for a transit authority or specific permanent improvements (Ohio Rev. Code Ann. §5739.026). Regional transit authorities may levy property taxes or sales taxes (Ohio Rev. Code Ann. §306.49 and §5739.023). Transportation improvement districts may levy vehicle license taxes or special assessments for road improvements (Ohio Rev. Code Ann. §4504.21 and §5540.031). A rapid transit commission may levy special assessments for parkways and boulevards (Ohio Rev. Code Ann. §747.06).

# OKLAHOMA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	234,129 (193,845 rural, 40,284 urban)
	Bridges	23,049
	Toll facilities	Yes (roads: 595.1 miles)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, ferry boat, demand response
	Urban transit trips in 2013	7.8 million
<b>Rail</b>	Freight rail route miles	3,273
<b>Aviation</b>	Total airports	297
	Public-use airports	136
	Passengers boarded in 2013	3.2 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	6.2 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Oklahoma Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (48 members), House of Representatives (101 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Feb. to May
<b>Legislative Measures Introduced in 2016</b>	2,400 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Appropriations <ul style="list-style-type: none"> <li>Subcommittee on General Government and Transportation</li> </ul> Senate Committee on Transportation           House Committee on Appropriations and Budget <ul style="list-style-type: none"> <li>Subcommittee on Transportation</li> </ul> House Committee on Transportation

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Oklahoma Department of Transportation (ODOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet), ODOT Director, Transportation Commission (independent body). In Oklahoma, the governor is less actively involved with transportation oversight and has chosen to delegate much of the responsibility to ODOT.
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	2,322
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, freight and passenger rail, ports/waterways
<b>Includes DMV?</b>	No. Driver's licensing functions are carried out by the Department of Public Safety. Vehicle registration and titling are carried out by the Motor Vehicle Division, a division of the Oklahoma Tax Commission. Both are funded by their respective appropriations, fees, and fines.
<b>Includes Highway Patrol?</b>	No. The Oklahoma Highway Patrol is a division of the Department of Public Safety. It is funded through appropriations, fees, and fines. Regulation of motor carriers and hazardous materials transportation are generally under the purview of the Oklahoma Corporation Commission and are funded by user fees, permit fees, and fines. Some regulatory functions of motor carriers are undertaken by the Department of Public Safety as well.
<b>Jurisdiction Over Toll Facilities?</b>	No. Oklahoma's only toll facilities are operated by the Oklahoma Turnpike Authority.

## Other

<b>Other State-Level Transportation Entities</b>	Oklahoma Turnpike Authority (corporation/ instrumentality)	The Oklahoma Turnpike Authority is a corporation and instrumentality of the state that builds and operates turnpike projects, but only at locations approved by the Transportation Commission and the Legislature. It receives revenues from tolls and a percentage of turnpike concession sales (Okla. Stat. Ann. tit. 69, §§1701 et seq.).
	Oklahoma Aeronautics Commission (state agency)	The Oklahoma Aeronautics Commission is an independent state agency that oversees and promotes aviation (Okla. Stat. Ann. tit. 3, §84.2). It is funded by state aviation-related fees and taxes and Federal funds.
	Oklahoma Capitol Improvement Authority (corporation/ instrumentality)	Although not a transportation entity per se, the Oklahoma Capitol Improvement Authority exists in part to issue bonds for construction and improvement of the state's highway infrastructure, to be retired by payments made by ODOT. The ODOT director is a statutory member of the authority (Okla. Stat. Ann. tit. 73, §§151 et seq.).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through a dedicated liaison. ODOT's legislative liaison maintains constant contact with members of the Legislature, advances the department's legislative agenda, and responds to legislative requests and inquiries.
<b>DOT Legislative Liaison</b>	Although ODOT's legislative liaison is the main point of contact between the department and the Legislature, both the director and deputy director are quite involved as well.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Okla. Stat. Ann. tit. 3, 47, 66, and 69; portions of Okla. Stat. Ann. tit. 13; portions of Okla. Stat. Ann. tit. 68 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. ODOT regularly provides legislation for consideration. Only legislators, however, can request legislative bill drafts and sponsor and introduce bills.
	Advocacy and Lobbying	ODOT's legislative liaison works to influence relevant legislation.
	Fiscal Notes or Policy Impact Statements for Legislative Use	No role, unless specifically asked by legislative staff.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation is appointed to the governor's cabinet by the governor, with the advice and consent of the Senate (Okla. Stat. Ann. tit. 74, §10.3). The eight members of the Transportation Commission are appointed to staggered eight-year terms by the governor, with the consent of the Senate, and within statutory requirements for geographic representation (Okla. Stat. Ann. tit. 69, §302). The ODOT director is elected by the Transportation Commission (Okla. Stat. Ann. tit. 69, §305).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The secretary of transportation and the members of the Transportation Commission serve at the pleasure of the governor. The ODOT director serves at the pleasure of the Transportation Commission.
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules are reviewed in the Senate by the relevant standing committees and in the House by the Administrative Rules Committee. The role of these committees is mainly advisory. The Legislature must prepare an omnibus joint resolution each session that approves or disapproves all proposed rules. The Legislature can also approve or reject rules by other concurrent or joint resolutions (Okla. Stat. Ann. tit. 75, §§250 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. ODOT is subject to legislative audits conducted by the House Committee on Government Oversight and Accountability. Also, the Legislature is required by statute to conduct annual performance reviews of many state agencies, including ODOT, as part of the budget process (Okla. Stat. Ann. tit. 62, §34.95). The state conducts sunset reviews, but not of ODOT.
<b>Required DOT Reports to the Legislature</b>	ODOT is required to submit annual reports to the Legislature concerning expenditures from state motor fuel tax revenues (Okla. Stat. Ann. tit. 17, §358) and an online mapping system (Okla. Stat. Ann. tit. 69, §1912). ODOT and the Transportation Commission must also submit a progress report as part of the annual budget submission (Okla. Stat. Ann. tit. 69, §4002) and, as requested by the relevant Senate or House appropriations subcommittee, performance analysis reports (Okla. Stat. Ann. tit. 62, §34.95). Each year, ODOT submits performance data that includes the percentage of deficient bridges, miles of two-lane highways without shoulders, and the number of crossover fatalities.
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, state statute requires each Senate and House appropriations subcommittee to establish budget performance measurements for every agency under its jurisdiction (Okla. Stat. Ann. tit. 62, §34.95; this statute also provides for the annual legislative performance reviews and analysis reports listed above).
<b>Other Legislative Oversight Mechanisms</b>	Individual legislators can request interim studies, which must be approved by the chair of the relevant committee. In the 2015 legislative session, for example, interim studies were approved concerning overweight truck routes, state costs to comply with Federal regulations, ODOT eminent domain court cases, public-private partnerships, and driving under the influence. Other oversight mechanisms include legislative requests for information from ODOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. Oklahoma is one of five states in which a legislative entity—in this case, standing committees and subcommittees—produces a comprehensive budget as an alternative to the governor’s proposal.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	No legislative role. Federal transportation funds flow directly to ODOT from the U.S. DOT with no state legislative involvement.
	State Revenues	Legislative appropriation. A portion of fuel tax and vehicle fee revenues flow directly to the State Transportation Fund according to statutory requirements, but the Legislature must authorize ODOT to spend these funds through the annual budget process. The Legislature sets the maximum amount of expenditure per year from the State Transportation Fund for each departmental program or broad spending category. The Legislature also appropriates general fund allocations to the Rebuilding Oklahoma Access and Driver Safety (ROADS) Fund, as authorized in state statute and by the State Board of Equalization (Okla. Stat. Ann. tit. 69, §1521).

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2016 (enacted)	
<b>Authorized Expenditures</b>	Highway	\$1,530,065,136
	County	\$326,123,988
	Transit	\$27,423,297
	Rail	\$56,976,012
	Waterways	\$178,769
	<b>Total</b>	<b>\$1,940,767,202</b>
<b>Revenue Sources</b>	Earmarked revenue	\$586,095,431
	Appropriations	\$184,901,463
	Other revenue	\$94,827,693
	Federal revenue	\$797,341,373
	Prior year carryover	\$313,400,000
	<b>Total</b>	<b>\$1,976,565,960</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	The entire planning process for projects on the highway system is completed within ODOT. MPOs are responsible for projects that are eligible for local surface transportation program funding. ODOT submits the eight-year construction work plan to the Transportation Commission for approval. After the plan is approved, it is delivered to the governor and the Legislature and made publicly available on the ODOT Web site, and projects are begun.
<b>Legislative Role in the Planning Process</b>	Limited legislative role. The Legislature does not approve the construction work plan, and has long avoided directing ODOT about project prioritization. Through the appropriations process and other legislation, the Legislature directs some spending toward public transit, rail, and other transportation modes besides roads and bridges, which influences overall investment priorities. The Legislature must authorize any bond financing in a bill or joint resolution that identifies the specific projects for which the bonds can be used.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•	• Pas-senger and freight		•			Allocated in part to the multimodal State Transportation Fund (Okla. Stat. Ann. tit. 68, §500.4)
Fuel taxes: alternative fuels	•	•	•	•	• Pas-senger and freight		•			Includes taxes on liquefied and compressed natural gas; allocated the same way as gasoline taxes (Okla. Stat. Ann. tit. 68, §500.4, §500.6, §§701 et seq.)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Okla. Stat. Ann. tit. 3, §91; Okla. Stat. Ann. tit. 68, §500.4, §500.6a)
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight		•			Allocated in part to the State Transportation Fund (Okla. Stat. Ann. tit. 47, §1104)
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger and freight		•			Allocated in part to the State Transportation Fund (Okla. Stat. Ann. tit. 47, §1104, §1133)
Oversize/overweight truck permit fees	•	•	•	•	• Pas-senger and freight		•			Allocated in part to the State Transportation Fund (Okla. Stat. Ann. tit. 47, §§14-101 et seq., §1104)
Truck permit fees, other	•	•	•	•	• Pas-senger and freight		•			Includes temporary permit fees; allocated in part to the State Transportation Fund (Okla. Stat. Ann. tit. 47, §1124, §1104)
Aircraft registration fees	•	•				•				Okla. Stat. Ann. tit. 3, §256
Aircraft excise taxes	•	•				•				\$4.5 million is allocated annually to the Oklahoma Aeronautics Commission Revolving Fund (Okla. Stat. Ann. tit. 68, §§6001 et seq.)
Aircraft dealer license fees	•	•				•				In lieu of ad valorem tax on aircraft (Okla. Stat. Ann. tit. 3, §§254 et seq.)
Outdoor advertising revenues	•	•	•							Fees for highway advertising licenses and permits (Okla. Stat. Ann. tit. 69, §1277); deposited to the Highway Construction and Maintenance Fund



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Income taxes	•	•	•	•	• Pas-senger only					Portions allocated to the Rebuilding Oklahoma Access and Driver Safety (ROADS) Fund, the Public Transit Revolving Fund, and the Heartland Flyer rail project (Okla. Stat. Ann. tit. 69, §1521)
Interest income	•	•	•							High Priority State Bridge Revolving Fund (Okla. Stat. Ann. tit. 69, §506)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Oklahoma’s only toll facilities are operated by the Oklahoma Turnpike Authority, which is a corporation and instrumentality of the state, not a state agency (Okla. Stat. Ann. tit. 69, §1703).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation. State statute allocates the state portion of fuel tax revenues to the State Transportation Fund, the High Priority State Bridge Revolving Fund, the Public Transit Revolving Fund, and the Oklahoma Tourism and Passenger Rail Revolving Fund (Okla. Stat. Ann. tit. 68, §500.6 and §500.7), to be used for multimodal transportation purposes. In general, state law restricts the use of the funds into which the revenues are deposited, rather than the revenues themselves.
<b>Restrictions on Other Transportation Revenues</b>	State statute specifies the funds to which various transportation-related revenues are credited. In general, state law restricts the use of the funds into which the revenues are deposited, rather than the revenues themselves..
<b>Dedicated or Restricted Transportation Funds</b>	State statute dedicates the State Transportation Fund, which receives fuel taxes and other revenues, to highways and other transportation uses (Okla. Stat. Ann. tit. 69, §1501.1). The fund is generally used for roads, transit, rail, and waterways. The Legislature annually limits the expenditure authorization from the State Transportation Fund in the general appropriations bill. Funds in excess of the authorization are transferred to the general fund for appropriation to other areas of state or local government. State statute also dedicates the Public Transit Revolving Fund to public transit (Okla. Stat. Ann. tit. 69, §§4031 et seq.), the Oklahoma Tourism and Passenger Rail Revolving Fund to passenger rail (Okla. Stat. Ann. tit. 66, §325), the Rebuilding Oklahoma Access and Driver Safety (ROADS) Fund to highways, roads, and bridges (Okla. Stat. Ann. tit. 69, §1521), and the Oklahoma Aeronautics Commission Revolving Fund, which is funded by aircraft fuel taxes and registration fees, to aviation (Okla. Stat. Ann. tit. 3, §91).
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•							Issued by the Oklahoma Capitol Improvement Authority (see notes) (Okla. Stat. Ann. tit. 69, §2001; Okla. Stat. Ann. tit. 73, §168, §341, §342; 2016 Okla. House Bill 3231)
Build America Bonds		•	•							Issued in 2009 and 2010 by the Oklahoma Capitol Improvement Authority (see notes)
GARVEE bonds	•	•	•							Authorized in state statute (Okla. Stat. Ann. tit. 69, §2001); most recently issued in 2008
Federal credit assistance: TIFIA	•		•		• Passenger and freight					Authorized under state infrastructure bank law (Okla. Stat. Ann. tit. 69, §§403 et seq.) but not currently in use (see notes)
Federal-aid matching: toll credits		•	•							ODOT uses Oklahoma Turnpike Authority turnpike expenditures as the basis for toll credits
Advance construction		•	•							
State infrastructure bank	•		•	•						Authorized in state statute (Okla. Stat. Ann. tit. 69, §§403 et seq.); not currently in use (see notes)

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. For Oklahoma, however, bonds issued by the Oklahoma Capitol Improvement Authority are included because the authority exists in part to issue bonds for state highway infrastructure, and the bonds are retired by payments made to the authority by ODOT. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Oklahoma established a state infrastructure bank in 1996 under the Federal NHS Act pilot program, but it was not capitalized. In 2012, the state statute authorizing the bank was amended to direct the Transportation Commission to pursue Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance and to allow any credit assistance received to be pooled with other funds in the bank (Okla. Stat. Ann. tit. 69, §§403 et seq.; 2012 Okla. Sess. Laws, Chap. 356). As of 2016, these actions have not occurred.

<b>Transportation-Related Bonding</b>	Yes. Bonding is used as a means to finance projects, but such authorizations are approved individually and are not necessarily undertaken every year.
<b>Restrictions on Finance Mechanisms</b>	All bond financing must be authorized by the Legislature in a bill or joint resolution.
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. All appropriations and authorizations are transferred to revolving funds within ODOT, and ODOT is authorized to retain any unspent funds. ODOT cannot, however, make expenditures from the State Transportation Fund beyond the annual limits that are authorized by the Legislature. Rather, any excess funds in the State Transportation Fund must be re-appropriated to be spent. Funds transferred to other agency revolving funds are not generally subject to fiscal year limitations.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	Although state law exempts ODOT construction projects (including aesthetic elements) from the Oklahoma Central Purchasing Act (Okla. Stat. Ann. tit. 74, §85.12), statutes specific to construction do include low-bid requirements (Okla. Stat. Ann. tit. 74, §103). State statute also limits change order increases on construction contracts (Okla. Stat. Ann. tit. 61, §121).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory and DOT formulas. Cities and towns receive 1.875 percent of state gasoline taxes for street projects, which is distributed among them by a statutory formula based on population. Apportionments to counties for road projects include 30.125 percent of state gasoline taxes and 30.43 percent of state diesel taxes, which are distributed among them by two statutory formulas based on road miles, total and rural population, and area, plus an ODOT formula (sometimes called the "county road" factor) that takes terrain and traffic volume into account. Further percentages of gasoline and diesel taxes are distributed to counties for deposit into each county's County Bridge and Road Improvement Fund, as well as to the Statewide Circuit Engineering District Revolving Fund (Okla. Stat. Ann. tit. 68, §500.6 and §500.7). Counties also receive portions of vehicle registration fees and taxes on special fuels (Okla. Stat. Ann. tit. 68, §704 and §§707.1 et seq.; Okla. Stat. Ann. tit. 47, §1104). Percentages of state gross production taxes on oil, gas, asphalt, and ores also go to counties for road projects. Most of these revenues are allocated based on each county's share of production value in the corresponding month of the preceding year. The rest use the ODOT "county road" factor (Okla. Stat. Ann. tit. 68, §1004).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes rural road improvement districts to levy property taxes for rural roads (Okla. Stat. Ann. tit. 19, §902.15 and §902.16). Counties may adopt sales taxes for a designated purpose, which can include capital improvements or roads (Okla. Stat. Ann. tit. 68, §1370). Transportation authorities may also adopt sales taxes (Okla. Stat. Ann. tit. 68, §1370.7). Municipalities may charge development fees to pay for development-related capital improvements (Okla. Stat. Ann. tit. 62, §895).

# OREGON

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	150,973 (118,690 rural, 32,283 urban)
	Bridges	8,037
	Toll facilities	Yes (bridges: 2)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, light rail, streetcar, vanpool, demand response
	Urban transit trips in 2013	124.6 million
<b>Rail</b>	Freight rail route miles	2,396
<b>Aviation</b>	Total airports	323
	Public-use airports	97
	Passengers boarded in 2013	8.5 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	32.1 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Oregon Legislative Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (30 members), House of Representatives (60 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Feb. to July (odd years), Feb. to Mar. (even years)
<b>Legislative Measures Introduced in 2016</b>	283
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	<ul style="list-style-type: none"> <li>Senate Committee on Business and Transportation</li> <li>Senate Committee on Finance and Revenue</li> <li>House Committee on Revenue</li> <li>House Committee on Transportation and Economic Development</li> <li>Joint Committee on Ways and Means <ul style="list-style-type: none"> <li>Subcommittee on Transportation and Economic Development</li> </ul> </li> <li>[Interim] Senate Interim Committee on Business and Transportation</li> <li>[Interim] Senate Interim Committee on Finance and Revenue</li> <li>[Interim] House Interim Committee on Revenue</li> <li>[Interim] House Interim Committee on Transportation and Economic Development</li> <li>[Interim] Joint Emergency Board <ul style="list-style-type: none"> <li>Interim Subcommittee on Transportation and Economic Development</li> </ul> </li> <li>[Interim] Joint Interim Committee on Transportation Preservation and Modernization</li> <li>[Interim] Joint Interim Committee on Ways and Means <ul style="list-style-type: none"> <li>Subcommittee on Transportation and Economic Development</li> </ul> </li> </ul>

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	Oregon Department of Transportation (ODOT)
<b>Structure</b>	Organized by both functional activity and transportation mode. Some of ODOT’s divisions are dedicated to functional activities, and others are dedicated to specific transportation modes (highways, public transit, and rail).
<b>Leadership</b>	Director of Transportation (does not serve on governor’s cabinet; Oregon has no formal cabinet system), Oregon Transportation Commission (independent body). In Oregon, the governor employs a liaison who maintains active communication with ODOT about transportation issues.
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	4,441
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, pedestrian/bicycle
<b>Includes DMV?</b>	Yes. The Driver and Motor Vehicle Services Division is a division of ODOT. It is funded by the State Highway Fund as part of ODOT’s budget.
<b>Includes Highway Patrol?</b>	No. The Oregon State Police, an independent state agency, carries out highway patrol functions. It is funded by any fund other than the State Highway Fund, usually by general funds and other sources. It is not funded out of ODOT’s budget, except for reimbursements from ODOT for acting as weighmasters.
<b>Jurisdiction Over Toll Facilities?</b>	No. The only toll facilities in Oregon are two bridges over the Columbia River to Washington, neither of which is state-operated. State statute grants the authority to approve new toll proposals and rulemaking authority for toll collection systems and photo enforcement to the Oregon Transportation Commission, not ODOT (Or. Rev. Stat. §383.004 and §383.014).

### Other

<b>Other State-Level Transportation Entities</b>	Oregon Department of Aviation (state agency)	The Oregon Department of Aviation is a separate state agency (Or. Rev. Stat. §§835.100 et seq.). It is funded by aviation-related revenues.
	Oregon State Marine Board (state agency)	The Oregon State Marine Board is a separate state agency that oversees recreational boating (Or. Rev. Stat. §§830.100 et seq.). It is funded by boat registration fees, fuel taxes from boating, and Federal grants.

### Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. ODOT’s Government Relations Section guides the department’s participation in state legislative efforts. This includes doing fiscal and policy analyses of transportation-related legislation, coordinating regular ODOT testimony before legislative committees, and sometimes providing technical support to legislative offices for bill and amendment drafting. Regular communication takes place between legislative leadership and the chairs of relevant legislative committees (on the legislative side) and the ODOT director’s office and government relations staff (on the department side).
<b>DOT Legislative Liaison</b>	The legislative liaison in ODOT’s Government Relations Section is the main point of contact between the department and the Legislative Assembly.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Or. Rev. Stat. §§184.610 et seq.; Or. Rev. Stat. tit. 31 and 58 to 62; portions of Or. Rev. Stat. tit. 57; Or. Const. art. XI, §7 (bonding); Or. Const. art. IX, §3a (revenue restrictions); portions of Or. Rev. Stat. tit. 29 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. ODOT and other executive agencies submit proposed legislative measures through the governor's office. By law, the governor must approve all state agency proposals. The Legislative Counsel may draft these bills, and the governor introduces them (Or. Rev. Stat. §171.130, §171.133, and §173.130). ODOT agency bills are introduced at the beginning of every session.
	Advocacy and Lobbying	ODOT has registered lobbyists within the agency that focus on providing neutral, factual information to the Legislative Assembly about policy implications, fiscal impacts, revenue projections, and agency operations. Support and opposition for legislation is directed by the office of the governor.
	Fiscal Notes or Policy Impact Statements for Legislative Use	ODOT provides information to the Legislative Fiscal Office and the Legislative Revenue Office, which develop fiscal and revenue impact statements for proposed bills.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The five members of the Oregon Transportation Commission are appointed to four-year terms by the governor, subject to confirmation by the Senate and within statutory requirements for geographic representation and partisan balance (Or. Rev. Stat. §184.612; Or. Const. art. III, §4). The director of transportation is appointed by the governor, subject to confirmation by the Senate (Or. Rev. Stat. §184.620).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The director of transportation holds office at the pleasure of the governor. No process is specified for removing members of the Oregon Transportation Commission before the end of their respective terms of office.
<b>Legislative Review of Administrative Rules</b>	Yes. The Office of Legislative Counsel reviews all new rules and rule amendments. The role of the office is mainly advisory, and its determinations are submitted to the relevant interim committees. Either the Office of Legislative Counsel or the Joint Committee on Legislative Counsel may review any other rule (Or. Rev. Stat. §§183.710 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Neither. Audits are generally conducted by the Office of the Secretary of State, which is not a legislative entity. Oregon does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	ODOT is required to submit reports every other year to the Legislative Assembly concerning audits of the department (Or. Rev. Stat. §184.649), highway construction workforce diversity (Or. Rev. Stat. §184.866), use of photo radar in highway work zones (Or. Rev. Stat. §810.441), and flat fee adjustments for trucks carrying certain commodities (Or. Rev. Stat. §825.482). The department must report quarterly on passenger rail performance (Or. Rev. Stat. §824.410) and make regular reports about hazardous materials transportation (Or. Rev. Stat. §453.825). The Oregon Transportation Commission must submit a report every other year about emerging small business assistance (Or. Rev. Stat. §200.160). ODOT must also submit an Annual Performance Progress Report, a quarterly report on revenues resulting from the Jobs and Transportation Act of 2009 (per 2010 Or. Laws, Chap. 30), and a number of other one-time or ongoing reports.



### Legislative Role in DOT Performance Management

In addition to the reporting requirements listed above, state statute requires state agencies to develop and use performance measures, and to review them with the appropriate legislative committee every other year (Or. Rev. Stat. §291.110). ODOT proposes its biennial performance measures and targets in the documentation it submits to the Department of Administrative Services and the Legislative Fiscal Office as part of the budget process. The Legislative Assembly approves, denies, or modifies these proposed measures. Once the measures are approved, they are reported upon until eliminated or modified by the Legislative Assembly. ODOT reports to the Legislative Assembly on its progress through testimony before legislative committees and in formal reports (including the Annual Performance Progress Report listed above).

### Other Legislative Oversight Mechanisms

Although the Legislative Assembly does not itself conduct audits, ODOT is required to appear before the Joint Committee on Legislative Audits at least once every two years to report on internal audits and Federal audits of the department (Or. Rev. Stat. §184.649). Also, between legislative sessions, legislative leaders appoint members to interim committees and assign them topics to study, which can include transportation-related topics. In addition, legislative leadership and chairs of relevant committees occasionally request background information from ODOT about its programs, procedures, and past legislation. Individual legislators may also request information from ODOT.

### Resources Provided to DOT to Support Compliance with Oversight Requirements?

Yes. Funds have been allocated to ODOT to support its compliance with legislative oversight requirements.

## Transportation Funding and Finance

### Budgeting and Appropriations

#### Budgeting and Appropriations Overview

Biennial enactment of one 24-month budget; fiscal year begins July 1. ODOT prepares a two-year budget request, which is approved by the Oregon Transportation Commission, then by the governor. The governor submits the proposed ODOT budget to the Legislative Assembly for approval. The proposed budget must include expenditures for each program or item specifically listed in the previously enacted budget bill (Or. Rev. Stat. §184.656). The Legislative Assembly modifies the budget based on legislative priorities and adopts it as an appropriations bill, subject to the governor's approval or veto.

#### Allocation of Transportation Revenues to the DOT

Federal Revenues	Legislative appropriation and application approval. Federal formula funds for transportation flow directly to ODOT from the U.S. DOT with no state legislative involvement. However, ODOT is subject to an expenditure limit on those funds that is set by the Legislative Assembly as part of the biennial appropriations bill. Legislative approval also is required for ODOT to apply for non-formula Federal grants (Or. Rev. Stat. §291.375).
State Revenues	Legislative appropriation. As with Federal funds, state transportation funds flow directly from the revenue source to ODOT but are subject to the biennial expenditure limit. Some state funds are appropriated to specific projects in special legislation.



## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, 2015–17 fiscal biennium ( <a href="#">enacted</a> )	
<b>Authorized Expenditures (2015–17 biennium total)</b>	Non-limited programs	\$18,158,214
	Capital improvement and construction	\$52,438,165
	Highways	\$2,040,568,172
	Driver and motor vehicles services	\$209,397,660
	Motor carrier transportation	\$65,423,763
	Transportation program development	\$177,379,941
	Public transit	\$95,572,166
	Rail	\$77,916,495
	Transportation safety	\$36,297,561
	Debt service	\$580,538,676
	Central services	\$207,455,609
	<b>Total</b>	<b>\$3,561,146,422</b>
<b>Revenue Sources (2015–17 biennium total)</b>	General fund	\$27,827,995
	Lottery funds	\$107,484,140
	Other funds	\$3,294,101,872
	Federal funds	\$131,732,415
	<b>Total</b>	<b>\$3,561,146,422</b>

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	The Oregon Transportation Commission selects projects for the four-year Statewide Transportation Improvement Program (STIP). ODOT's primary responsibility in the process is to provide staff support for the commission. Other entities that participate in the STIP process include ODOT divisions and regions, Area Commissions on Transportation, the Oregon Freight Advisory Committee, tribal and local governments, MPOs, and transportation management areas. ODOT prepares, publishes, and presents the draft STIP for review and comment in public hearings across the state. ODOT also staffs some of the Area Commissions on Transportation that organize stakeholder input for regional transportation planning.
<b>Legislative Role in the Planning Process</b>	Moderate legislative role. The Legislative Assembly does not approve the STIP, but does modify and approve the two-year budget for transportation projects. The Legislative Assembly has at times enacted separate legislation that identified and provided revenues for specific multimodal or highway projects.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•					•		Allocated to the State Highway Fund (Or. Rev. Stat. §319.020, §366.505)
Fuel taxes: alternative fuels	•	•	•					•		Includes taxes on all alternative fuels, including liquefied petroleum gas and compressed natural gas; allocated to the State Highway Fund (Or. Rev. Stat. §319.020, §366.505)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Or. Rev. Stat. §319.020, §319.410, §319.417; 2015 Or. Laws, Chap. 700)
Fuel taxes: boat operation	•	•					•			Allocated to boating purposes; used by the State Marine Board (Or. Rev. Stat. §319.415, §830.140)
Unclaimed motor fuel tax refunds	•	•		•						Allocated to the Department of Transportation Operating Fund; allowable uses include public transit (Or. Rev. Stat. §184.642)
Vehicle registration and title fees	•	•	•					•		Allocated to the State Highway Fund (Or. Rev. Stat. §366.505, §803.090, §803.420 et seq.)
Special fees on some hybrid and electric vehicles	•	•	•					•		Additional fee for electric and hybrid vehicles in certain weight categories; allocated to the State Highway Fund (Or. Rev. Stat. §366.505, §803.420)
Truck registration fees (based on gross vehicle weight)	•	•	•					•		Allocated to the State Highway Fund (Or. Rev. Stat. §366.505, §803.420)
Weight-distance taxes (trucks)	•	•	•					•		“Weight-mile tax”; allocated to the State Highway Fund (Or. Rev. Stat. §366.505, §825.474)
Oversize/overweight truck permit fees	•	•	•							Or. Rev. Stat. §818.220; use is constitutionally restricted (Or. Const. art. IX, §3a); deposited to the State Highway Fund
Truck permit fees: other	•	•	•							Includes fees for temporary passes and other permits; allocated to the Motor Carrier Account, the balance of which is transferred monthly to the State Highway Fund (Or. Rev. Stat. §825.180, §825.454, §825.470, §825.326, §825.328)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Road usage charges	•	•	•					•		Mileage-based fees; authorized for up to 5,000 vehicles; allocated to the State Highway Fund (Or. Rev. Stat. §§319.883 et seq., §366.505; 2013 Or. Laws, Chap. 781)
Custom license plate fees	•	•			• Pas-senger only					Or. Rev. Stat. §802.100, §802.110, §805.205, §805.222, §805.240
Rest area sponsorship			•							Authorized in state administrative code, not statute; not currently in use; revenues may be used for rest areas only (Or. Admin. Code §§734-031-0001 et seq.)
Driver's license fees	•	•	•					•		Or. Rev. Stat. §807.370; use is constitutionally restricted (Or. Const. art. IX, §3a); allocated to the State Highway Fund
State ID card fees	•	•		•						Allocated to transit for older adults and people with disabilities (Or. Rev. Stat. §184.642, §807.410)
Airport facilities leases	•	•				•				Or. Rev. Stat. §§836.010 et seq.
Aircraft registration fees	•	•				•				Or. Rev. Stat. §§837.040 et seq.
Railroad fees	•	•			• Pas-senger and freight					Fees paid on gross operating revenues (Or. Rev. Stat. §824.010)
Cigarette taxes	•	•		•						3.45 percent allocated to transit for older adults and people with disabilities (Or. Rev. Stat. §323.455)
Property leases or sales	•	•	•					•		Deposited to the State Highway Fund or other special funds (Or. Rev. Stat. §366.395)
General funds		•	•	•	• Pas-senger only					Legislative appropriations for debt service, transit, and passenger rail
Interest income	•	•	•	•	• Pas-senger and freight	•	•	•		State Highway Fund, Connect Oregon Fund, Department of Transportation Operating Fund (Or. Rev. Stat. §184.642, §366.505, §367.080)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is

specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- The only toll facilities in Oregon are two bridges that are not state-operated.
- Lottery revenues are used to support Connect Oregon bonds (Or. Rev. Stat. §§367.080 et seq.).
- The state administers local payroll and self-employment taxes for the Tri-County Metropolitan Transportation District (TriMet) and the Lane County Mass Transit District, as authorized by state law (Or. Rev. Stat. §§267.360 et seq. and §267.615). Although state-administered, these are local taxes.
- Pilot license fees are used for air search and rescue (Or. Rev. Stat. §837.035), maritime pilot license fees by the Oregon Board of Maritime Pilots (Or. Rev. Stat. §776.355), and rail safety fees for the state rail safety oversight program (Or. Rev. Stat. §824.045). None of these revenue sources are used for the kinds of transportation activities described in this chart.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of fuel taxes from non-commercial motor vehicles, not including recreational vehicles and snowmobiles, to road uses including roadside rest areas and bond repayment (Or. Const. art. IX, §3a).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle-related revenues from non-commercial motor vehicles, not including recreational vehicles and snowmobiles, to road uses including roadside rest areas and bond repayment. Taxes on recreational vehicles and snowmobiles may, however, be used for parks and recreation areas, and taxes on commercial vehicles may be used for the enforcement of commercial vehicle regulations (Or. Const. art. IX, §3a). Aviation fuel taxes are directed to the State Aviation Account for aviation purposes (Or. Rev. Stat. §319.417) and fuel taxes derived from boats are directed to the Boating Safety, Law Enforcement, and Facility Account (Or. Rev. Stat. §319.415 and §830.140).
<b>Dedicated or Restricted Transportation Funds</b>	State statute establishes the State Highway Fund as a trust fund that receives fuel taxes and other highway-dedicated revenues, and requires it to be used for purposes authorized by law (Or. Rev. Stat. §366.505). The fund may be used for footpaths and bicycle trails as a part of highway, road, and street purposes (Or. Rev. Stat. §366.514). The Connect Oregon Fund, which is supported by lottery-backed revenue bonds, is dedicated to transit, rail, marine, aviation, and bicycle and pedestrian capital projects that cannot be funded by constitutionally restricted highway revenues (Or. Rev. Stat. §§367.080 et seq.). The Department of Transportation Operating Fund, funded by non-restricted fuel taxes and other revenues, must be used for non-highway ODOT activities (Or. Rev. Stat. §184.642). Other dedicated funds established in state statute include the Public Transit Account (Or. Rev. Stat. §184.691), the State Aviation Account (Or. Rev. Stat. §319.417), the Passenger Rail Transportation Account (Or. Rev. Stat. §802.100), and the Boating Safety, Law Enforcement, and Facility Account (Or. Rev. Stat. §319.415 and §830.140).
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•							Generally authorized by the constitution for road uses (Or. Const. art. XI, §7); requires further legislative approval (Or. Rev. Stat. §286A.035); specific bonds authorized in 2015 by session law (2015 Or. Laws, Chap. 685)
Revenue bonds	•	•	•	•	• Pas-senger and freight	•	•			Includes Connect Oregon bonds (backed by lottery revenues; Or. Rev. Stat. §§367.080 et seq.) and Highway User Tax Bonds (Or. Rev. Stat. §367.615, §367.620)
Build Amer-ica Bonds		•	•							Issued in 2010
GARVEE bonds	•		•							Authorized in statute (Or. Rev. Stat. §§367.161 et seq.); not issued
Federal credit assistance: TIFIA	•		•	•	• Pas-senger and freight		•			Authorized in state statute for public-private partnerships; not restricted by mode (Or. Rev. Stat. §367.812); not currently in use
Advance construction		•	•							
Federal-aid matching: tapered match		•	•							
Design-build	•	•	•	•	• Pas-senger and freight	•	•	•		Design-build is specifically authorized for tollways (Or. Rev. Stat. §383.005); alternative contracting is generally authorized for ODOT projects in any mode, under certain conditions (Or. Rev. Stat. §279C.335); used for road and bridge projects
Public-private partnerships	•		•	•	• Pas-senger and freight	•	•	•		Authorized in statute for transportation projects in any mode (Or. Rev. Stat. §§367.800 et seq., §§383.001 et seq.) ( See notes regarding use)
State infra-structure bank	•	•	•	•	• Pas-senger and freight	•	•	•		Oregon Transportation Infra-structure Bank; capitalized with state and Federal funds; may be used for highway, transit, rail, aviation, bicycle, and pedestrian projects (Or. Rev. Stat. §367.015)

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- ODOT is currently involved in public-private partnerships related to placing solar arrays near highways, developing electric vehicle charging stations, and collecting road usage charges. No public-private partnerships are currently being used to finance transportation assets of the kind described in this chart.

<b>Transportation-Related Bonding</b>	Yes. Bonding, which historically had been low in Oregon, was substantially increased by three bonding programs passed in 2001, 2002, and 2003, known collectively as the Oregon Transportation Improvement Act. The Jobs and Transportation Act of 2009 (2009 Or. Laws, Chap. 865) provided an additional \$940 million in bonding authority. Bond revenues now supply most of the state funds available for highways.
<b>Restrictions on Finance Mechanisms</b>	All bond financing must be legislatively approved.
<b>Finance Mechanisms Prohibited in State Law</b>	None.

**Other State Funding and Finance Issues**

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, for some funds, with legislative approval. Other than general funds, ODOT retains all unspent highway funds at the end of the biennial budget cycle, but they must be re-appropriated to be spent. These funds are included in the ODOT ending balance that serves as a beginning balance for the next biennial budget. Excess general funds are reverted to the general state ending balance for reallocation by the Legislative Assembly. ODOT cannot spend any funds in excess of its biennial expenditure limit without legislative approval.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes, in some cases. In general, ODOT must seek approval from the Oregon Transportation Commission, not the Legislative Assembly, to move funds between projects. In certain cases where the Legislative Assembly has allocated funds to specific projects, however, allocations cannot be changed except by further legislative action.
<b>Legislative Actions to Control DOT Costs</b>	State laws address the procurement of services, goods, and public improvements. Before procuring services with a contract price over \$250,000, an agency must show in writing that procurement will cost less than performing the services in-house, or that performing the services in-house is not feasible (Or. Rev. Stat. §279B.030). For a contract over \$150,000 for services or goods, an agency must seek approval to use an approach other than competitive bidding, and the alternative method must result in cost savings or other public benefits (Or. Rev. Stat. §279B.085). If a public improvement project over \$125,000 is to be completed in-house, the agency must conduct cost estimates and show that this approach is more cost-effective (Or. Rev. Stat. §279C.305). Competitive bidding must be used for public improvement contracts, but the director of transportation may exempt transportation projects from the requirement if an alternative method results in cost savings or other public benefits (Or. Rev. Stat. §279C.335). After completing a public improvement project over \$100,000 for which competitive bidding was not used, the contracting agency must evaluate the project, including a comparison of actual project costs with the original cost estimates (Or. Rev. Stat. §279C.355).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas, legislation appropriation, and grants. For road and street projects, counties and cities receive state revenues from several revenue streams according to different distribution formulas. First, after set-asides, counties receive 24.38 percent, and cities 15.57 percent, from the “base,” which includes state fuel taxes and a number of other taxes and fees (Or. Rev. Stat. §366.739). The “base,” however, does not include increases that were enacted in 2001 and 2003 by the Oregon Transportation Investment Acts (2001 Or. Laws, Chap. 669; 2003 Or. Laws, Chap. 618) or by the Jobs and Transportation Act of 2009 (2009 Or. Laws, Chap. 865). The revenues attributable to these increases are tracked separately and allocated in part to counties and cities according to their own distribution formulas (Or. Rev. Stat. §§366.744 et seq.). Allocations to counties, both from the “base” and the later increases, are distributed among them by a statutory formula based on vehicle registrations, except for \$750,000 each year that goes to counties that received less than \$4,500 per county highway mile in state and Federal funds the year before (Or. Rev. Stat. §§366.762 et seq.). Revenues allocated to cities are distributed among them by a statutory formula based on population, except for \$500,000 that ODOT awards to small cities through a discretionary grant program (Or. Rev. Stat. §§366.785 et seq.). In addition, the state Financial Assistance to Municipalities program awards grants to local entities for airport projects (Or. Rev. Stat. §836.015) and some state funds are allocated to local entities through legislative appropriations.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties and local governments to assess local motor fuel taxes, vehicle registration fees, and property taxes for various transportation purposes (Or. Rev. Stat. §267.001, §267.305, §267.310, §267.615, §267.620, §319.950, §368.705, §370.180, and §§801.041 et seq.). Property taxes may also be levied by county and special road districts (Or. Rev. Stat. §371.065 and §371.336), by cities and counties for capital projects (Or. Rev. Stat. §280.060), and by county service districts for service facilities, including public transit or roads (Or. Rev. Stat. §451.540). Transit or transportation districts may impose income, payroll, and self-employment taxes, as well as business license fees (Or. Rev. Stat. §§267.360 et seq. and §267.615). The state administers the local payroll and self-employment taxes for the Tri-County Metropolitan Transportation District (TriMet) and the Lane County Mass Transit District. The Portland area’s regional government, Metro (previously the Metropolitan Services District), is also authorized to collect various taxes to support its operations, including transportation services (Or. Rev. Stat. §§268.500 et seq.). Local governments may charge developers “system development charges” to pay for development-related capital improvements (Or. Rev. Stat. §§223.297 et seq.).



# PENNSYLVANIA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	250,380 (151,751 rural, 98,629 urban)
	Bridges	22,778
	Toll facilities	Yes (roads: 596.7 miles; bridges: 15)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, heavy rail, light rail, commuter rail, inclined plane, streetcar, vanpool, demand response
	Urban transit trips in 2013	461.1 million
<b>Rail</b>	Freight rail route miles	5,151
<b>Aviation</b>	Total airports	666
	Public-use airports	130
	Passengers boarded in 2013	20.1 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	65.0 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Pennsylvania General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (50 members), House of Representatives (203 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	1,700 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation House Committee on Transportation <ul style="list-style-type: none"> <li>• Subcommittee on Aviation</li> <li>• Subcommittee on Highways</li> <li>• Subcommittee on Public Transportation</li> <li>• Subcommittee on Railroads</li> <li>• Subcommittee on Transportation Safety</li> </ul>

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Pennsylvania Department of Transportation (PennDOT)
<b>Structure</b>	Organized by both functional activity and transportation mode. PennDOT is organized into five main areas known as “deputates,” one of which is dedicated to highway administration and another to multimodal transportation.
<b>Leadership</b>	Secretary of Transportation (serves on governor’s cabinet), State Transportation Commission (independent body). In Pennsylvania, the governor employs a liaison who maintains active communication with PennDOT about transportation issues.
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	11,370
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	Yes. Pennsylvania’s Driver and Vehicle Services are a part of PennDOT and are therefore funded completely through the department’s budget, mainly through the state Motor License Fund.
<b>Includes Highway Patrol?</b>	No. The Pennsylvania State Police, an independent state agency, carries out highway patrol functions. Although the agency is not funded directly out of PennDOT’s budget, a portion of its funding is from the state’s Motor License Fund, which then influences PennDOT’s budget. The remainder of its budget comes out of the state general fund.
<b>Jurisdiction Over Toll Facilities?</b>	No.

## Other

<b>Other State-Level Transportation Entities</b>	Pennsylvania Turnpike Commission (instrumentality)	The Pennsylvania Turnpike Commission, an instrumentality of the state, operates the turnpike and its extensions. It is funded by toll revenues. The secretary of transportation serves as an ex officio member of the the authority (Pa. Stat. Ann. tit. 36, §652d; Pa. Cons. Stat. Ann. tit. 74, §8105).
	Delaware River Port Authority (bi-state corporation/ instrumentality)	The Delaware River Port Authority is a bi-state public corporate instrumentality (Pa. Stat. Ann. tit. 36, §§3503 et seq.) that oversees four bridges and a transit system between New Jersey and Pennsylvania.
	Delaware River Joint Toll Bridge Commission (bi-state corporation/ instrumentality)	The Delaware River Joint Toll Bridge Commission is a bi-state public corporate instrumentality (Pa. Stat. Ann. tit. 36, §§3401.1 et seq.) that oversees 20 toll and toll-supported bridges between New Jersey and Pennsylvania. It is funded by toll revenues.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, extensive. The House and Senate transportation committees interact regularly with PennDOT officials and staff, including sharing their committee agendas and maintaining an open line of communication. PennDOT provides office staff to help legislators with driver licensing and motor vehicle issues. PennDOT’s dedicated Office of Legislative Affairs is responsible for ongoing communication and interaction with the General Assembly.
<b>DOT Legislative Liaison</b>	Staff in PennDOT’s Office of Legislative Affairs, including the legislative liaison, serve as the main point of contact between the department and the General Assembly.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Pa. Stat. Ann. tit. 71, §§511 et seq.; Pa. Stat. Ann. tit. 2, 36, 55, and 67; Pa. Cons. Stat. Ann. tit. 74 and 75; portions of Pa. Cons. Stat. Ann. tit. 66; Pa. Const. art. VIII, §11 (revenue restrictions); portions of Pa. Stat. Ann. tit. 72 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. Pennsylvania executive agencies may request legislative bill drafts, but only legislators can formally sponsor and introduce legislation.
	Advocacy and Lobbying	PennDOT does engage in advocacy concerning proposed legislation that affects the department.
	Fiscal Notes or Policy Impact Statements for Legislative Use	The Senate and House appropriations committees are the legislative entity responsible for preparing fiscal notes. The governor's Office of the Budget also develops fiscal notes for use by the governor's office, the General Assembly, and the public. In addition, PennDOT prepares its own fiscal notes for proposed bills that affect the department, which are shared with the legislative committees in which the bills are committed.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	Of the State Transportation Commission's 15 members, four are the chairs and minority chairs of the House and Senate transportation committees or their designees, who serve ex officio, and the fifth is the secretary of transportation, who acts as chair. The other 10 members are appointed to six-year terms by the governor, with the advice and consent of the Senate and within statutory requirements for geographic representation and partisan balance. All members serve the state at large. At least one appointee must hold a pilot's license and be actively involved in aviation, and at least two must be members of the board of a transportation authority. All members must be "reputable citizens ... of mature judgment and broad business experience." No member may hold any other state employment or have specified conflicts of interest (Pa. Stat. Ann. tit. 71, §178). The secretary of transportation is appointed by the governor, with the advice and consent of the Senate (Pa. Stat. Ann. tit. 71, §67.1).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The governor may remove a member of the State Transportation Commission who misses three consecutive regularly scheduled meetings without cause. The secretary of transportation may be removed at the pleasure of the governor (Pa. Const. art. VI, §7).
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules are reviewed by the relevant standing committees. A committee may suspend a proposed rule for 14 days, during which time it may introduce a concurrent resolution to disapprove the rule. Otherwise, the rule is automatically approved. The committees may also review existing rules (Pa. Stat. Ann. tit. 71, §§745.1 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. PennDOT is subject to audits conducted by the Legislative Budget and Finance Committee. Pennsylvania does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	PennDOT is required to submit annual reports to the General Assembly concerning testing of recycled materials (Pa. Stat. Ann. tit. 53, §4000.1506), diverse business participation (Pa. Cons. Stat. Ann. tit. 74, §303), public transit (Pa. Cons. Stat. Ann. tit. 74, §1511), and driving under the influence (Pa. Cons. Stat. Ann. tit. 75, §3817). Every five years, PennDOT must submit a report concerning special license plates (Pa. Cons. Stat. Ann. tit. 75, §1370).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, the General Assembly may at any time request legislative hearings on PennDOT's budget and goals. Also, the secretary of transportation meets quarterly with the four chairs of the Senate and House transportation committees.

<b>Other Legislative Oversight Mechanisms</b>	Four legislative leaders serve on the State Transportation Commission by virtue of their office. This commission provides greater oversight of PennDOT than any other legislative body and creates a venue for an unusually direct interaction between the legislature and the DOT concerning transportation matters. The General Assembly may also review audits of PennDOT conducted by the non-legislative Auditor General. Other oversight mechanisms include legislative requests for information from PennDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Partial legislative appropriation. Federal highway funds flow directly to PennDOT from the U.S. DOT, and state statute authorizes PennDOT to spend them without further legislative appropriation (Pa. Stat. Ann. tit. 36, §670-1005). Federal aviation funds also do not need to be further appropriated. Federal funds for public transit are legislatively appropriated to departmental programs or broad spending categories.
	State Revenues	Partial legislative appropriation. Some state transportation funds flow directly to PennDOT from the revenue source by statutory formula. Others are appropriated in the annual budget bill.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 (approved) (see note)	
<b>Authorized Expenditures</b>	Transportation support services	\$62,872,000
	Highways and bridges	\$4,760,378,000
	Local highway and bridge assistance	\$907,449,000
	Multimodal transportation	\$1,986,423,000
	Driver and vehicle services	\$213,032,000
	<b>Total</b>	<b>\$7,930,154,000</b>
<b>Revenue Sources</b>	General fund	\$6,114,000
	Special funds	\$2,039,973,000
	Federal funds	\$1,942,821,000
	Other funds	\$3,941,246,000
	<b>Total</b>	<b>\$7,930,154,000</b>

**Note:** The numbers in this chart are drawn from a summary of the governor's proposed PennDOT budget for FY 2017, which includes legislative appropriations that were made in the most recent annual budget bill as well as executive spending authorizations. Compared to the proposed budget, the final approved budget (for which a summary was not yet available as of Sept. 1, 2016) increased to a total of \$7,949,748,000. This increase was due to revenue receipts, carry forwards, and lapses, not as a result of any major legislative actions.

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

Every two years, PennDOT prepares and submits to the State Transportation Commission a multimodal Twelve-Year Transportation Program, including anticipated schedules and costs. Projects are identified by diverse stakeholders, then prioritized by MPOs, rural planning organizations, and county planning agencies in collaboration with PennDOT. The program is approved by the State Transportation Commission.

### Legislative Role in the Planning Process

Substantial legislative role. The main conduit for legislative involvement is through the State Transportation Commission. The commission, which reviews and approves the Twelve-Year Transportation Program, includes four legislative leaders who serve ex officio. In addition, legislators may provide testimony for specific projects during the update of the Twelve-Year Transportation Program. On occasion, legislators are appointed to MPO and rural planning organization boards.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (variable rate—percentage of price)	•	•	•							Use is restricted to roads (see notes). In 2014, the oil company franchise tax, which is adjusted annually based on wholesale price, replaced fixed-rate taxes; as of Jan. 1, 2017, the price floor is \$2.99/gallon and there is no ceiling (Pa. Cons. Stat. Ann. tit. 75, §9002, §9004, §9502, §9603; 2013 Pa. Laws, Act 89)
Fuel taxes: alternative fuels (variable rate—percentage of price)	•	•	•							Includes taxes on liquefied and compressed natural gas, liquefied petroleum gas, electricity, and other fuels; assessed on a gallon equivalent basis; use is restricted to roads (Pa. Cons. Stat. Ann. tit. 75, §9002, §9004)
Fuel taxes: aviation fuels (variable rate—indexed)	•	•				•				Includes taxes on aviation gasoline and jet fuel; an additional tax is annually indexed to the Producer Price Index for Jet Fuel (Pa. Cons. Stat. Ann. tit. 74, §6121, §6131; Pa. Cons. Stat. Ann. tit. 75, §9004)
Vehicle registration fees (indexed)	•	•	•							Indexed every other year to the Consumer Price Index (Pa. Cons. Stat. Ann. tit. 75, §1904, §§1911 et seq.)
Truck registration fees (based on gross vehicle weight) (starting 2017: indexed)	•	•	•							Allocated in part to the Highway Bridge Improvement Restricted Account within the Motor License Fund; will be indexed every other year to Consumer Price Index starting Feb. 1, 2017 (Pa. Cons. Stat. Ann. tit. 75, §1904, §1916)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Oversize/overweight truck permit fees	•	•	•							Allocated to the Motor License Fund (Pa. Cons. Stat. Ann. tit. 75, §1904, §1942, §§4961 et seq.) as non-restricted revenues that are used for highway infrastructure, among other purposes
Motor vehicle rental fees	•	•		•						Allocated to the Public Transportation Assistance Fund (Pa. Stat. Ann. tit. 72, §9301)
Motor vehicle lease taxes	•	•		•						Allocated to the Public Transportation Assistance Fund (Pa. Stat. Ann. tit. 72, §9301)
Tire taxes	•	•		•						Allocated to the Public Transportation Assistance Fund (Pa. Stat. Ann. tit. 72, §9301)
Tolls	•	•	•	•	• Pas-senger and freight	•	•	•		Tolls collected by the Pennsylvania Turnpike Commission are allocated in part to the Public Transportation Trust Fund and the Multimodal Transportation Fund (Pa. Cons. Stat. Ann. tit. 74, §1506) (see notes)
Driver's license fees, title fees, certificate of inspection fees, and other fees (indexed)	•	•	•	•	• Pas-senger and freight	•	•	•		Indexed every other year to the Consumer Price Index; portions of these fee revenues are allocated to the Public Transportation Fund, the Multimodal Transportation Fund, and, until July 1, 2017, the Motor License Fund (Pa. Cons. Stat. Ann. tit. 75, §1904)
Traffic fines	•	•		•	• Pas-senger only					Includes fines and surcharges that are allocated to the Public Transportation Trust Fund; can be used for public transit and intercity passenger rail (Pa. Cons. Stat. Ann. tit. 75, §3111, §6506)
Outdoor advertising revenues	•	•	•							Permit fees; allocated to the Highway Beautification Fund (Pa. Stat. Ann. tit. 36, §2718.107, §2718.112)
State lottery revenues	•	•		•						Used to reimburse transit agencies for providing free service to older adults (Pa. Cons. Stat. Ann. tit. 72, §3761-902)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
State general sales taxes	•	•		•	• Pas-senger only					4.4 percent of revenues go to the Public Transportation Trust Fund; can be used for public transit and intercity passenger rail (Pa. Cons. Stat. Ann. tit. 74, §1506)
General funds		•			• Freight only		•			Legislative appropriations for freight rail and ports
Interest income	•	•	•	•	• Pas-senger and freight	•	•	•		Multimodal Transportation Fund (Pa. Cons. Stat. Ann. tit. 74, §2103)

### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. Tolls collected by the Pennsylvania Turnpike Commission, however, are included because they are allocated in part to funds administered by PennDOT under Act 44 and subsequent amendments (2007 Pa. Laws, Act 44; Pa. Cons. Stat. Ann. tit. 74, §1506). “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- All toll roads in Pennsylvania are operated by the Pennsylvania Turnpike Commission, an instrumentality of the state, and bridges are operated by the Delaware River Port Authority and the Delaware River Joint Toll Bridge Commission, both of which are bi-state instrumentalities of New Jersey and Pennsylvania. No toll facilities are operated by state agencies.
- Starting in FY 2016, state statute allocates \$35 million per year from oil company franchise tax revenues to the Multimodal Transportation Fund (Pa. Stat. Ann. tit. 75, §9502). These revenues, however, are still subject to the constitutional restriction on fuel taxes and must be used for public highways or bridges. Eligible projects that would serve multimodal purposes could include, for example, an airport access road or a sidewalk in conjunction with a highway project.
- Starting in FY 2023, a portion of sales tax revenues from motor vehicles, trailers, and semi-trailers will be allocated to the Public Transportation Trust Fund, then transferred in part to the Multimodal Transportation Fund (Pa. Cons. Stat. Ann. tit. 74, §1506; Pa. Stat. Ann. tit. 72, §7238).



<b>State Fuel Tax Model</b>	Variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts use of motor fuel taxes to public highways and bridges, including debt and public safety, and prohibits diversion to other purposes (Pa. Const. art. VIII, §11).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle registration and license fees, driver's license fees, and other excise taxes on products used in motor transportation to public highways and bridges, including debt and public safety, and prohibits diversion to other purposes. It also restricts the use of aviation fuel excise taxes to aviation purposes, and prohibits their diversion (Pa. Const. art. VIII, §11).
<b>Dedicated or Restricted Transportation Funds</b>	State statute allocates the Multimodal Transportation Fund, which receives driver's license fees and other revenues, to aviation, rail, marine, and bicycle and pedestrian projects (Pa. Cons. Stat. Ann. tit. 74, §§2101 et seq.). Other dedicated funds that are established by state statute include the Public Transportation Trust Fund (Pa. Cons. Stat. Ann. tit. 74, §1506), the Highway Bridge Improvement Restricted Account (Pa. Cons. Stat. Ann. tit. 75, §§9619 et seq.), and the Aviation Restricted Revenue Account (Pa. Stat. Ann. tit. 71, §210).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•	• Freight only	•				Generally authorized by the constitution for capital projects; requires further legislative approval (Pa. Const. art. VIII, §7; Pa. Stat. Ann. tit. 72, §§3919.301 et seq.); specific authorization given in session law (2013 Pa. Laws, Act 89)
Revenue bonds		•	•	•						Used by the Pennsylvania Turnpike Commission, in part to make payments to PennDOT for roads and public transit (Pa. Stat. Ann. tit. 74, §8104) (see notes)
Build America Bonds		•	•	•						Issued in 2010 by the state as general obligation bonds, in part for bridge projects, and in 2009 and 2010 by the Pennsylvania Turnpike Commission as revenue bonds, in part to make payments to PennDOT for roads and public transit (see notes)
Private activity bonds		•	•							Issued
Advance construction		•	•							
Partial conversion of advance construction		•	•							

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Federal-aid matching: toll credits ("soft match")		•	•							
Design-build	•	•	•	•	• Pas-senger and freight	•	•			Authorized under the public-private partnerships law (Pa. Cons. Stat. Ann. tit. 74, §9108); used for a statewide bridge project
Public-private partnerships	•	•	•	•	• Pas-senger and freight	•	•	•		Authorized in statute for various transportation modes (Pa. Cons. Stat. Ann. tit. 74, §§9101 et seq.); used by the state for a statewide bridge project
State infrastructure bank	•	•	•	•	• Freight only	•				Pennsylvania Infrastructure Bank; separate Federally and state-capitalized accounts; may be used for highway, transit, aviation, and freight rail projects (Pa. Stat. Ann. tit. 71, §525)

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. Bonds issued by the Pennsylvania Turnpike Commission, however, are included because the proceeds have been used in part to make payments to PennDOT for roads and public transit, under the lease agreement established in Act 44 (2007 Pa. Laws, Act 44; Pa. Stat. Ann. tit. 74, §8104). "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."

Transportation-Related Bonding	Yes, although Pennsylvania mainly uses pay-as-you-go financing.
Restrictions on Finance Mechanisms	All public-private partnership projects must be approved by the Public-Private Transportation Partnership Board (Pa. Cons. Stat. Ann. tit. 74, §9104).
Finance Mechanisms Prohibited in State Law	None.

## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, in most cases. In general, unspent transportation revenues lapse back into the dedicated funds from which they came. (The exception is funding for rail freight, which is legislatively appropriated in the annual budget bill. Unspent rail freight funds lapse back into the general fund and lose the dedication for rail projects.) A waiver process allows for continued spending with additional approvals (Pa. Stat. Ann. tit. 71, §240.1).
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No. Funds cannot, however, be spent outside the appropriations or statutory revenue streams from which they were made. In addition, transit funding cannot be transferred to a highway project or vice versa.
<b>Legislative Actions to Control DOT Costs</b>	PennDOT is subject to low-bid requirements in the state procurement code (Pa. Stat. Ann. tit. 62, §512).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas, legislative appropriations, and grants. Municipalities receive 20 percent of the state fuel tax, a portion of the oil company franchise tax, \$30 million per year from the Motor License Fund, and a \$5 million annual legislative appropriation. These revenues are distributed by a statutory formula based on population and road miles. Municipalities are allocated a further \$40 million per year from the Motor License Fund, for traffic signal upgrades. PennDOT awards these funds as discretionary grants that require a 50 percent local match. Counties are allocated \$5 million annually from the Motor License Fund, which is distributed among them by a statutory formula based on bridge deck area. Counties also receive 4.17 percent of a portion of the oil company franchise tax, which is distributed based on past allocations. These revenues must be further distributed to political subdivisions within each county by a statutory formula based on road miles and population. Other shares of oil company franchise taxes go to local bridge projects and to municipalities for maintaining highways that are transferred from state to local ownership (Pa. Stat. Ann. tit. 72, §2615.4; Pa. Cons. Stat. Ann. tit. 75, §9010, §9301, §9502, and §9511). PennDOT also awards discretionary grants to local entities from the Multimodal Transportation Fund for aviation, rail, marine, and bicycle and pedestrian projects. This program requires a 30 percent local match (Pa. Cons. Stat. Ann. tit. 74, §2104).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to adopt property taxes for roads, bridges, and tunnels (Pa. Stat. Ann. tit. 16, §5901 and §5903). Counties may also impose vehicle registration fees for transportation purposes (Pa. Cons. Stat. Ann. tit. 75, §1935). Municipalities may levy special assessments for transportation facilities or services within transportation development districts (Pa. Stat. Ann. tit. 53, §1623) or charge impact fees to pay for development-related transportation improvements (Pa. Stat. Ann. tit. 53, §§10501-A et seq.).

# RHODE ISLAND

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	12,762 (2,806 rural, 9,956 urban)
	Bridges	764
	Toll facilities	Yes (bridges: 1)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, ferry boat, vanpool, demand response
	Urban transit trips in 2015	18.1 million
<b>Rail</b>	Freight rail route miles	19
<b>Aviation</b>	Total airports	9
	Public-use airports	7
	Passengers boarded in 2015	1.8 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	8.8 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Rhode Island General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (38 members), House of Representatives (75 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to June
<b>Legislative Measures Introduced in 2016</b>	2,600 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Finance House Committee on Finance <ul style="list-style-type: none"> <li>Subcommittee on Environment/Transportation</li> </ul> Joint Committee on Highway Safety [Commission] Special Senate Commission to Study the DMV [Commission] House Commission Studying Regulation of Drones [Commission] Special Joint Commission to Study the Public Motor Vehicle Act

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Rhode Island Department of Transportation (RIDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Director of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	701
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, passenger rail, aviation, pedestrian/bicycle, ferries (new, seasonal ferry service between Providence and Newport)
<b>Includes DMV?</b>	No. The Division of Motor Vehicles is a division of the Department of Revenue. It is funded by general funds, not out of RIDOT's budget.
<b>Includes Highway Patrol?</b>	No. The Rhode Island State Police is a division of the Department of Public Safety. It is funded by general funds and occasionally settlement funding, not out of RIDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	Yes (in law but not in practice). RIDOT was recently authorized to toll large commercial trucks, but it does not yet do so (R.I. Gen. Laws §§42-13.1-1 et seq.; 2016 R.I. Pub. Laws, Chap. 3 and 4).

## Other

<b>Other State-Level Transportation Entities</b>	Rhode Island Turnpike and Bridge Authority (corporation)	The Rhode Island Turnpike and Bridge Authority is a quasi-state entity that has jurisdiction over four bridges, including one toll bridge, and the Route 138 highway connector. The director of transportation serves as a member ex officio (R.I. Gen. Laws §§24-12-1 et seq.). The authority is funded by toll revenue and, since FY 2015, a portion of the state fuel tax (R.I. Gen. Laws §31-36-20).
	Rhode Island Public Transit Authority (corporation)	The Rhode Island Public Transit Authority is a quasi-state entity that is authorized to provide public transit services statewide. The director of transportation or designee serves as a member ex officio (R.I. Gen. Laws §§39-18-1 et seq.). The authority is funded by fares, general funds, revolving funds, Rhode Island Capital Plan funds, a portion of the state fuel tax (R.I. Gen. Laws §31-36-20), and Federal funds.
	Rhode Island Airport Corporation (corporation)	The Rhode Island Airport Corporation is a quasi-state entity with jurisdiction over airports (R.I. Gen. Laws §§1-2-1 et seq.). It is funded by airport revenues and Federal funds.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Mainly informal and through a dedicated liaison. Among other duties, RIDOT's administrator for legislative affairs serves as a legislative liaison and attends the General Assembly when it is in session. The administrator addresses legislators' concerns, answers legislative requests for information, and facilitates communication between RIDOT and the General Assembly about legislative and municipal issues. House and Senate fiscal staff interact directly with RIDOT deputy directors, financial administrators, and other staff about RIDOT programs, spending, and statutory compliance.
<b>DOT Legislative Liaison</b>	The administrator for legislative affairs in RIDOT's Policy and Government Relations unit, among other duties, acts as the main point of contact between the department and the legislature. RIDOT deputy directors, financial administrators, and other staff also serve as important sources of information.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	R.I. Gen. Laws tit. 42, ch. 13 and 13.1; R.I. Gen. Laws tit. 1, 24, and 31; portions of R.I. Gen. Laws tit. 37, 39, and 46	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	No direct role. In Rhode Island, only legislators may request legislative bill drafts and sponsor and introduce legislation.
	Advocacy and Lobbying	RIDOT's administrator for legislative affairs lobbies for the department's positions on bills.
	Fiscal Notes or Policy Impact Statements for Legislative Use	By law, the state budget officer prepares fiscal notes for bills in cooperation with state agencies that would be affected by them, as requested by Senate or House finance committee chairs. The committee chairs also can request performance metrics from state agencies if a bill affecting an agency would have an economic impact (R.I. Gen. Laws §22-12-3). RIDOT provides this information as requested.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The director of transportation is appointed by the governor with the advice and consent of the Senate (R.I. Gen. Laws §42-13-1).
<b>Legislature Able to Remove DOT Leaders?</b>	No. No process is specified in state law for removing the director of transportation from office, but the director is considered to serve at the pleasure of the governor, with removal being an executive function.
<b>Legislative Review of Administrative Rules</b>	No. Rhode Island has no formal review process for administrative rules.
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. RIDOT is subject to audits conducted by the legislative Office of the Auditor General, but no such audits have been done in recent years. Rhode Island does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	RIDOT is required to submit annual reports to the General Assembly concerning aviation projects, (R.I. Gen. Laws §1-2-13), highway spending and recommendations (R.I. Gen. Laws §24-8-1 and §24-8-1.4), and the status of the 10-year transportation plan (R.I. Gen. Laws §42-13-2). The department must now also report quarterly on the status of projects authorized under the Rhode Island Bridge Replacement, Reconstruction, and Maintenance Fund Act of 2016 (R.I. Gen. Laws §42-13.1-16; 2016 R.I. Pub. Laws, Chap. 3 and 4). Thus far, RIDOT has chosen to exceed the statutory requirements by adding updates on key accomplishments to these quarterly reports.
<b>Legislative Role in DOT Performance Management</b>	None besides the reporting requirements and legislative audits listed above.
<b>Other Legislative Oversight Mechanisms</b>	The Bureau of Audits (now the Office of Internal Audit) in the executive branch, which conducts audits of RIDOT and other state agencies, must submit all audit reports, departmental responses, and results of follow-up audits to the Senate and House finance committees (R.I. Gen. Laws §35-7-3 and §42-13-2). Other oversight mechanisms include legislative requests for information from RIDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. RIDOT's budget request is submitted to the governor, the General Assembly, and the Office of Management and Budget. The Office of Management and Budget provides analysis and recommendations to the governor, who then prepares a unified budget request for all state agencies. The General Assembly makes adjustments to proposed expenditures and revenues, and appropriates funding at the program level.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to RIDOT as state legislative appropriations to departmental programs or broad spending categories. All funds must be legislatively authorized before they can be spent.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to RIDOT as appropriations to departmental programs or broad spending categories, and must be legislatively authorized before they can be spent.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2016 ( <a href="#">revised</a> )	
<b>Authorized Expenditures</b>	Central management	\$12,635,490
	Management and budget	\$3,695,084
	Infrastructure—engineering	\$384,213,963
	Infrastructure—maintenance	\$82,314,372
	<b>Total</b>	<b>\$482,858,909</b>
<b>Revenue Sources</b>	Federal funds	\$274,256,147
	Restricted receipts	\$159,506
	Operating transfers from other funds	\$46,988,530
	Other funds	\$161,454,726
	<b>Total</b>	<b>\$482,858,909</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	Because of the state's size, transportation planning is done on a consolidated statewide basis (unlike in other states, where planning also takes place at the regional and metropolitan levels). The cooperative planning process is a collaboration among the Statewide Planning Program (the state's central planning agency), RIDOT, and the Rhode Island Public Transit Authority (RIPTA), under the guidance of the State Planning Council, which serves as the single statewide MPO for Rhode Island. A subcommittee of the State Planning Council called the Transportation Advisory Committee assists in selecting projects in the transit and transportation alternatives categories, while a data-driven process determines projects in categories such as bridge, pavement, and traffic safety. The Statewide Planning Program then assists in preparing the ten-year Transportation Improvement Program (TIP) in collaboration with the State Planning Council, RIDOT, and RIPTA. The governor also makes a series of recommendations for the use of state transportation revenues. The TIP is approved by the State Planning Council and the governor, and the General Assembly authorizes the funding to implement it through the annual Rhode Island State Capital Budget.
<b>Legislative Role in the Planning Process</b>	Moderate legislative role. In recent years, the legislative role has been to review RIDOT's capital plan, generate state revenues for transportation, appropriate funds, and place referendum questions on the ballot for voters to approve bond-financed projects. The General Assembly has taken an active role in prioritizing state-funded, but not Federally-funded, projects through the appropriations process and other legislation.



## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (variable rate—indexed)	•	•	•	•	• Passenger and freight		•	•		Indexed every other year to the Consumer Price Index (R.I. Gen. Laws §31-36-7, §31-36-20)
Vehicle registration fees and surcharges	•	•	•	•						Revenues from registration fees (75 percent in FY 2017 and 100 percent in FY 2018 and thereafter) and registration surcharges are allocated to the Highway Maintenance Account (R.I. Gen. Laws §31-6-1, §39-18.1-4)
Emissions inspection fees	•	•	•	•						Allocated to the Highway Maintenance Account (R.I. Gen. Laws §39-47.1-11, §39-18.1-4)
Rental vehicle surcharges	•	•	•	•						Allocated in part to the Highway Maintenance Account (R.I. Gen. Laws §31-34.1-2)
Truck registration fees (based on gross vehicle weight)	•	•	•	•						Allocated to the Highway Maintenance Account (R.I. Gen. Laws §31-6-1, §39-18.1-4)
Tolls on large commercial trucks	•		•							Approved in 2016, but not yet in use; dedicated to bridges and toll facilities (R.I. Gen. Laws §§42-13.1-1 et seq.; 2016 R.I. Pub. Laws, Chap. 3 and 4)
Driver's license fees	•	•	•	•						Allocated to the Highway Maintenance Account (75 percent in FY 2017 and 100 percent in FY 2018 and thereafter) (R.I. Gen. Laws §31-10-31, §39-18.1-4)
Outdoor advertising revenues	•	•	•	•						Permit fees; deposited to the Intermodal Surface Transportation Fund (R.I. Gen. Laws §24-10.1-4)
Property sales	•	•	•	•						R.I. Gen. Laws §37-7-5; revenues are returned to RIDOT to be spent on other transportation projects
Interest income	•	•	•	•						Authorized in statute for dedicated accounts within the Intermodal Surface Transportation Fund (R.I. Gen. Laws §42-13.1-6, §39-18.1-4)

## Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is

specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Rhode Island’s only currently tolled facility is a bridge that is operated by the Rhode Island Turnpike and Bridge Authority, a quasi-state entity (R.I. Gen. Laws §§24-12-1 et seq.).
- Transit fares are used by the Rhode Island Public Transit Authority (RIPTA), a quasi-state entity (R.I. Gen. Laws §39-18-9).
- Annual appropriations of general funds are used to purchase bus passes for participants in Department of Human Services job placement and retraining programs.

<b>State Fuel Tax Model</b>	Variable rate (indexed)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation. State statute directs fuel tax revenues primarily to the Intermodal Surface Transportation Fund for multimodal transportation purposes, with other portions allocated to the Rhode Island Public Transit Authority (RIPTA), the Department of Human Services for the Elderly/Disabled Transportation Program, and the Rhode Island Turnpike and Bridge Authority (R.I. Gen. Laws §31-36-20).
<b>Restrictions on Other Transportation Revenues</b>	State statute directs the deposit of various transportation-related revenues into dedicated accounts, including the Highway Maintenance Account (R.I. Gen. Laws §31-3.1-6, §31-34.1-2, §31-41.1-7, §31-47.1-11, §39-18.1-4, and §39-18.1-5), within the Intermodal Surface Transportation Fund.
<b>Dedicated or Restricted Transportation Funds</b>	The Intermodal Surface Transportation Fund, which receives fuel tax revenues, is allocated to RIDOT use, subject to annual appropriation by the General Assembly (R.I. Gen. Laws §31-36-20). The fund includes two dedicated accounts: the Highway Maintenance Account, which receives various fee revenues and is dedicated to highway and transit purposes (R.I. Gen. Laws §39-18.1-5), and the Rhode Island Bridge Replacement, Reconstruction, and Maintenance Fund, which is supported by tolls on commercial vehicles and is dedicated to toll facilities and bridges (R.I. Gen. Laws §42-13.1-9).
<b>Revenue Sources Prohibited in State Law</b>	RIDOT is prohibited from collecting tolls on any vehicles other than large commercial trucks (R.I. Gen. Laws §42-13.1-5). Aviation fuels are exempt from the fuel tax (R.I. Gen. Laws §31-36-1) and sales of aircraft and aircraft parts are exempt from the sales and use tax (R.I. Gen. Laws §44-18-30).

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds		•	•	•						Authorized by voter-approved bond measures (e.g., 2010 R.I. Question 3, 2014 R.I. Question 6) (see notes)
Build America Bonds		•	•	•						Used to refund existing general obligation bond debt and reduce general obligation bond payments; RIDOT applies the \$2 million saved annually to projects

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
GARVEE bonds		•	•							Most recently issued in 2009; refunded existing 2006 and 2009 GARVEE bonds in June 2016; preparing to issue \$300 million for new money in fall 2016
Federal credit assistance: TIFIA		•		•		See notes				Active loan(s), used for an inter-modal project
Federal-aid matching: toll credits ("soft match")		•	•							
Advance construction		•	•							
State infrastructure bank		•	•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program

#### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."
- Previously, general obligation bonds were used to provide the 20 percent state match for the Federal-aid highway program, but this practice ended in 2012. General obligation bonds are now used for specific projects only. In 2014, for example, RIDOT was authorized to issue general obligation bonds for mass transit hub infrastructure (2014 R.I. Question 6).
- Rhode Island has used Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance for an intermodal project that provides public transit access (commuter rail and bus service) at T.F. Green Airport.

<b>Transportation-Related Bonding</b>	Yes. General obligation bonds are used for specific projects. For large, multi-year projects, the state borrows against future Federal-aid funding through the use of GARVEE bonds.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds must be used for the purposes set forth in the ballot question and may not exceed the amount authorized by the voters. Revenue bonds, such as GARVEE bonds, motor fuel bonds, or other anticipation bonds are required to go through an extensive debt evaluation process with sign-off from the RIDOT director, the governor, and the general treasurer, among others.
<b>Finance Mechanisms Prohibited in State Law</b>	None.

## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Excess Federal funds can be carried forward into the next fiscal year. Certain state funds, such as capital funds, are automatically re-appropriated to the following fiscal year, while others must be appropriated to be spent. Any revenues in excess of budgeted amounts are retained in the Intermodal Surface Transportation Fund.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes, in some cases. RIDOT only needs approval to move funds between types of expenditures, or if state funds are allocated to a specific project, as is the case for specific state-owned infrastructure and capital equipment projects funded with Rhode Island Capital Plan (RICAP) funds.
<b>Legislative Actions to Control DOT Costs</b>	RIDOT must adhere to procurement guidelines, including low-bid requirements, as provided in state statute (R.I. Gen. Laws §§37-2-1 et seq.) and the state's <a href="#">Administrative Procedures Act</a> , a comprehensive set of regulations concerning purchasing and bidding procedures.

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	None. Rhode Island has no formal statutory program for allocating state revenues to local entities for transportation projects. In addition, since the early 2000s, there have been no state appropriations available for allocation to local governments. There are some existing statutes concerning state aid that date back several decades and are no longer viable given changes in organizational and funding structures. These include statutes concerning the distribution of available highway appropriations to cities and towns for road projects (R.I. Gen. Laws §24-8-17) and additional state aid to eligible towns for local road and bridge maintenance (R.I. Gen. Laws §24-5-4). Rhode Island does not have organized county governments.
<b>Local Revenue Sources Authorized in State Law</b>	In general, Rhode Island law does not authorize local revenue sources specifically for transportation. Rather, state statute directs towns to annually appropriate a portion of their general revenues to highway and bridge maintenance, and to include the appropriated amount in their annual tax levies (R.I. Gen. Laws §24-5-3). Municipalities may, however, charge developers impact fees to pay for development-related capital improvements (R.I. Gen. Laws §§45-22.4-3 et seq.).

# SOUTH CAROLINA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	160,359 (118,910 rural, 41,449 urban)
	Bridges	9,344
	Toll facilities	Yes (roads: 23.5 miles)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, vanpool, demand response
	Urban transit trips in 2013	11.5 million
<b>Rail</b>	Freight rail route miles	2,311
<b>Aviation</b>	Total airports	156
	Public-use airports	66
	Passengers boarded in 2013	3.8 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	20.3 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	South Carolina General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (46 members), House of Representatives (124 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to June
<b>Legislative Measures Introduced in 2016</b>	1,600 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Finance <ul style="list-style-type: none"> <li>Budget Subcommittee on Transportation and Regulatory</li> </ul> Senate Committee on Transportation House Committee on Education and Public Works House Committee on Legislative Oversight House Committee on Ways and Means <ul style="list-style-type: none"> <li>Budget Subcommittee on Transportation, Regulatory, and Cultural</li> </ul> Joint Transportation Review Committee [Special] House Transportation Infrastructure and Management Ad-Hoc Committee [Study] Motorcycle Usage and Safety Study Committee

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	South Carolina Department of Transportation (SCDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet), SCDOT Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	4,594
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, pedestrian/bicycle
<b>Includes DMV?</b>	No. The South Carolina Department of Motor Vehicles is an independent state agency. It is funded by general fund appropriations, not out of SCDOT's budget.
<b>Includes Highway Patrol?</b>	No. The South Carolina Department of Public Safety is an independent state agency that includes the Highway Patrol, the State Transport Police, and other divisions. It is funded by general fund appropriations, fees, fines, reimbursements from other state agencies, and Federal funds. It is not funded out of SCDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	Yes.

## Other

<b>Other State-Level Transportation Entities</b>	State Fiscal Accountability Authority—South Carolina Aeronautics Commission (state agency)	As a result of recent government restructurings, the South Carolina Aeronautics Commission is now under the State Fiscal Accountability Authority, a state agency that was created in 2014, and has incorporated the functions of the former Division of Aeronautics (2012 S.C. Acts, Act 270; 2014 S.C. Acts, Act 121; S.C. Code Ann. §§13-1-1000 et seq. and §§55-1-1 et seq.). It is funded by aviation-related fees and taxes and Federal funds (S.C. Code Ann. §55-5-280).
	South Carolina Department of Commerce—Palmetto Railways (state agency)	Palmetto Railways (also known as the Division of Public Railways) is a division of the state Department of Commerce that operates three state-owned short-line railroads (S.C. Code Ann. §§13-1-1310 et seq.).
	South Carolina Ports Authority (instrumentality)	The South Carolina Ports Authority is an instrumentality of the state that owns and operates two port facilities. The secretary of transportation or designee serves as a non-voting member of the board (S.C. Code Ann. §§54-3-10 et seq.). In general, it operates on its own profits, although it has received non-recurring appropriations for specific projects.
	South Carolina Transportation Infrastructure Bank (corporation/ instrumentality)	The South Carolina Transportation Infrastructure Bank was established in 1997 as a corporation and instrumentality of the state, with the purpose of providing loans and other financial assistance for transportation projects. The bank is funded by portions of state fuel taxes and vehicle sales taxes, various fees and fines, electric power taxes, general funds, and Federal funds. SCDOT works closely with the infrastructure bank to finance projects. The chair of the SCDOT Commission is a voting member ex officio of the bank's governing board and in 2016, new legislation was enacted to require the commission's approval before the bank may provide loans or other financial assistance (S.C. Code Ann. §§11-43-110 et seq., §12-28-2915, §12-36-2647, and §56-3-910; 2016 S.C. Acts, Act 275).



## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, proactive. The General Assembly, and especially those committees that handle most transportation issues, often contact SCDOT for input on bills and budget provisos before they are scheduled for public hearing. The General Assembly notifies SCDOT of hearings on any transportation-related bills so SCDOT may testify. SCDOT monitors bills and contacts key legislators when bills will affect the department. The secretary of transportation also contacts legislators regarding important or urgent transportation matters. The General Assembly has a lower level of staff support, and frequently turns to state agencies like SCDOT for information and research assistance.
<b>DOT Legislative Liaison</b>	Various SCDOT staff engage with, and provide information and testimony to, the General Assembly. An SCDOT staff member is designated as a legislative liaison.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	S.C. Code Ann. tit. 54 to 57; portions of S.C. Code Ann. tit. 50 and 58; S.C. Code Ann. §1-30-10 and §1-30-105; S.C. Const. art. X, §13 (bonding); portions of S.C. Code Ann. tit. 12 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	No direct role. In South Carolina, only legislators may request legislative bill drafts and sponsor and introduce legislation. SCDOT does, however, consult informally with legislative committees concerning the preparation of new legislative proposals.
	Advocacy and Lobbying	SCDOT does not engage in advocacy or lobbying.
	Fiscal Notes or Policy Impact Statements for Legislative Use	SCDOT provides fiscal impact statements to the General Assembly when requested.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The eight members of the SCDOT Commission are appointed by the governor to four-year terms—one member at-large and one member from each of the seven congressional districts in the state. The appointments must be confirmed by the legislative delegation of the respective congressional district (for all but the at-large member), the Joint Transportation Review Committee, and the Senate. The governor, in making these appointments, must take race, gender, and other demographic factors into account so as to represent, as much as possible, all segments of the state's population. Commissioners must meet statutory requirements for education and experience, and no legislator or member of a legislator's immediate family is eligible (S.C. Code Ann. §§57-1-310 et seq.; 2016 S.C. Acts, Act 275). The secretary of transportation is hired by the commission, with the advice and consent of the Senate (S.C. Code Ann. §57-1-410; 2016 S.C. Acts, Act 275).
<b>Legislature Able to Remove DOT Leaders?</b>	No, but legislative approval is required in some cases. Members of the SCDOT Commission may be removed by the governor with the approval of the legislative delegation of the appropriate congressional district (S.C. Code Ann. §57-1-330; 2016 S.C. Acts, Act 275). The secretary of transportation serves at the pleasure of the commission (S.C. Code Ann. §57-1-410; 2016 S.C. Acts, Act 275).
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules are reviewed by the relevant standing committees. The full General Assembly can approve or reject a rule by joint resolution within 120 days of receiving it. Otherwise, the rule is automatically approved (S.C. Code Ann. §§1-23-10 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. SCDOT is subject to audits conducted by the Legislative Audit Council (S.C. Code Ann. §57-1-490). The most recent audit was released in April 2016. South Carolina does not conduct sunset reviews of state agencies or programs.



**Required DOT Reports to the Legislature**

Each year, SCDOT is required to submit to the General Assembly a report that addresses future highway needs, traffic regulation, transportation coordination, the department's accomplishments, and its contracts (S.C. Code Ann. §57-3-760). It must also submit annual reports concerning streamlining recommendations (S.C. Code Ann. §1-30-10), county transportation projects (S.C. Code Ann. §12-28-2740), use of recycled products and compost in highway projects (S.C. Code Ann. §44-96-140), transportation coordination (S.C. Code Ann. §57-3-210), and railroad crossing inspections (S.C. Code Ann. §58-17-1450). SCDOT's Office of Railroads must submit an annual report concerning state rail plans (S.C. Code Ann. §57-3-30) and its Office of Public Transit must submit an annual report of its accomplishments and plans (S.C. Code Ann. §57-3-40). The SCDOT Commission must submit an annual report concerning Federal enhancement grants (S.C. Code Ann. §57-1-370).

**Legislative Role in DOT Performance Management**

In addition to the reporting requirements and legislative audits listed above, under the South Carolina Restructuring Act of 2014, legislative committees must now conduct periodic reviews of state agencies at least once every seven years. As part of this process, the investigating committee may request that an agency provide information about performance goals, objectives, criteria, and progress as part of a program evaluation report (2014 S.C. Acts, Act 121; S.C. Code Ann. §§2-2-5 et seq.). The House Legislative Oversight Committee issued a [full committee study](#) of SCDOT in June 2016.

**Other Legislative Oversight Mechanisms**

By law, SCDOT must be audited annually at the direction of the Office of the State Auditor. The results are submitted to the General Assembly for review (S.C. Code Ann. §57-1-490). Other oversight mechanisms include legislative requests for information from SCDOT.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Annual budget; fiscal year begins July 1. The SCDOT Commission approves SCDOT's budget (S.C. Code Ann. §57-1-370) before it is approved by the General Assembly and the governor as part of the annual appropriations act.

**Allocation of Transportation Revenues to the DOT**

## Federal Revenues

Legislative appropriation. Federal transportation funds are considered "other" revenues to the state and flow directly to SCDOT from the U.S. DOT. The General Assembly approves the SCDOT budget as "other funds" in the appropriation act, both in total and as appropriations to departmental programs or spending categories.

## State Revenues

Legislative appropriation. As with Federal funds, state transportation funds are legislatively approved as "other funds," both in total and as appropriations to departmental programs or spending categories. The General Assembly authorizes the department's other funds request via the appropriation act or via the Other Funds Oversight Committee, if the request is during the current fiscal year. The General Assembly allocates any general fund dollars via the appropriation act.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Administration	\$46,622,895
	Highway	\$1,568,660,405
	Toll operations	\$7,745,339
	Non-Federal aid highway fund	\$63,320,001
	Mass transit	\$31,673,017
	Employee benefits	\$87,190,369
	<b>Total</b>	<b>\$1,804,212,026</b>
<b>Revenue Sources</b>	General funds	\$50,057,271
	Other funds	\$1,754,154,755
	<b>Total</b>	<b>\$1,804,212,026</b>

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	The SCDOT Commission annually updates the Statewide Transportation Improvement Program (STIP), with input from MPOs, councils of government, and SCDOT staff. The STIP is scheduled for updating every three years and is revised on a continual basis to reflect the latest program and project information. The commission prioritizes projects for inclusion in the STIP using nine criteria that are specified in law. These criteria include public safety, traffic congestion, and pavement quality (S.C. Code Ann. §57-1-370). The SCDOT Commission also develops and adopts the state's long-range multimodal transportation plan, which is updated every 5 years to reflect the latest information on travel and growth trends, goals and objectives, infrastructure conditions, future deficiencies, and estimated funding.
<b>Legislative Role in the Planning Process</b>	Limited legislative role. The General Assembly has no formal role in selecting projects, although projects are prioritized according to a process and criteria that the General Assembly enacted into law in 2007. Transportation plans do not need legislative approval and appropriations do not include funding for specific projects. Legislators have the opportunity to provide input at public hearings, and the commission is sensitive to their interests.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•			•			Allocated in part to the Water Recreational Resources Fund (and the state infrastructure bank) (see notes) (S.C. Code Ann. §12-28-310, §§12-28-2710 et seq., §11-43-160)
Fuel taxes: alternative fuels	•	•	•	•			•			Includes taxes on liquefied petroleum gas and liquefied and compressed natural gas; allocated the same way as gasoline taxes (S.C. Code Ann. §12-28-110, §12-28-310, §§12-28-2710 et seq.)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: aviation fuels	•	•				•				Includes sales taxes on aviation gasoline and jet fuel; allocated to the State Aviation Fund (S.C. Code Ann. §12-36-2120, §55-5-280)
Sales taxes on motor vehicle sales	•	•	•							Allocated to the State Highway Fund (and the state infrastructure bank) (S.C. Code Ann. §§12-36-1710 et seq., §12-36-2647; 2016 S.C. Acts, Act 275)
Oversize/overweight truck permit fees	•	•	•							S.C. Code Ann. §57-3-130
Driver's license and state ID card fees	•	•	•							Includes some commercial driver's license fees; deposited to the State Non-Federal Aid Highway Fund (S.C. Code Ann. §56-1-50, §56-1-140, §56-1-200, §56-1-390, §56-1-460, §56-1-740, §56-1-2090, §56-1-3350)
Misc. DMV fees and fines	•	•	•							Allocated to the State Highway Fund (and the state infrastructure bank) (S.C. Code Ann. §11-43-167; 2016 S.C. Acts, Act 275)
Tolls	•	•	•							S.C. Code Ann. §57-3-615
Airport licenses	•	•				•				Allocated to the State Aviation Fund (S.C. Code Ann. §55-5-280; S.C. Code Ann. §§55-11-10 et seq.)
Property taxes on aircraft	•	•				•				Revenues over \$2.5 million, and half the revenues over \$5 million, are allocated to the State Aviation Fund (S.C. Code Ann. §55-5-280, §§12-37-2410 et seq.; 2016 S.C. House Bill 4577)
Electric power taxes	•	•	•							Taxes collected in excess of \$20 million are allocated to the State Non-Federal Aid Highway Fund (and the state infrastructure bank) (S.C. Code Ann. §§12-23-10 et seq., §12-28-2915)
Railroad operating revenues	•	•			• Freight only					Used by Palmetto Railways (also known as the Division of Public Railways) in the state Department of Commerce for state-owned short-line railroads (S.C. Code Ann. §§13-1-1310 et seq.)
Interest income	•	•	•			•				State Aviation Fund (S.C. Code Ann. §55-5-280); State Highway Fund (S.C. Code Ann. §57-11-20)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Although the South Carolina Transportation Infrastructure Bank is an instrumentality of the state, not a state agency, allocations to the bank from revenue sources that also fund SCDOT are noted in the chart for clarity. In addition to these allocations, the bank also receives revenues from vehicle registration and license fees (S.C. Code Ann. §56-3-910), fees on self-propelled property-carrying vehicles and farm trucks (S.C. Code Ann. §11-43-160), and interest income (S.C. Code Ann. §11-43-160). In addition, SCDOT is annually appropriated \$50 million in general funds, and must send an equivalent amount to the infrastructure bank for road and bridge projects (S.C. Code Ann. §11-43-165; 2013 S.C. Acts, Act 98).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation. Fuel tax revenues are mostly directed to SCDOT for any departmental purpose, with other portions allocated specifically to mass transit, the State Highway Fund, the Water Recreational Resources Fund, and local entities (S.C. Code Ann. §§12-28-2710 et seq.).
<b>Restrictions on Other Transportation Revenues</b>	Toll revenues may only be used for the toll facilities or highway debt (S.C. Code Ann. §12-28-2920 and §57-3-615).
<b>Dedicated or Restricted Transportation Funds</b>	State statute directs some expenditures from the State Highway Fund (e.g., S.C. Code Ann. §57-5-150 and §57-5-1610) but does not restrict the fund’s use to specific modes. The State Non-Federal Aid Highway Fund, which receives vehicle sales taxes and other revenues, must be used for highways, roads, and bridges (S.C. Code Ann. §12-36-2647), the State Highway Construction Debt Service Fund, for highway-related debt service (S.C. Code Ann. §57-11-20), the State Port Construction Fund, for port facilities (S.C. Code Ann. §54-3-1030), and the State Aviation Fund, which receives aviation-related revenues, for aviation purposes (S.C. Code Ann. §55-5-280).
<b>Revenue Sources Prohibited in State Law</b>	None.

**State Finance Mechanisms**

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•							Generally authorized by the constitution for highway uses; require legislative approval; capped at 15 percent of annual proceeds from highway revenues (S.C. Const. art. X, §13)

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•							Authorized in the state constitution (S.C. Const. art. X, §13); issued by the state infrastructure bank to finance SCDOT highway projects (S.C. Code Ann. §11-43-150) (see notes)
Advance construction		•	•							
Partial conversion of advance construction		•	•							
Federal-aid matching: flexible match		•	•							
Federal-aid matching: tapered match		•	•							
Federal-aid matching: toll credits ("soft match")		•	•							
Design-build	•	•	•							Authorized for highway contracts (S.C. Code Ann. §57-5-1625); used for several road and bridge projects
Public-private partnerships	•	•	•				•			Authorized in statute for roads and bridges (S.C. Code Ann. §57-3-200, §§57-5-1310 et seq.) and for the South Carolina State Ports Authority, to increase capital investments in port facilities (S.C. Code Ann. §54-3-118); used for a road project
State infrastructure bank	•	•	•	•						South Carolina Transportation Infrastructure Bank; capitalized with state and Federal funds; may be used for highway or transit projects (S.C. Code Ann. §§11-43-110 et seq.)

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs,

or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance was used for a bridge project, but the loan is now retired.
- The South Carolina Transportation Infrastructure Bank is a corporation and instrumentality of the state, not a state agency. It is itself included in this chart as a finance mechanism, as it can provide loans to state agencies for transportation projects. In addition, the bank has issued revenue bonds, the proceeds from which have been used to finance SCDOT highway projects (S.C. Code Ann. §11-43-150).

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds for highway purposes require legislative approval, and are limited to 15 percent of the annual proceeds from highway revenues (S.C. Const. art. X, §13).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. SCDOT is allowed to retain any unspent funds remaining in the cash account. The annual SCDOT budget is developed based on projected revenues plus unspent funds carried forward into the next budget year. For SCDOT to spend unspent funds from previous years, the expenditures must be approved in the current year's budget.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	State statute provides that, unless approved by the State Fiscal Accountability Authority, SCDOT may not let any highway construction contract unless reserves for the contract have been provided for out of current balances in the State Highway Fund, Federal aid obligated for the contracts, or estimated revenue balances that will accrue during the period in which contract payments will become due (S.C. Code Ann. §57-5-1610). State law also contains advertising and low-bid requirements for construction contracts for \$10,000 or more (S.C. Code Ann. §57-5-1620) and states that, unless approved in advance by the SCDOT Commission, no construction contract may be extended to include work not contemplated in the original award, except within the limitations imposed by the contract (S.C. Code Ann. §57-5-1630).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. The proceeds from 2.66 cents per gallon of the state gas tax is distributed to counties by a statutory formula based on land area, population, and rural road miles. At least 25 percent of a county's share must be spent on state highways, and the rest on any road and bridge projects (S.C. Code Ann. §12-28-2740).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties and townships to levy property taxes for various transportation purposes (S.C. Code Ann. §§57-19-10 et seq. and §57-19-210) and local “hospitality taxes” on food and beverages for tourism-related capital investments, which may include roads and bridges (S.C. Code Ann. §§6-1-700 et seq.). Counties may also adopt a transportation authority sales tax, a capital project sales tax, or tolls (S.C. Code Ann. §4-10-310 and §4-37-30), or form special tax districts for public works, including roads (S.C. Code Ann. §4-9-30). County paving districts may levy property taxes for road paving projects (S.C. Code Ann. §§57-21-10 et seq.). Regional transportation authorities may assess local vehicle registration fees for transit services (S.C. Code Ann. §58-25-60). Municipalities and public improvement districts may levy special assessments for roads, streets, and other improvements (S.C. Code Ann. §4-35-80, §5-27-310, and §5-37-30). Local governments may charge developers impact fees for development-related capital improvements (S.C. Code Ann. §§6-1-910 et seq.).

# SOUTH DAKOTA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	167,800 (160,413 rural, 7,387 urban)
	Bridges	5,866
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, demand response
	Urban transit trips in 2013	1.6 million
<b>Rail</b>	Freight rail route miles	1,753
<b>Aviation</b>	Total airports	139
	Public-use airports	72
	Passengers boarded in 2013	782,214
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	0

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	South Dakota Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (35 members), House of Representatives (70 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to Mar.
<b>Legislative Measures Introduced in 2016</b>	419
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation House Committee on Transportation

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.



## Department of Transportation

<b>Name</b>	South Dakota Department of Transportation (SDDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet), Transportation Commission (within SDDOT)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	1,026
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight rail, aviation, pedestrian/bicycle. SDDOT acts as a facilitator of public transit and specialized transportation through contracting for service and awarding grants. The South Dakota Aeronautics Commission, South Dakota Railroad Board, and South Dakota Railroad Authority are all under SDDOT (S.D. Codified Laws Ann. §1-44-11, §1-44-25, §§49-16B-1 et seq., and §50-2-1.1).
<b>Includes DMV?</b>	No. Driver's licensing is carried out by the Department of Public Safety. Vehicle registration functions are carried out by the Division of Motor Vehicles, a division of the South Dakota Department of Revenue. Both entities are funded by fee revenues via the Motor Vehicle Fund, not out of SDDOT's budget.
<b>Includes Highway Patrol?</b>	No. The South Dakota Highway Patrol is a division of the Department of Public Safety. Salaries and expenses incurred by agents of the Highway Patrol are authorized to be paid from the State Highway Fund (S.D. Codified Laws Ann. §32-2-11). Administration of the Highway Patrol is funded by portions of driver's license and vehicle registration fee revenues via the Motor Vehicle Fund.
<b>Jurisdiction Over Toll Facilities?</b>	No. South Dakota has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	None. South Dakota has no state-level transportation entities besides SDDOT and those that perform DMV and highway patrol functions.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Mainly formal. SDDOT officials interact with the Legislature by providing testimony and required reports to legislative committees, and by working with relevant committees to introduce relevant legislation. SDDOT's Legal Office assists in formulating, drafting, and tracking legislation that affects the department, as well as monitoring legislative committees.
<b>DOT Legislative Liaison</b>	Various SDDOT officials, including its Legal Office, provide information and testimony to the Legislature. SDDOT has no dedicated legislative liaison or governmental affairs office.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	S.D. Codified Laws Ann. ch. 1-44; S.D. Codified Laws Ann. tit. 31, 32, and 50; portions of S.D. Codified Laws Ann. tit. 49; S.D. Const. art. XI, §8 (revenue restrictions); portions of S.D. Codified Laws Ann. tit. 10 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. A process exists by which standing committees will introduce legislation at the request of SDDOT. By joint rule, all executive agencies are required to pre-file any legislation that they wish to have considered. The chair of the relevant standing committee must give the agency permission before the bill may be pre-filed, and the committee sponsors the bill. The bill indicates that it is "at the request" of the agency.
	Advocacy and Lobbying	SDDOT employees lobby legislators during the legislative session regarding bills of interest to the department.

Fiscal Notes or Policy Impact  
Statements for Legislative Use

SDDOT does not prepare formal fiscal notes or policy impact statements, but the department does respond to specific information requests from the Legislature.

## Legislative Oversight

**Appointment of  
DOT Leadership**

The nine members of the Transportation Commission are appointed by the governor to four-year terms, within statutory requirements for partisan balance and geographic representation (S.D. Codified Laws Ann. §§1-44-4 et seq.). The secretary of transportation is appointed by the governor, by and with the advice and consent of the Senate (S.D. Const. art. IV, §9; S.D. Codified Laws Ann. §1-32-3).

**Legislature Able to  
Remove DOT Leaders?**

No. The secretary of transportation serves at the pleasure of the governor. No process is specified for removing members of the Transportation Commission before the end of their respective terms of office.

**Legislative Review of  
Administrative Rules**

Yes. The joint Interim Rules Review Committee reviews all proposed rules. The committee may suspend a rule. If the committee does not object, the rule is automatically approved (S.D. Codified Laws Ann. §§1-26-1 et seq.).

**Legislative Audits  
or Sunset Reviews**

Legislative audits only. The Department of Legislative Audit conducts financial audits of SDDOT. There is no legislative performance audit. South Dakota does not conduct sunset reviews of state agencies or programs.

**Required DOT Reports  
to the Legislature**

SDDOT is required to submit an annual report to the Legislature on the current and projected condition of the state highway system, progress on 10-year performance goals, and any additional funding that is needed to meet those goals (S.D. Codified Laws Ann. §31-2-20.1; 2015 S.D. Sess. Laws, Chap. 165).

**Legislative Role in DOT  
Performance Manage-  
ment**

In addition to the reporting requirements and legislative audits listed above, legislation enacted in 2015 requires SDDOT to establish performance standards to measure the overall condition of the highways and bridges and 10-year goals for maintenance (S.D. Codified Laws Ann. §31-2-20.1; 2015 S.D. Sess. Laws, Chap. 165; this statute also requires the annual report listed above). Also, the Legislative Planning Committee is currently working with SDDOT to establish performance goals for the department that can be used by the Legislature. The Legislature will track these goals through its appropriations committees and government operations and audit committees.

**Other Legislative Over-  
sight Mechanisms**

Interim committees are assigned topics to study between legislative sessions. In 2014, for example, the Highway Needs and Financing Interim Committee studied state and local highway conditions and financial needs. Other oversight mechanisms include legislative requests for information from SDDOT.

**Resources Provided to  
DOT to Support Com-  
pliance with Oversight  
Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. The Joint Appropriations Committee holds hearings for SDDOT to present its budget, but does not become involved in project-level details.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to SDDOT as lump sum appropriations to the department or as appropriations to departmental programs or broad spending categories. This appropriation, however, is only for informational purposes, and budgetary control lies with the Transportation Commission. Thus, in effect, the funds flow directly to SDDOT from the U.S. DOT.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to SDDOT through appropriations that are for informational purposes only. Budgetary control lies with the Transportation Commission.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2016 (enacted/budgeted) (see note)	
<b>Authorized Expenditures</b>	Personal services	\$69,856,936
	Operating expenses	\$548,468,805
	<b>Total</b>	<b>\$618,325,741</b>
<b>Revenue Sources</b>	General funds	\$535,256
	Federal funds	\$388,246,629
	Other funds	\$229,543,856
	<b>Total</b>	<b>\$618,325,741</b>

**Note:** Budgetary control lies with the Transportation Commission, and legislative appropriations of transportation revenues to SDDOT are for informational purposes only.

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	Each year, the Transportation Commission proposes and adopts the updated four-year Statewide Transportation Improvement Program (STIP) based on highway needs and funding availability. SDDOT administers the entire planning process and gathers input from MPOs, the governor, local governments, the commission, legislators, and other interested parties. The planning process includes a series of public hearings before the Transportation Commission.
<b>Legislative Role in the Planning Process</b>	No legislative role. The Legislature has essentially given control over the SDDOT budget and transportation investment priorities to the Transportation Commission, with guidance from SDDOT. Like any member of the public, a legislator may participate in the public hearings that are part of the planning process.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel, highway use (fixed rate)	•	•	•							S.D. Codified Laws Ann. §10-47B-4; S.D. Const. art. XI, §8
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquid petroleum gas, liquid and compressed natural gas, and others (S.D. Codified Laws Ann. §10-47B-4, §10-47B-148)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (S.D. Codified Laws Ann. §10-47B-4, §10-47B-150, §50-4-16)
Fuel taxes: boats and snow-mobiles	•	•					•		•	Allocated to boating and snowmobile trails (S.D. Codified Laws Ann. §10-47B-149)
Sales taxes on motor vehicle sales and leases	•	•	•							4 percent excise tax (S.D. Codified Laws Ann. §§32-5B-1 et seq.; S.D. Const. art. XI, §8)
Sales taxes on rental vehicles	•	•	•							4.5 percent excise tax (S.D. Codified Laws Ann. §32-5B-17, §32-5B-19, §32-5B-20; S.D. Const. art. XI, §8)
Aircraft registration fees	•	•				•				S.D. Codified Laws Ann. §§50-11-5 et seq.
Sales taxes on aircraft	•	•				•				S.D. Codified Laws Ann. §§50-11-19 et seq.
Aircraft dealer license fees	•	•				•				S.D. Codified Laws Ann. §50-12-12
Property sales or leases: railroad property	•	•			• Freight only					Income from SDDOT rail property management goes to the Railroad Administration Fund, which can be used for the maintenance of state-owned rail property (S.D. Codified Laws Ann. §1-44-28, §1-44-31, §§49-16b-15 et seq.)
Outdoor advertising revenues	•	•	•	•						Includes fees for billboard permits and business signs; allocated to State Highway Fund; SDDOT uses a portion of these and other non-restricted revenues for transit operating assistance (see notes) (S.D. Codified Laws Ann. §31-29-71.1, §31-29-71.3, §31-29-80.1, §31-29-80.2)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Discretionary allocations from State Highway Fund		•		•						SDDOT uses a portion of non-restricted State Highway Fund revenues for transit operating assistance (see notes)
Interest income		•	•	•						State Highway Fund (no authorizing statute found)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Nearly all state revenues generated for transportation are restricted to highways and bridges. State statute does allow the State Highway Fund to be used for public transit, but no revenues are dedicated to that purpose. SDDOT uses a portion of non-restricted State Highway Fund revenues for transit operating assistance grants.
- Revenues from vehicle registration, license, and title fees—including truck registration fees based on gross vehicle weight—are mostly allocated to local governments, not for state activities. The only exceptions are small allocations to cover state administrative costs (S.D. Codified Laws Ann. §32-3-18, §32-10-35, §§32-11-4.1 et seq., §§32-11-5 et seq., and §§32-11-32 et seq.). None of these revenues, therefore, are used for the kinds of state-level transportation activities described in this chart.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of fuel tax revenues from highway users to highways and bridges (S.D. Const. art. XI, §8).
<b>Restrictions on Other Transportation Revenues</b>	Nearly all revenue generated for transportation in South Dakota is restricted to highways and bridges. The state constitution limits the use of vehicle-related revenues to highways and bridges (S.D. Const. art. XI, §8). State statute dedicates revenues appropriated or collected by general state taxation for state highway purposes to highways and Transportation Commission expenses (S.D. Codified Laws Ann. §31-5-8). Aviation fuel taxes are allocated to aviation-related uses (S.D. Codified Laws Ann. §50-4-16).
<b>Dedicated or Restricted Transportation Funds</b>	State statute dedicates the State Highway Fund, which receives fuel taxes and other revenues, to highways and bridges, SDDOT expenses, the Division of Highway Patrol, and public transportation (S.D. Codified Laws Ann. §32-2-11, §31-2-13.2, §31-2-14.2, and §31-6-9). The Aeronautics Fund is dedicated to aviation purposes (S.D. Codified Laws Ann. §50-4-14).
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Advance construction		•	•							
Partial conversion of advance construction		•	•							
Design-build	•		•							Authorized in statute for all state agencies (S.D. Codified Laws Ann. §5-18B-20); not currently in use for transportation projects
State infrastructure bank		•	•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; active but not authorized in state statute; may be used for highway or transit projects
Land swaps or donations from land owners	•	•	•							S.D. Codified Laws Ann. §31-19-46

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- The South Dakota Railroad Authority, a quasi-state entity, is authorized to issue revenue bonds for railroad purposes (S.D. Codified Laws Ann. §49-16B-24).

<b>Transportation-Related Bonding</b>	No. South Dakota does not have state bonding authority. This makes South Dakota one of five states that does not currently use bonding of any kind for transportation projects.
<b>Restrictions on Finance Mechanisms</b>	The state constitution limits general obligation debt to \$100,000 (S.D. Const. art. XIII, §2).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

## Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Unspent funds remain in the State Highway Fund. Additional approval, however, is required to spend these funds. Expenditure authority does not carry-over and reverts each year. The authority to spend out of the State Highway Fund is appropriated each fiscal year.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	SDDOT must comply with state laws that regulate the process of awarding bids for highway improvements, including low-bid requirements (S.D. Codified Laws Ann. §31-5-10). State statute also caps SDDOT administrative expenditures at 7 percent of available highway funds (S.D. Codified Laws Ann. §31-2-14).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas, grants, and other programs. The Local Government Highway and Bridge Fund receives revenues from vehicle registration and license fees, including fees for commercial vehicles. The fund is distributed in part to counties and municipalities by statutory percentages. Counties get one allocation for township roads, which must be further distributed to townships based on road miles, and another for county highways. A further \$1.75 million from the Local Government Highway and Bridge Fund goes to the Bridge Improvement Grant program, from which SDDOT awards discretionary grants to eligible counties. A percentage of commercial vehicle fees and \$700,000 from the motor fuel tax fund go directly to counties, using a statutory formula based on truck registrations, population, and road miles. Further portions of commercial vehicle fees and vehicle license taxes are distributed to municipalities based on street miles (S.D. Codified Laws Ann. §10-47B-149, §10-47B-149.1, §32-3-18, §32-10-35, §§32-11-4.1 et seq., §§32-11-5 et seq., and §§32-11-32 et seq.). Using state transportation revenue increases that were enacted into law last year (2015 S.D. Sess. Laws, Chap. 165), SDDOT now allows counties and cities to exchange their locally available Federal funds for state funds. This places the burden of meeting Federal requirements on the state and gives local entities more flexibility. SDDOT also awards discretionary grants of state funds to local entities for transit operating assistance, using a DOT formula (S.D. Codified Laws Ann. §1-44-7.3; S.D. Admin. Code §70:06:02:01) and the South Dakota State Railroad Board, an entity under SDDOT jurisdiction, maintains a trust fund that grants or loans money to regional railroad authorities for the construction or maintenance of rail lines (S.D. Codified Laws Ann. §§49-16C-1 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes some cities to levy local option fuel taxes for municipal streets, but not if they also have a municipal sales tax (S.D. Codified Laws Ann. §§10-52-1 et seq.). Counties may adopt local option wheel taxes (S.D. Codified Laws Ann. §32-5A-1). Property taxes may be assessed by counties and townships for roads and bridges (S.D. Codified Laws Ann. §10-12-13, §10-12-28.2, and §31-12-27), by regional railroad authorities (S.D. Codified Laws Ann. §49-17A-21), or by improvement districts for facilities that may include roads (S.D. Codified Laws Ann. §7-25A-30). Improvement districts may also levy special assessments, as may county road districts (S.D. Codified Laws Ann. §7-25A-33 and §31-12A-23).



# TENNESSEE

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	202,310 (136,034 rural, 66,276 urban)
	Bridges	19,740
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, light rail, commuter rail, inclined plane, streetcar, vanpool, demand response
	Urban transit trips in 2013	31.5 million
<b>Rail</b>	Freight rail route miles	3,019
<b>Aviation</b>	Total airports	221
	Public-use airports	79
	Passengers boarded in 2013	8.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	34.8 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Tennessee General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (33 members), House of Representatives (99 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to April
<b>Legislative Measures Introduced in 2016</b>	1,200 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Finance, Ways, and Means Senate Committee on Government Operations Senate Committee on Transportation and Safety House Committee on Finance, Ways, and Means House Committee on Government Operations House Committee on Transportation <ul style="list-style-type: none"> <li>General Subcommittee</li> </ul> Joint Committee on Fiscal Review

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Tennessee Department of Transportation (TDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Commissioner of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	4,600
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	No. The Driver Services Division is a division of the Department of Safety and Homeland Security. The Department of Revenue performs vehicle registration functions. The state's county clerks issue driver's licenses and vehicle registrations. None of these functions are funded out of TDOT's budget.
<b>Includes Highway Patrol?</b>	No. The Tennessee Highway Patrol is a division of the Department of Safety and Homeland Security (Tenn. Code Ann. §4-7-104). It is funded by general funds, not out of TDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	Yes (in law but not in practice). TDOT has limited authorization to develop and operate toll facilities (with required legislative approval) (Tenn. Code Ann. §§54-3-101 et seq.), but currently there are no such facilities in the state.

## Other

<b>Other State-Level Transportation Entities</b>	None. Tennessee has no state-level transportation entities outside of TDOT and those that perform DMV and highway patrol functions. The Tennessee Aeronautics Commission is attached to TDOT and serves in an advisory capacity to the commissioner of transportation (Tenn. Code Ann. §42-2-301).
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Mainly informal. Few formal mechanisms exist for interactions between TDOT and the General Assembly. TDOT has a Legislative Services Office that advances the department's legislative agenda through the legislative process and maintains effective working relationships with all members of the General Assembly. The Legislative Services Office develops legislative proposals, analyzes and provides information about proposed legislation, advises TDOT on legislative issues, responds to legislative inquiries, and works with sponsors of relevant legislation. In addition, the Office of the Commissioner of Transportation frequently gives input to the General Assembly about transportation-related legislation.
<b>DOT Legislative Liaison</b>	Among other duties, the special assistant/legislative services manager in TDOT's Legislative Services Office (in the Governmental Affairs section) acts as a legislative liaison and is the main point of contact between the department and the General Assembly. The Office of the Commissioner of Transportation and other legislative services staff are also important contacts.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Tenn. Code Ann. §§4-3-2301 et seq.; Tenn. Code Ann. tit. 42, 54, and 55; portions of Tenn. Code Ann. tit. 65 and 69; Tenn. Code Ann. tit. 13, ch. 10; portions of Tenn. Code Ann. tit. 67 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. In Tennessee, only legislators can request legislative bill drafts and sponsor and introduce bills. TDOT's Legislative Services Office develops bill proposals and works with legislators who sponsor those proposals.
	Advocacy and Lobbying	TDOT's Legislative Services Office takes the lead but works with other pertinent areas of the department to lobby for and against certain bills impacting the department.

#### Fiscal Notes or Policy Impact Statements for Legislative Use

TDOT's Finance Office prepares estimates of fiscal impacts of proposed legislation, but ultimately it is the purview of the legislature's Fiscal Review Committee to issue official fiscal notes. The committee may request information from executive departments, including TDOT, to assist it in carrying out its responsibilities (Tenn. Code Ann. §3-2-107 and §3-7-103).

### Legislative Oversight

#### Appointment of DOT Leadership

The commissioner of transportation is appointed by the governor with no legislative involvement. The commissioner must be qualified by training and experience to perform the duties of the office (Tenn. Code Ann. §4-3-2302).

#### Legislature Able to Remove DOT Leaders?

No. The commissioner of transportation serves at the pleasure of the governor.

#### Legislative Review of Administrative Rules

Yes. The House and Senate Government Operations review all proposed rules. Either committee may suspend a rule. All permanent rules expire on June 30 of the year after they are filed unless the General Assembly enacts legislation to extend them (Tenn. Code Ann. §§4-5-201 et seq.).

#### Legislative Audits or Sunset Reviews

Both legislative audits and sunset reviews. TDOT is subject to audits conducted by the legislative Offices of Research and Education Accountability. Also, in Tennessee, state agencies are scheduled for termination at least every eight years unless affirmatively continued by the legislature; this makes Tennessee one of four states that conduct regular sunset reviews of its department of transportation. The sunset review is performed by a joint legislative committee using audits performed by the state comptroller's office (Tenn. Code Ann. §§4-29-101 et seq.). TDOT is scheduled to terminate on June 30, 2020, unless continued by the General Assembly (Tenn. Code Ann. §4-29-237).

#### Required DOT Reports to the Legislature

TDOT is required to submit annual reports to the General Assembly concerning the coordination committee (Tenn. Code Ann. §4-3-2311), use of the state barrels tax on beer (Tenn. Code Ann. §57-5-201), and use of the bottled soft drink tax (Tenn. Code Ann. §67-4-402). Quarterly, TDOT must submit status reports on all highway and road projects approved in the department's budget (Tenn. Code Ann. §54-1-302) and furnish individual legislators with status reports on the highway projects in their respective districts (Tenn. Code Ann. §54-1-115). TDOT is also required to submit a number of conditional or one-time reports. The commissioner of transportation must submit an annual report concerning state financial assistance for public transit projects (Tenn. Code Ann. §13-10-107) and a joint annual report with the commissioner of revenue about the transportation equity fund (Tenn. Code Ann. §67-6-408).

#### Legislative Role in DOT Performance Management

In addition to the reporting requirements, legislative audits, and sunset reviews listed above, state statute expresses the intent of the General Assembly that, to the extent practicable, the state budget should be prepared using performance data and other relevant program measures. The goal is for each budget unit to provide detailed statements that specifically include agency objectives and performance indicators (Tenn. Code Ann. §9-4-5102).

#### Other Legislative Oversight Mechanisms

Other oversight mechanisms include legislative requests for information from TDOT.

#### Resources Provided to DOT to Support Compliance with Oversight Requirements?

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to TDOT as state legislative appropriations to departmental programs or broad spending categories.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to TDOT as appropriations to departmental programs or broad spending categories.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> ) (see note)	
<b>Authorized Expenditures</b>	Administration	\$80,149,900
	Headquarters operations	\$31,706,800
	Field operations	\$60,900,200
	Garage and fleet operations	\$40,712,500
	Highway system maintenance	\$306,323,900
	State-funded programs	\$68,537,000
	Federally funded programs	\$1,287,461,100
	<b>Total</b>	<b>\$1,875,791,400</b>
<b>Revenue Sources</b>	State	\$844,556,000
	Federal	\$999,710,400
	Other	\$31,525,000
	<b>Total</b>	<b>\$1,875,791,400</b>

**Note:** The numbers in this chart are mostly drawn from the governor's FY 2017 [recommended budget](#) for TDOT, which the General Assembly enacted without changes in the annual appropriations bill (2016 Tenn. Pub. Acts, Chap. 758). A subsequent adjustment, however, was made as a result of legislation that permanently reduced the required local match for the County Bridge Grant Program from 20 percent to 2 percent for eligible counties (2016 Tenn. Pub. Acts, Chap. 981; Tenn. Code Ann. §54-4-507). This is reflected in the chart as a \$2.19 million reduction in expenditures for field operations, and a corresponding reduction in revenues from "other" sources, compared to the governor's budget. Note that the governor's budget (and therefore this chart) does not reflect the state's global allocations for payroll increases, health insurance adjustments, and so on. These adjustments will not exceed 3 percent of TDOT's total state budget appropriation. Also not included are transfers from the general fund to TDOT totaling \$142 million in FY 2016 and FY 2017, which were made in partial repayment of transfers previously made from TDOT to the general fund. Of these transfers, \$42 million is to be distributed to counties through the state-aid highway program, and the rest may be used for any purpose.

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	TDOT is generally responsible for all transportation planning and project identification. TDOT sets priorities based on needs and available funding, with input from the governor's office, local governments, MPOs, transit agencies, and rural planning organizations. Each year, TDOT presents the proposed three-year highway program to the General Assembly for review. Typically, the General Assembly approves year one of the program by reference in the state budget. TDOT also annually updates the multimodal, four-year State Transportation Improvement Program (STIP) and, as required by law, submits it to the General Assembly (Tenn. Code Ann. §4-3-2303).
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## Legislative Role in the Planning Process

Moderate legislative role. The General Assembly reviews and approves the annually updated highway program, and reviews the annually updated multimodal State Transportation Improvement Program (STIP). Legislation is occasionally introduced to specify a particular project, but in general, project identification is done by TDOT.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•			•	•		Allocated in part to boating safety (Tenn. Code Ann. §67-3-201, §67-3-202, §67-3-901, §67-3-905)
Fuel taxes: alternative fuels	•	•	•	•				•		Includes taxes on liquefied gas and compressed natural gas; allocated in part to the State Highway Fund (Tenn. Code Ann. §67-3-905, §67-3-908, §67-3-1101, §67-3-1102, §67-3-1113)
Fuel taxes: rail, water carrier, and aviation fuels	•	•			• Pas-senger and freight	•	•			Includes 4.5 percent tax on aviation gasoline and jet fuel; allocated to Transportation Equity Trust Fund (Tenn. Code Ann. §67-6-103, §67-6-217, §67-6-408)
Vehicle registration fees	•	•	•	•				•		Tenn. Code Ann. §55-4-111, §55-6-107
Truck registration fees (based on gross vehicle weight)	•	•	•	•				•		Tenn. Code Ann. §55-4-113, §55-6-107
Oversize/overweight truck permit fees	•	•	See notes	See notes				See notes		Used for State Highway Fund purposes under some circumstances (see notes)
Tolls	•		•							Pilot program authorized in law but not currently in use; legislative approval required for toll facilities (Tenn. Code Ann. §§54-3-101 et seq.).
Rest area sponsorship	•		•					See notes		Authorized but not currently in use; revenues restricted to highway uses (Tenn. Code Ann. §4-3-2308) (see notes)
HELP truck commercial sponsorship	•		•	•				•		Revenues from ads on HELP incident response trucks; authorized in statute (Tenn. Code Ann. §4-3-2309) but not currently in use; allocated to the State Highway Fund, to be used solely for transportation purposes

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Off-road vehicle fees	•	•	•	•	• Pas-senger and freight	•	•	•		Collected by the Department of Revenue (Tenn. Code Ann. §55-3-101); a portion of the revenues is transferred to TDOT and may be used for any TDOT purpose
General funds		•	•	•				•		One-time transfers to the State Highway Fund in FY 2016 and FY 2017 only (see notes); authorized in session law (2016 Tenn. Pub. Acts, Chap. 758), not statute
Interest income	•	•	•	•	• Pas-senger and freight	•	•	•		State Highway Fund (investment income from specified fuel tax increases), Transportation Equity Trust Fund (Tenn. Code Ann. §9-4-207, §67-3-905)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Revenues allocated to the State Highway Fund may be used for pedestrian and bicycle projects. For rest area sponsorship revenues, which are restricted by law to highway purposes (Tenn. Code Ann. §4-3-2308), only those pedestrian or bicycle projects with a connection to highway purposes (e.g., “Share the Road” highway signage) would be eligible activities.
- State statute directs the revenues from oversize or overweight truck permit fees to the State Highway Fund for administration of the permitting program (Tenn. Code Ann. §55-7-205), not for the kinds of transportation activities listed in this chart. Any excess revenues, however, may reportedly be used for other State Highway Fund purposes.
- Between FY 2002 and FY 2008, a total of \$262 million was transferred from the State Highway Fund to the general fund. In partial repayment for these transfers, the FY 2017 budget bill (2016 Tenn. Pub. Acts, Chap. 758) transfers a total of \$142 million back to the State Highway Fund. From that \$142 million, \$42 million will go to counties for road projects via the State-Aid Highway Program (Tenn. Code Ann. §§54-4-401 et seq.) and \$100 million will be for state use.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation (with exception). State statute directs most fuel tax revenues to transportation purposes, including allocations to the State Highway Fund for highways and public transit, to the Wildlife Resources Fund for boating safety, and to local entities for road projects. An exception is set-asides for the state general fund (Tenn. Code Ann. §67-3-901 and §67-3-905).



**Restrictions on Other Transportation Revenues**

Revenues from taxes on fuels used for rail, waterways, and aviation are deposited into the Transportation Equity Trust Fund, to be used for those modes (Tenn. Code Ann. §67-6-103). Toll revenues must be used for the toll facilities or for allowable purposes of the State Highway Fund, and any toll facility must be approved by the General Assembly (Tenn. Code Ann. §54-3-102 and §54-3-105).

**Dedicated or Restricted Transportation Funds**

The State Highway Fund is directed mainly to highways and transit projects. Diversions or transfers are prohibited (Tenn. Code Ann. §67-3-901 and §§54-2-102 et seq.). The Transportation Equity Trust Fund, which receives revenues from taxes on fuels used for rail, waterways, and aviation, must be used for those modes (Tenn. Code Ann. §9-4-207).

**Revenue Sources Prohibited in State Law**

The state constitution generally prohibits the use of lottery revenues, except a state lottery for educational purposes or a specifically authorized lottery for an annual event to benefit a non-profit or veterans' organization (Tenn. Const. art. XI, §5). The constitution also bans any state income taxes except those in effect on Jan. 1, 2011 (Tenn. Const. art. II, §28).

**State Finance Mechanisms**

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Advance construction		•	•							
Design-build	•	•	•							Authorized for up to 15 road and bridge contracts under \$1 million, or 5 contracts over \$1 million, per year; legislative approval required for contracts over \$70 million (Tenn. Code Ann. §54-1-119); used for several road projects
Public-private partnerships	•		•	•	See notes					Authorized in statute for a pilot program of up to two toll road or bridge projects that must be legislatively approved (Tenn. Code Ann. §§54-3-101 et seq.) and, as of Oct. 1, 2016, public transit projects (Tenn. Code Ann. §§54-23-101 et seq.; 2016 Tenn. Pub. Acts, Chap. 975); not currently in use
State infrastructure bank	•		•	•	• Passenger and freight	•	•	•		Transportation State Infrastructure Fund (Tenn. Code Ann. §54-31-1201 et seq.); capitalized with Federal funds; uses authorized by state statute include highway, airport, rail, port, transit, bicycle, and pedestrian projects; currently inactive (see notes)

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not



include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Tennessee’s Public-Private Transportation Act of 2016 (Tenn. Code Ann. §§54-23-101 et seq.; 2016 Tenn. Pub. Acts, Chap. 975) authorizes the use of public-private partnerships for mass transit systems, but does not define mass transit. Another statute, however, defines mass transit as including both light and heavy rail (Tenn. Code Ann. §64-8-202).
- Tennessee Federally capitalized a state infrastructure bank in 1997 under the NHS Act pilot program. The bank made one loan and became inactive. In 2009, new legislation was enacted to establish the Transportation State Infrastructure Fund (2009 Tenn. Pub. Acts, Chap. 525; Tenn. Code Ann. §§4-31-1201 et seq.), and the money remaining in the original bank was transferred to the new fund. No current activity, however, was found.

<b>Transportation-Related Bonding</b>	No. Tennessee’s highway program has been debt-free since 1987. Although the Better Bridge Program was authorized in 2009 to use bond financing, the bonds were never issued. This makes Tennessee one of five states that does not currently use bonding of any kind for transportation projects.
<b>Restrictions on Finance Mechanisms</b>	All bond proceeds must be deposited into the State Highway Fund (Tenn. Code Ann. §54-2-102) and used for the projects specified in the authorizing bond bill. Tennessee does not currently, however, use bonding for transportation projects. Public-private partnerships are limited to a pilot program of two tollway projects that must be legislatively approved (Tenn. Code Ann. §54-3-113) and, as of Oct. 1, 2016, public transit projects (Tenn. Code Ann. §§54-23-101 et seq.; 2016 Tenn. Pub. Acts, Chap. 975). Use of design-build is limited to 15 contracts of less than \$1 million, or 5 contracts of more than \$1 million, per year. Legislative approval is required for design-build contracts of more than \$70 million (Tenn. Code Ann. §54-1-119).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. TDOT retains all excess funds, which are carried forward to the next year. No further approval is required to spend retained funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No. Language in the annual appropriations bill, however, does require TDOT to notify select legislative committees, legislative leaders, and the individual senator and representative of the affected district concerning any approved project that is canceled.
<b>Legislative Actions to Control DOT Costs</b>	State statute contains low-bid requirements for TDOT contracts (Tenn. Code Ann. §54-5-116). Also, selection criteria for a design-build contract must include project cost (Tenn. Code Ann. §54-1-119).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. After set-asides, portions of state gasoline and diesel tax revenues go to counties and municipalities. Funds are distributed to counties by a statutory formula based on population and land area. Up to 22.22 percent of a county’s gasoline tax allocation may be used for public transit, and the rest for road and bridge projects. Funds are distributed to municipalities for street projects based on population (Tenn. Code Ann. §67-3-901, §67-3-905, §54-4-103, and §54-4-203). Appropriations of state funds to the state-aid highway program are also distributed to counties based on population and land area (Tenn. Code Ann. §§54-4-401 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties and cities to assess local option fuel taxes for public transit or street projects (Tenn. Code Ann. §§67-3-1001 et seq.), as well as tolls, user fees, or property taxes for public works projects that may include roads (Tenn. Code Ann. §9-21-107). Counties may also levy mineral severance taxes for road projects (Tenn. Code Ann. §67-7-201). Road improvement districts assess levy property taxes or special assessments for roads or bridges (Tenn. Code Ann. §§54-12-101 et seq.).

# TEXAS

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	677,575 (425,670 rural, 251,905 urban)
	Bridges	53,209
	Toll facilities	Yes (roads: 497.8 miles; bridges: 27; tunnels: 1)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, light rail, commuter rail, ferry boat, streetcar, vanpool, demand response
	Urban transit trips in 2013	290.4 million
<b>Rail</b>	Freight rail route miles	10,469
<b>Aviation</b>	Total airports	1,437
	Public-use airports	387
	Passengers boarded in 2013	70.9 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	506.6 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Texas Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (31 members), House of Representatives (150 members)
<b>Type</b>	Hybrid
<b>Session</b>	Biennial, approx. Jan. to May (odd years only)
<b>Legislative Measures Introduced in 2016</b>	None (no regular 2016 session)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Finance Senate Committee on Transportation House Committee on Appropriations House Committee on Homeland Security and Public Safety House Committee on Transportation <ul style="list-style-type: none"> <li>Subcommittee on Long-term Infrastructure Planning</li> </ul> [Select] Senate Select Committee on Texas Ports [Select] Senate Select Committee on Transportation Planning [Select] House Select Committee on Transportation Planning Standing committees also meet during the interim to oversee and study various matters.

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Texas Department of Transportation (TxDOT)
<b>Structure</b>	Organized by both functional activity and transportation mode. TxDOT is organized into a number of divisions, some of which are dedicated to transportation modes such as aviation, maritime, public transit, and rail.
<b>Leadership</b>	Executive Director of TxDOT (does not serve on governor's cabinet; Texas has no formal cabinet system), Texas Transportation Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	11,900 authorized
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation (general aviation only), ports/waterways, pedestrian/bicycle. TxDOT's role in public transit and general aviation are limited to managing grant programs, and its role in rail, marine, and non-motorized transportation is limited to statewide coordination and planning. TxDOT is the state sponsor of the Gulf Intracoastal Waterway and, as such, facilitates the placement of dredge disposal for improvements to the waterway by the U.S. Army Corps of Engineers.
<b>Includes DMV?</b>	No. Vehicle registration is handled by the Texas Department of Motor Vehicles, an independent state agency that is funded by fee revenues. Driver's licensing is carried out by the Department of Public Safety, which is funded by general, dedicated, and Federal funds. Neither is funded out of TxDOT's budget.
<b>Includes Highway Patrol?</b>	No. The Texas Highway Patrol is a division of the Department of Public Safety, which is funded by general, dedicated, and Federal funds, not out of TxDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. TxDOT has jurisdiction over some, but not all, <a href="#">toll facilities in the state</a> . There are other local toll project entities in the state.

## Other

<b>Other State-Level Transportation Entities</b>	None. Texas has no state-level transportation entities besides TxDOT, the Texas Transportation Commission, and those that perform DMV and highway patrol functions.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through a dedicated liaison. TxDOT's State Legislative Affairs unit is primarily responsible for TxDOT's communication and interactions with the Legislature. The office responds to legislative information requests, researches and analyzes policy issues, monitors and prepares TxDOT testimony for relevant legislative hearings, provides educational briefings to legislators and legislative staff, prepares transportation materials for legislative visits, tracks legislative actions, oversees TxDOT's reporting requirements to the Legislature, and coordinates with experts throughout TxDOT. Other TxDOT staff also interact with the Legislature as needed, both informally and through formal testimony and reporting requirements.
<b>DOT Legislative Liaison</b>	The State Legislative Affairs unit in TxDOT's Government Affairs Division, among other duties, is the main point of contact between the department and the Legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Tex. Transportation Code Ann.; Tex. Const. art. VIII, §7-a (revenue restrictions); Tex. Const. art. III, §§49-k et seq. (funds and bonding); portions of Tex. Tax Code Ann. (revenues)
<b>DOT Role in the Legislative Process</b>	Legislative Proposals      No direct role. In Texas, only legislators may formally sponsor and introduce legislation. TxDOT does respond to requests from legislators for input on legislative proposals.

Advocacy and Lobbying	By law, state agencies may not use appropriated funds to attempt to influence legislation. State employees can, however, provide public information or information in response to a request (Tex. Government Code Ann. §556.006). TxDOT personnel do not lobby, therefore, but do act as neutral resource witnesses and testify before legislative committees.
Fiscal Notes or Policy Impact Statements for Legislative Use	Upon request, TxDOT gives input to the Legislative Budget Board to inform its fiscal notes on legislation.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The five members of the Texas Transportation Commission are appointed to staggered six-year terms by the governor with the advice and consent of the Senate. Members must be appointed to reflect the diverse regions and population groups of the state, but all of them represent the general public. One member must reside in a rural area and be a registered voter of a county with a population of less than 150,000. No member may be a registered lobbyist or accept any campaign contributions. Members and, in some cases, their spouses must not have specified conflicts of interest (Tex. Transportation Code Ann. §§201.051 et seq.). The executive director of TxDOT is elected by the commission, within broad statutory guidelines for experience and skills (Tex. Transportation Code Ann. §201.301).
<b>Legislature Able to Remove DOT Leaders?</b>	Yes. By law, the Legislature can remove the head of a state department or a commissioner by impeachment (Tex. Government Code Ann. §§665.001 et seq.). The governor may remove a member of the Texas Transportation Commission for certain reasons (Tex. Transportation Code Ann. §201.057) and the executive director of TxDOT, in general, serves at the will of the commission.
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules are reviewed by the relevant standing committees. The role of these committees is mainly advisory (Tex. Government Code Ann. §2001.032).
<b>Legislative Audits or Sunset Reviews</b>	Both legislative audits and sunset reviews. The State Auditor's Office, a legislative agency, conducts audits of state agencies, including TxDOT, at the direction of the Legislature. Also, in Texas, state agencies are scheduled for termination at least every 12 years unless affirmatively continued by the Legislature; this makes Texas one of four states that conduct regular sunset reviews of its department of transportation. The sunset review is performed by the legislative Sunset Advisory Commission (Tex. Government Code Ann. §§325.001 et seq.). TxDOT is currently scheduled to terminate on Sept. 1, 2017, unless continued by the Legislature (Tex. Transportation Code Ann. §201.204).
<b>Required DOT Reports to the Legislature</b>	TxDOT is required to submit annual reports to the Legislature concerning expenditures (Tex. Transportation Code Ann. §201.616), environmental reviews (Tex. Transportation Code Ann. §201.762), the status of each transportation goal for the state (Tex. Transportation Code Ann. §201.809), public transit providers (Tex. Transportation Code Ann. §456.008), and the Economically Disadvantaged County Program (Tex. Transportation Code Ann. §222.053). Every other year, TxDOT must submit a report on cash balances in project sub-accounts (Tex. Transportation Code Ann. §228.012) and the Texas Transportation Commission must submit a report on the Gulf Intracoastal Waterway (Tex. Transportation Code Ann. §51.007).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements, legislative audits, and sunset reviews listed above, the Legislature approves annual performance goals and targets for each state agency in the biennial appropriations act. TxDOT proposes and the Legislative Budget Board and the Office of the Governor jointly establish these targets and goals, as well as annual outcome and quarterly output measures. Annual outcome and quarterly output performance results are reported to the Legislative Budget Board via its automated reporting system, which is available for legislative review. The Legislative Budget Board reports on variance from the targets and other information as requested by the Legislature. TxDOT includes prior year performance results in its biennial Legislative Appropriations Request.

**Other Legislative Oversight Mechanisms**

State law requires TxDOT to post information about its projects, expenditures, transportation-related statistics, and other matters online (Tex. Transportation Code Ann. §§201.805 et seq.) and to publish an annual funding and cash flow forecast (Tex. Transportation Code Ann. §201.993). In addition, TxDOT meets regularly with legislative committees between legislative sessions. This is largely due to interim charges from legislative leaders that direct committees to study various topics during this time. In 2015, for example, the Senate Committee on Transportation was directed to study vehicle inspections, the State Highway Fund, impacts of the Panama Canal expansion, the Driver Responsibility Program, oversize and overweight vehicles, tolling, TxDOT's sunset review, and other TxDOT matters. The House Committee on Transportation was directed to study TxDOT's role in disaster response, toll roads, design-build, alternative transportation modes, local transportation funding, utility relocation, oversize and overweight corridors, and innovative transportation technologies. Other committees were also directed to study transportation-related topics, and the House Committee on Transportation was tasked with further interim oversight and monitoring of TxDOT. Other oversight mechanisms include legislative requests for information from TxDOT.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No. TxDOT does not receive explicit line item funding to support its compliance in making required reports to the Legislature or meeting other legislative oversight requirements. However, TxDOT utilizes its budgetary and staff resources to perform these functions.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Biennial enactment of two 12-month budgets; fiscal year begins Sept. 1. Texas is one of five states in which a legislative entity—in this case, the Legislative Budget Board—produces a comprehensive budget as an alternative to the governor's proposal.

**Allocation of Transportation Revenues to the DOT**

Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to TxDOT as state legislative appropriations to departmental programs or broad spending categories. The state General Appropriations Act provides appropriation authority for Federal funds. All funds received are deposited into the State Highway Fund. TxDOT is the state administrative authority for these funds.
State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to TxDOT in the General Appropriations Act, as legislative appropriations to departmental programs or broad spending categories.

### State Transportation Budget

**Most Recently Enacted Transportation Budget**

Biennial budget, FY 2016 and FY 2017 ([enacted](#))

**Authorized Expenditures (FY 2017 only)**

Provide transportation planning	\$1,267,631,772
Transportation improvements	\$2,470,084,123
Preserve the transportation system	\$4,199,324,049
Optimize services and systems	\$175,216,327
Enhance rail transportation	\$18,082,092
Indirect administration	\$256,715,334
Debt service payments	\$1,152,787,173
Develop toll subaccount projects	\$309,286,200
Proposition 1, 2014 (non-tolled public roadways)	\$1,197,393,000
<b>Total</b>	<b>\$11,046,520,070</b>

**Revenue Sources (FY 2017 only)**

General revenue fund	\$287,773,889
Federal funds	\$3,999,744,107
Other funds	\$6,759,002,074
<b>Total</b>	<b>\$11,046,520,070</b>

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

The Texas Transportation Commission and TxDOT annually update the 10-year Unified Transportation Program, which broadly guides project development for highways, aviation, public transit, and waterways, and the four-year Statewide Transportation Improvement Program (STIP), which is a more detailed program for highway and transit projects. Under the oversight of the commission, TxDOT works with TxDOT district offices, MPOs, transit and rail agencies, port authorities, and local toll entities to identify projects and funding strategies. After a series of hearings and other opportunities for public input, the Texas Transportation Commission approves funding and authorizes construction based on funding availability and local priorities. TxDOT oversees project implementation.

### Legislative Role in the Planning Process

Limited legislative role. The Legislature has statutorily delegated responsibilities for project selection, prioritization, and approval to the Texas Transportation Commission (Tex. Transportation Code Ann. §201.103). The Legislature has established statutory guidelines for the planning process and helps set spending levels through appropriations.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•							Tex. Tax Code Ann. §§162.101 et seq., §162.201 et seq., §162.503, §162.504
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied and compressed natural gas (Tex. Tax Code Ann. §§162.351 et seq., §162.506)
Vehicle registration and title fees	•	•	•							Tex. Transportation Code Ann. §50.252
Vehicle inspection fees	•	•	•							Allocated to the Texas Mobility Fund (Tex. Transportation Code Ann. §548.508)
Truck registration fees (based on gross vehicle weight)	•	•	•							Tex. Transportation Code Ann. §502.253
Oversize/overweight truck permit fees	•	•	•							Allocated in part to the State Highway Fund (Tex. Transportation Code Ann. §623.0111)
Sales taxes on motor vehicle sales, leases, and rentals	•		•							Allocated in part to the State Highway Fund starting FY 2020; set to expire in FY 2029 (Tex. Const. art. VIII, §7-c; 2015 Tex. Senate Joint Resolution 5)



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Tolls	•	•	•							Revenues are generally used for the toll facilities and other highways, although surplus revenues may be used for other transportation projects (Tex. Transportation Code Ann. §228.006)
High-occupancy toll (HOT) lanes/managed lanes	•	•	•							Tex. Transportation Code Ann. §§228.201 et seq.
Sales taxes on motor lubricants	•	•	•							Tex. Tax Code Ann. §151.801
Driver's license and state ID card fees	•	•	•							Allocated to the Texas Mobility Fund (Tex. Transportation Code Ann. §521.427, §522.029, §524.051)
Driver record information fees	•	•	•							Allocated to the Texas Mobility Fund (Tex. Transportation Code Ann. §521.058)
State general sales taxes	•		•							Allocated in part to the State Highway Fund starting FY 2018; set to expire in FY 2032 (Tex. Const. art. VIII, §7-c; 2015 Tex. Senate Joint Resolution 5)
Oil and gas production taxes	•	•	•							Allocated in part to the State Highway Fund (Tex. Const. art. III, §49-g)
Discretionary allocations from State Highway Fund	•	•		•	• Passenger and freight	•	•			TxDOT uses a portion of non-restricted State Highway Fund revenues for public transit, rail, aviation, and ports (see note)
Interest income	•	•	•							Texas Mobility Fund (Tex. Transportation Code Ann. §201.946)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”



- State statute allows the State Highway Fund to be used for any TxDOT departmental purpose (Tex. Transportation Code Ann. §222.002). No state revenues, however, are dedicated to non-highway modes. TxDOT uses a portion of non-restricted State Highway Fund revenues for public transit, rail, aviation, and ports.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges, schools. The state constitution dedicates three-fourths of fuel tax revenues to public roadways, including traffic and safety supervision, and one-fourth to the Available School Fund (Tex. Const. art. VIII, §7-a).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle registration fees and all taxes on lubricants, except gross production and ad valorem taxes, to public roadways, including traffic and safety supervision (Tex. Const. art. VIII, §7-a). The constitution also dedicates portions of oil and gas production taxes, state general sales taxes (starting in FY 2018), and sales taxes on motor vehicles (starting in FY 2020) to the State Highway Fund for improvements to public roadways other than toll roads. The sales tax dedications may also be used to repay general obligation debt for highway improvements and are set to expire at the ends of FY 2032 and FY 2029, respectively, unless extended by the Legislature (Tex. Const. art. III, §49-g, and art. VIII, §7-c; 2015 Tex. Senate Joint Resolution 5).
<b>Dedicated or Restricted Transportation Funds</b>	The State Highway Fund receives revenues from sources that are constitutionally dedicated to roadways, as well as other revenues that state statute allows to be used for any TxDOT purpose. The fund may not, however, be used to guarantee a loan or issue bonds for a toll facility (Tex. Transportation Code Ann. §222.001 et seq.). The state constitution restricts use of the Texas Mobility Fund, which cannot receive vehicle registration fees or taxes on motor fuels and lubricants, to state highways, toll roads, and other transportation projects (Tex. Const. art. III, §49-k). Although permissible under the constitution, the Texas Mobility Fund is further restricted by state statute from being used for toll roads (Tex. Transportation Code Ann. §201.946).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•							Highway Improvement General Obligation (HIGO) Bonds, also known as Proposition 12 bonds; generally authorized by the state constitution; require further legislative approval; capped at \$5 billion (Tex. Const. art. III, §49-p; Tex. Transportation Code Ann. §222.004)
Revenue bonds	•	•	•							Includes State Highway Fund bonds (Tex. Const. art. III, §49-n; Tex. Transportation Code Ann. §222.003), which are capped at \$1.5 billion per year and \$6 billion total, and Texas Mobility Fund bonds (see notes) (Tex. Const. art. III, §49-k; Tex. Transportation Code Ann. §201.941 et seq.)

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Build America Bonds	•	•	•							Issued in 2009 for highway projects; were used to partially offset debt service costs on three currently outstanding series of revenue and general obligation bonds
Private activity bonds	•	•	•							Issued; TxDOT program authorized in state statute (Tex. Transportation Code Ann §222.035)
Federal credit assistance: TIFIA		•	•							Active loan(s), used for highway projects
Advance construction		•	•							
Federal-aid matching: tapered match		•	•							
Federal-aid matching: toll credits ("soft match")		•	•							
Design-build	•	•	•							Authorized for up to three highway projects per year, each with a construction cost estimate of \$150 million or more (Tex. Transportation Code Ann. §223.242); used for several projects
Public-private partnerships	•	•	•		See notes					Authorized in statute for rail (see notes) and specific road projects (Tex. Transportation Code Ann. §91.054, §§223.201 et seq., §§371.001 et seq.); used for several road projects
State infrastructure bank	•	•	•	•						Capitalized with Federal funds; may be used for highway or transit projects (Tex. Transportation Code Ann §§222.071 et seq.)

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."

- State statute provides that if the Texas Mobility Fund is insufficient to cover its obligations, those obligations can be paid by the State Treasury (Tex. Transportation Code Ann. §201.944). In 2015, the fund's bond program reached its statutorily authorized capacity and legislation was enacted to prohibit the issuance of any new bonds after Jan. 1, 2015, except to refund certain outstanding obligations (2015 Tex. Gen. Laws, Chap. 387).
- Although state statute allows the use of public-private partnerships for rail (Tex. Transportation Code Ann. §91.054), the state is not currently engaged in any such projects.

<b>Transportation-Related Bonding</b>	Yes. Texas used pay-as-you-go financing until 2001. The Texas Transportation Commission was then authorized to issue bonds by constitutional amendments that were approved in 2001, 2003, and 2007 (Tex. Const. art. III, §49-k, §49-n, and §49-p). The commission began issuing revenue bonds in 2005 and general obligation bonds in 2010.
<b>Restrictions on Finance Mechanisms</b>	The state constitution limits general obligation bonds for highway projects to \$5 billion (Tex. Const. art. III, §49-p), and state statute makes them subject to legislative appropriation (Tex. Transportation Code Ann. §222.004). State Highway Fund revenue bonds are limited to \$1.5 billion per year and \$6 billion total (Tex. Const. art. III, §49-n; Tex. Transportation Code Ann. §222.003). Public-private partnerships are limited to projects identified in statute (Tex. Transportation Code Ann. §223.2011). Use of design-build is capped at three highway projects per year, each with a construction cost estimate of \$150 million or more (Tex. Transportation Code Ann. §223.242).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes and no. TxDOT has traditionally been granted authority through the General Appropriations Act to carry forward unspent appropriations between years of a state fiscal biennium for major transportation planning, construction, and maintenance. In general, appropriations that remain unspent at the end of one biennium must be legislatively re-appropriated to be spent in the next.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes, in some cases. TxDOT must receive approval from the Legislative Budget Board and the governor to transfer funds between spending categories that were separate line items in the General Appropriations Act. No approval is required to transfer funds between projects within a category.
<b>Legislative Actions to Control DOT Costs</b>	TxDOT is subject to state statutes concerning bids and contracts for highway projects, including low-bid requirements (Tex. Transportation Code Ann. §§223.001 et seq.).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and legislative appropriations. The County and Road District Highway Fund receives at least \$7.3 million each fiscal year in state gas tax revenues. The fund is distributed to counties for road projects by a statutory formula based on area, rural population, and road miles (Tex. Tax Code Ann. §162.503; Tex. Transportation Code Ann. §256.002). Counties also receive funds from appropriations to the Special County Road Assistance Program, which is distributed at a statutory formula based on total population, unincorporated population, total road miles, and paved road miles (Tex. Local Government Code Ann. §§615.101 et seq.). Counties act as agents for the state in collecting vehicle registration fees, and retain a portion of these fees for road and bridge projects. A county's share is based on net collections and county road miles (Tex. Transportation Code Ann. §502.102). In 2013, the Legislature created and allocated a one-time \$224.5 million transfer to a new County Transportation Infrastructure Fund for county roads in oil and gas development regions. TxDOT awards grants from this fund to eligible counties by a statutory formula based on weight tolerance permits, oil and gas production taxes, well completions, and oil and gas waste. The program requires a 20 percent local match, which is reduced to a 10 percent match for economically disadvantaged counties (Tex. Transportation Code Ann. §§256.101 et seq.).
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**Local Revenue  
Sources Authorized in State Law**

State statute authorizes various regional and local entities to build and operate toll roads (Tex. Transportation Code Ann. ch. 284, 365, 366, and 370). Counties may levy vehicle registration fees for roads and bridges (Tex. Transportation Code Ann. §502.401) and special assessments for road improvements (Tex. Transportation Code Ann. §253.003). Counties, precincts, road districts, and road utility districts may assess property taxes for various road purposes (Tex. Transportation Code Ann. §§256.051 et seq. and §§441.191 et seq.). Metropolitan rapid transit authorities, regional transportation authorities, municipal transit departments, and county mass transit authorities may impose sales taxes (Tex. Transportation Code Ann. §451.404, §452.401, §453.401, and §457.301); metropolitan rapid transit authorities may also impose vehicle emissions taxes (Tex. Transportation Code Ann. §451.414). Municipalities, some counties, and other local entities may charge developers impact fees for development-related capital improvements (Tex. Local Government Code Ann. §§395.001 et seq.).

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## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	97,273 (71,486 rural, 25,787 urban)
	Bridges	2,971
	Toll facilities	Yes (roads: 1.0 miles)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, light rail, commuter rail, vanpool, demand response
	Urban transit trips in 2015	46.6 million
<b>Rail</b>	Freight rail route miles	1,343
<b>Aviation</b>	Total airports	92
	Public-use airports	45
	Passengers boarded in 2014	10.4 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	0

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Utah Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (29 members), House of Representatives (75 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to Mar.
<b>Legislative Measures Introduced in 2016</b>	800 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation, Public Utilities, Energy, and Technology Senate Confirmation Committee on Transportation, Public Utilities, Energy, and Technology House Committee on Transportation Joint Committee on Executive Appropriations <ul style="list-style-type: none"> <li>Subcommittee on Infrastructure and General Government Appropriations</li> </ul> [Interim] Joint Interim Committee on Transportation

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Utah Department of Transportation (UDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Executive Director of UDOT (serves on governor's cabinet), Utah Transportation Commission (independent body). The Utah Transportation Commission does not have direct governing authority over UDOT. Rather, it is an advisory committee that has only certain narrow duties as defined in state law, the chief of which are to prioritize projects and to decide how available funds are spent (Utah Code Ann. §72-1-303).
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	1,730 authorized, 1,567 actual
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, ferries (UDOT owns a 3-mile ferry system on Lake Powell that connects two state roads). UDOT has responsibility for pedestrian and bicycle transportation adjacent to the highway system, but not as stand-alone modes of transportation. UDOT does not have jurisdiction over other modes, other than Federally required safety oversight responsibilities for public transit light rail systems and freight rail.
<b>Includes DMV?</b>	No. Vehicle registration is handled by the Division of Motor Vehicles, a division of the Utah State Tax Commission that is funded by the Transportation Fund, restricted accounts, general funds, and Federal funds. Driver's licensing is carried out by the Driver License Division of the Department of Public Safety.
<b>Includes Highway Patrol?</b>	No. The Utah Highway Patrol is a division of the Department of Public Safety. It is funded by the Transportation Fund, restricted accounts, general funds, and Federal funds.
<b>Jurisdiction Over Toll Facilities?</b>	Yes (in law but not in practice). UDOT has authority to establish and operate toll roads (with required statutory approvals), but besides high-occupancy toll (HOT) lanes, no public toll facilities currently exist.

## Other

<b>Other State-Level Transportation Entities</b>	None. Utah has no state-level transportation entities besides UDOT, the Utah Transportation Commission, and those that perform DMV and highway patrol functions.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. UDOT interacts with the Legislature by testifying before legislative committees, and engaging with individual legislators, about relevant bills or issues. UDOT also makes annual reports to interim committees. At times, UDOT may be invited to present to a caucus on a particular topic. UDOT's policy and legislative services director is responsible for ongoing communication and interaction with the Legislature.
<b>DOT Legislative Liaison</b>	UDOT's policy and legislative services director also acts as the legislative liaison and, among other duties, is the main point of contact between the department and the Legislature.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Utah Code Ann. tit. 41, 56, and 72; portions of Utah Code Ann. tit. 73; Utah Const. art. XIII, §5 (revenue restrictions); portions of Utah Code Ann. tit. 59 (revenues)
<b>DOT Role in the Legislative Process</b>	Legislative Proposals Occasional role. UDOT may ask legislators to sponsor particular bills or be invited to present to a caucus on a particular issue. Only legislators, however, may request legislative bill drafts and sponsor and introduce legislation.

Advocacy and Lobbying	In Utah, state entities are statutorily prohibited from hiring contract lobbyists (Utah Code Ann. §63J-1-210), and in practice, generally refrain from trying to influence legislative action. Agencies do, however, educate and provide relevant information to lawmakers as appropriate. In addition, UDOT is statutorily required to advise the governor and the Legislature of state transportation system needs (Utah Code Ann. §72-1-201).
Fiscal Notes or Policy Impact Statements for Legislative Use	The Office of the Legislative Fiscal Analyst prepares official fiscal notes on bills using information gathered from state agencies, including UDOT.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The seven members of the Utah Transportation Commission are appointed to staggered six-year terms by the governor with the consent of the Senate, within statutory requirements for state residency and geographic representation. Four members represent the UDOT regions and three represent the state at large. No more than two can be from any one region, and at least one at-large member must be from a rural county (Utah Code Ann. §72-1-301). The executive director of UDOT is appointed by the governor after consultation with the Utah Transportation Commission and with the consent of the Senate, within broad statutory guidelines for experience and training (Utah Code Ann. §72-1-202).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The executive director of UDOT may be removed by the governor. No process is specified for removing members of the Utah Transportation Commission before the end of their respective terms of office.
<b>Legislative Review of Administrative Rules</b>	Yes. The joint Administrative Rules Review Committee reviews all proposed and existing rules. The committee's role is mainly advisory. Any existing rule that is in effect on Feb. 28 of any calendar year expires on May 1 of that year unless it is reauthorized by the full Legislature in an annual omnibus bill (Utah Code Ann. §§63g-3-501 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. UDOT is subject to audits conducted by the Office of the Legislative Auditor General. This office has the authority to audit any branch, department, agency, or political subdivision of the state. The state conducts sunset reviews, but not of UDOT.
<b>Required DOT Reports to the Legislature</b>	UDOT's reporting requirements to the Legislature were streamlined by legislation enacted in 2016 (2016 Utah Laws, Chap. 137). Now, UDOT need only submit annual reports on Federal receipts (Utah Code Ann. §63j-1-219) and recommended additions to or deletions from the state highway system (Utah Code Ann. §72-4-102), as well as annual reports to the Transportation Interim Committee on highway operation, maintenance, condition, and safety needs and, jointly with the Utah Transportation Commission, the condition, safety, and mobility of the state transportation system (Utah Code Ann. §72-1-201). Historically, other statutory reporting requirements have also been included in these reports to the Transportation Interim Committee, including information about prioritized transportation capacity projects and unfunded highway construction and maintenance needs (Utah Code Ann. §72-1-303 and §72-1-305). Although not explicitly required, information about UDOT's progress toward its performance goals has also been included in these reports.
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, state statute requires UDOT to develop strategic initiatives and to report them to the Utah Transportation Commission, including measures for determining whether the initiatives have been achieved (Utah Code Ann. §72-1-211).
<b>Other Legislative Oversight Mechanisms</b>	State statute requires UDOT's internal performance auditors to submit all audit findings to the Legislative Auditor General (Utah Code Ann. §72-1-206). In addition, the Legislative Management Committee can direct interim committees to study various topics between legislative sessions. The specific topics vary from year to year; in 2015, for example, the Joint Interim Committee on Transportation studied the impacts of recent transportation funding legislation, the Utah Transportation Commission's project prioritization process, and nighttime work zone noise. Other oversight mechanisms include legislative requests for information from UDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.



## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1. UDOT works with the Utah Transportation Commission and the Governor's Office of Management and Budget to develop the department's budget recommendations. The governor's office provides the Legislature with these recommendations.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal transportation funds are allocated to UDOT as state legislative appropriations to departmental programs or broad spending categories.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are allocated to UDOT as legislative appropriations to departmental programs or broad spending categories.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Support services	\$34,591,600
	Engineering services	\$35,567,900
	Operations/maintenance management	\$167,620,000
	Construction management	\$272,288,100
	Region management	\$28,993,700
	Equipment management	\$29,289,800
	Aeronautics	\$7,433,000
	B and C roads	\$155,127,400
	Safe sidewalk construction	\$500,000
	Mineral lease	\$56,448,100
	Share the Road	\$35,000
	TIF Capacity Program	\$403,795,400
	<b>Total</b>	<b>\$1,191,690,000</b>
<b>Revenue Sources</b>	Transportation Fund	\$454,874,200
	Transportation Investment Fund of 2005	\$410,696,800
	Federal funds	\$182,726,900
	Dedicated credits revenue	\$33,177,100
	Federal mineral lease	\$56,448,100
	Aeronautics Restricted Account	\$7,049,400
	General fund revenue—Share the Road Bicycle Support	\$35,000
	Designated sales tax	\$46,682,500
	<b>Total</b>	<b>\$1,191,690,000</b>

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

The state adopts a long-range plan, and priority projects from that plan are added to the six-year Statewide Transportation Improvement Program (STIP). In general, UDOT and MPOs identify projects. The Utah Transportation Commission prioritizes new transportation capacity projects using a statutorily provided process, the Decision Support System (Utah Code Ann. §72-1-304 and §72-1-305). Smaller-scale projects to alleviate specific traffic bottlenecks also are prioritized. UDOT's role is to recommend construction projects to the Utah Transportation Commission, and the commission approves or rejects this recommendation.

### Legislative Role in the Planning Process

Limited legislative role. In 2005, as the result of a [two-year legislative task force](#), the Utah Legislature adopted legislation to reduce legislative influence in the project selection process, and instead to statutorily solidify efforts by the Utah Transportation Commission and UDOT to prioritize projects based on a data-driven, weighted prioritization process. The Legislative Management Committee reviews but does not approve amendments to this process (Utah Code Ann. §72-1-304 and §72-1-305; 2005 Utah Laws, Chap. 245). The Legislature determines general funding levels and can fund specific new capacity projects in the annual appropriations act, although it has generally refrained from earmarking any projects of substantial value. The Legislature also retains authority to authorize bonding, and bond authorizations usually specify the projects for which some, but not all, of the proceeds may be used. However, those authorizations have always been for projects that have been already selected and prioritized by the Utah Transportation Commission, and simply serve to accelerate those commission-selected projects.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel, highway use (variable rate—percentage of price, also to be indexed)	•	•	•							Adjusted annually based on average rack price, with a price floor of \$2.45/gallon and ceiling of \$3.33/gallon; to be indexed to the Consumer Price Index starting the year after the actual price reaches \$2.45/gallon (Utah Code Ann. §59-13-201, §59-13-301; 2015 Utah Laws, Chap. 275)
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied and compressed natural gas and hydrogen (Utah Code Ann. §59-13-301)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Utah Code Ann. §§59-13-401 et seq.)
Fuel taxes: boating	•	•					•			Allocated to boating facilities, administration, and enforcement (Utah Code Ann. §59-13-201)
Vehicle registration and title fees	•	•	•							Utah Code Ann. §§41-1a-1201 et seq.
Sales taxes on rental vehicles	•	•	•							Allocated to the Marda Dillree Corridor Preservation Fund (Utah Code Ann. §59-12-1201)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Truck registration fees (based on gross vehicle weight)	•	•	•							Utah Code Ann. §41-1a-1206
Oversize/overweight truck permit fees	•	•	•							Utah Code Ann. §72-7-406
Tolls	•		•							Generally authorized in law but not currently in use; legislative approval required for toll facilities (Utah Code Ann. §72-6-118)
High-occupancy toll (HOT) lanes	•	•	•							Utah Code Ann. §72-6-118
Rest area sponsorship	•		•							Authorized but not currently in use; allocated to Transportation Fund (Utah Code Ann. §72-6-403)
Aircraft registration fees	•	•				•				Utah Code Ann. §72-10-110
State general sales taxes	•	•	•							Percentages are allocated to the Transportation Investment Fund of 2005 and the Transportation Fund (Utah Code Ann. §59-12-103); one share represents a portion of sales and use taxes on vehicles and vehicle-related products
Interest income	•	•	•			•				Transportation Fund, Transportation Investment Fund of 2005, Aeronautics Restricted Account, various other funds (Utah Code Ann. §§72-2-101 et seq.)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Legislative approval is required to impose tolls on an existing non-tolled highway, although the Utah Transportation Commission can approve the establishment of high-occupancy toll (HOT) lanes on an existing highway, or establish tollways on new roads or new capacity lanes (even if the new capacity lanes are on an existing highway), without

legislative approval (Utah Code Ann. §72-6-118). Besides HOT lanes, the only current toll facility in Utah is a privately operated toll road.

- UDOT also owns a 3-mile ferry system on Lake Powell that connects two state roads. Ferry fares, which are retained by the private operator and thus not listed in this chart, are currently sufficient to cover the system's operating costs. Occasional costs, like engine rehabilitation or replacement, have been covered by Federal grants or state transportation funds.
- Utah does not provide state-level revenues for public transit.

<b>State Fuel Tax Model</b>	Variable rate (percentage of price; also to be indexed starting the year after the actual price reaches \$2.45/gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of fuel tax revenues from highway users to roads and related debt, driver education, and the enforcement of vehicle and traffic laws (Utah Const. art. XIII, §5).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle-related revenues to roads and related debt, driver education, and the enforcement of vehicle and traffic laws (Utah Const. art. XIII, §5). Aviation fuel taxes must be used for airports and aeronautics operations (Utah Code Ann. §59-13-402). All toll revenues, including those from high-occupancy toll (HOT) lanes, must be used for toll facilities, and legislative approval is required to impose tolls on an existing non-tolled highway. The Utah Transportation Commission, however, can approve the establishment of HOT lanes on an existing highway, or establish tollways on new roads or new capacity lanes (even if the new capacity lanes are on an existing highway) without legislative approval (Utah Code Ann. §72-6-118).
<b>Dedicated or Restricted Transportation Funds</b>	Utah statute dedicates several funds and accounts to transportation purposes (Utah Code Ann. §§72-2-101 et seq.). The Transportation Fund is dedicated to highway purposes (Utah Code Ann. §72-2-102), the Transportation Investment Fund of 2005 to highway projects and related debt (Utah Code Ann. §72-2-124), and the Aeronautics Restricted Account, which receives aviation-related revenues, to aviation purposes (Utah Code Ann. §72-2-126).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•							Utah Code Ann. §63J-3-402, §63B-16-101
Build America Bonds	•	•	•							Issued in 2010 by the Utah State Treasurer as general obligation highway bonds
Advance construction		•	•							
Design-build	•	•	•							Authorized for UDOT projects; not restricted by mode (Utah Code Ann. §63G-6a-1402) (see notes)

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Public-private partnerships	•		•							Authorized in statute for tollways; legislative approval required to toll an existing highway (Utah Code Ann. §63G-6a-1403, §72-2-120, §72-6-118, §§72-6-201 et seq.); also authorized for other DOT projects that include a design-build component (Utah Code Ann. §63G-6a-1402); not currently in use
State infrastructure bank	•	•	•							Capitalized with Federal funds; may be used for highway projects only (Utah Code Ann. §§72-2-201 et seq.)

### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- UDOT is authorized to use design-build, but more frequently uses the construction manager/general contractor (CM/GC) contracting method.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds for highway bonds require legislative approval, but are generally exempted from the statutory limits on debt (Utah Code Ann. §63J-3-402).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Balances that remain in the Transportation Fund at the end of a fiscal year can be reallocated within the same line item. During each general session, UDOT asks the Legislature for nonlapsing authority for excess funds, which is provided through a supplemental appropriations bill (Senate Bill 3).
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No. UDOT does not require approval to move funds between projects, but does require legislative approval to move funds between line items. (Typically, UDOT may ask the Legislature to shift funds between line items for FTE reallocations; the Legislature approves this annually).
<b>Legislative Actions to Control DOT Costs</b>	The state procurement code includes low-bid requirements (Utah Code Ann. §63G-6a-606).

## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas. After set-asides, 30 percent of all revenues deposited into the state's Transportation Fund from state gas taxes, license taxes, registration fees, and other highway-user taxes and fees, but not from dedicated state sales taxes, go to the Class B and Class C Roads Account. Funds from the account are distributed to counties and municipalities by statutory formulas based on population, paved road miles, and all other road miles (Utah Code Ann. §§72-2-107 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties and municipalities to levy sales taxes for local roads, public transit, airports, bicycle or pedestrian facilities, or other transportation projects (Utah Code Ann. §§59-12-2213 et seq.). Counties, municipalities, and other local entities may charge developers impact fees for development-related public facilities (Utah Code Ann. §§11-36A-101 et seq.).

# VERMONT

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	29,269 (26,150 rural, 3,119 urban)
	Bridges	2,736
	Toll facilities	Yes (roads: 11.9 miles)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, demand response
	Urban transit trips in 2015	2.7 million
<b>Rail</b>	Freight rail route miles	578
<b>Aviation</b>	Total airports	108
	Public-use airports	16
	Passengers boarded in 2015	599,313
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	0

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Vermont General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (30 members), House of Representatives (150 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to May
<b>Legislative Measures Introduced in 2016</b>	600 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation House Committee on Transportation Joint Transportation Oversight Committee

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.



## Department of Transportation

<b>Name</b>	Vermont Agency of Transportation (VTrans)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of VTrans (serves on governor's cabinet), Transportation Board (independent body, advisory and quasi-judicial functions only). The Transportation Board acts as an arbiter in resolution of claims or complaints related to transportation. It does not have a role in the management of day-to-day activities, programs, projects, or personnel decisions at VTrans.
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	1,300
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, pedestrian/bicycle. Vermont has no ports. VTrans' jurisdiction related to marine operations is limited to the Department of Motor Vehicles' role as the registrar for watercraft.
<b>Includes DMV?</b>	Yes. The Department of Motor Vehicles is a unit of VTrans, and is funded by the Transportation Fund as part of VTrans' budget.
<b>Includes Highway Patrol?</b>	Yes and no. The Vermont State Police within the Department of Public Safety has a Traffic Safety Unit that is funded by general funds, a statutory allocation from the Transportation Fund (Vt. Stat. Ann. tit. 19, §11a), and Federal funds. In addition, the Department of Motor Vehicles within VTrans has an enforcement unit with sworn law enforcement officers who enforce traffic safety, motor carrier, and hazardous materials transportation laws.
<b>Jurisdiction Over Toll Facilities?</b>	No. The only toll facilities in Vermont are three short, privately operated roadways, all located at major attraction sites.

## Other

<b>Other State-Level Transportation Entities</b>	None. Vermont has no state-level transportation entities besides VTrans, the Transportation Board, and (for highway patrol functions) the Department of Public Safety. The Vermont Transportation Authority is established in statute as an instrumentality of the state (Vt. Stat. Ann. tit. 29, §§701 et seq.), but it has been inactive since the early 2000s. It was last used for the operations of a short-lived commuter rail service.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through leadership. VTrans' division heads testify before the House and Senate transportation committees at the beginning of each session concerning the agency's activities and its annual multi-year Transportation Program, which includes a recommended budget and project priorities. Legislative committees frequently solicit testimony from VTrans officials on transportation-related bills and issues. VTrans also communicates through required written reports. VTrans officials also make themselves available for informal communications with legislators and legislative staff. In addition, VTrans' Policy, Planning, and Intermodal Development Division, among other duties, provides background and support for the agency's legislative activities and serves as a liaison with the General Assembly.
<b>DOT Legislative Liaison</b>	The secretary of transportation serves as a main point of contact between VTrans and the General Assembly. Other VTrans officials, especially its division heads, also engage with and provide information and testimony to the General Assembly. The director of VTrans' Policy, Planning, and Intermodal Development Division acts as a legislative liaison and is another key contact.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Vt. Stat. Ann. tit. 5, 19, and 23; portions of Vt. Stat. Ann. tit. 25; portions of Vt. Stat. Ann. tit. 32 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. VTrans proposes legislative measures, but only legislators can request legislative bill drafts and sponsor and introduce bills. Typically, VTrans staff submit legislative proposals to the legislature each year for consideration. Agency officials then testify before the House and Senate transportation committees about each proposal.
	Advocacy and Lobbying	VTrans officials regularly advocate before relevant legislative committees concerning the agency's legislative proposals and other bills.
	Fiscal Notes or Policy Impact Statements for Legislative Use	VTrans does not prepare formal fiscal notes or impact statements, but it does submit written testimony, sometimes unsolicited and at other times upon request, that detail the fiscal and policy impact implications of legislative proposals. The information VTrans is requested to provide is usually issue-, project-, or program-specific.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The seven members of the Transportation Board are appointed to up to three three-year terms by the governor, with the advice and consent of the Senate and within statutory requirements for partisan balance. The governor must, as feasible, appoint members "whose interests and expertise lie in various areas of the transportation field." Members must not have specified conflicts of interest (Vt. Stat. Ann. tit. 19, §3). The secretary of VTrans is appointed by the governor with the advice and consent of the Senate (Vt. Stat. Ann. tit. 19, §7).
<b>Legislature Able to Remove DOT Leaders?</b>	Yes. Although in general the secretary of VTrans serves at the pleasure of the governor, the legislature has the power to impeach any officer of the state. No other process is specified for removing members of the Transportation Board before the end of their respective terms of office.
<b>Legislative Review of Administrative Rules</b>	Yes. The joint Legislative Committee on Administrative Rules reviews all proposed rules. The committee cannot suspend a rule, but if it objects to one, the agency is thereafter assigned the burden of proving that rule's validity if it is ever challenged in court. The committee may also review existing rules (Vt. Stat. Ann. tit. 3, §§800 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. VTrans is subject to audits conducted by the legislative Joint Fiscal Office. Sunset reviews are at the General Assembly's discretion, and their structure varies on a case-by-case basis. VTrans has not yet been subject to the sunset process.
<b>Required DOT Reports to the Legislature</b>	VTrans is required to submit to the General Assembly an annual consolidated transportation system and activities report that includes information about public transit, highways, highway safety, aviation, rail, and DMV activities (Vt. Stat. Ann. tit. 19, §42). The agency also must submit with the annual Transportation Program a separate report detailing expenditures and unspent funds (Vt. Stat. Ann. tit. 19, §10g).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, state statute requires the annual Transportation Program proposed by VTrans to include system-wide performance measures, track the measures over time, and, where appropriate, recommend the setting of relevant performance targets (Vt. Stat. Ann. tit. 19, §10g).
<b>Other Legislative Oversight Mechanisms</b>	Other oversight mechanisms include legislative requests for information from VTrans. In general, because the annual transportation budget process is detailed and the state is small enough, the legislative transportation committees are able to review progress on nearly all active projects.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No. VTrans' annual budget covers these costs, but there is no specific, designated line item for them.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation and plan approval. The General Assembly allocates Federal transportation funds to VTrans through approval of the annual transportation plan (known as the Transportation Program) and the annual appropriations bill. Spending authority of Federal funds is approved by the General Assembly in the annual transportation plan on a program and project-by-project basis. VTrans' proposed plan details project-specific spending to date, proposed spending over the next four fiscal years, and total estimated project costs. At the program level, the annual plan details actual spending in the prior fiscal year and unexpended carryforward funds. Appropriations authority is approved in the annual appropriations bill for higher line-item categories. By general statute, VTrans has authority to re-allocate funds to deal with emergencies, project delays, and other circumstances.
	State Revenues	Legislative appropriation and plan approval. As with Federal funds, state transportation funds are allocated to VTrans through approval of the annual Transportation Program and the annual appropriations bill.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	Department of Motor Vehicles	\$28,910,055
	Finance and administration	\$14,206,799
	Program development	\$283,527,081
	Rest areas	\$550,000
	Policy and planning	\$9,987,158
	Maintenance	\$91,556,769
	Public transit program	\$31,173,698
	Aviation	\$20,035,048
	Rail	\$33,881,604
	Central garage	\$19,731,787
	Transportation buildings	\$2,000,000
	Town highway programs	\$76,785,174
	Transportation Board	\$229,245
	<b>Total</b>	<b>\$612,574,418</b>
<b>Revenue Sources</b>	State	\$249,073,779
	Federal	\$326,665,494
	Local/other	\$4,080,416
	Interdepartmental transfers	\$753,566
	Transportation Infrastructure Bond funds	\$12,269,376
	Internal service	\$19,731,787
	<b>Total</b>	<b>\$612,574,418</b>

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

VTrans takes the lead in the transportation planning process, and coordinates all planning efforts with the Climate Change Oversight Committee and local and regional planning entities, as required by law. Annually, VTrans proposes to the General Assembly a multi-year Transportation Program that contains a proposed project list. State statute requires VTrans to use a numerical grading system to assign a priority rating to paving, road, bridge, safety, and traffic operation projects. Factors to be considered include safety, traffic, future costs, local priorities, economic impacts, and the project's importance to the social and cultural life of surrounding communities. The final program must include a description of how ratings were assigned (Vt. Stat. Ann. tit. 19, §§10b et seq.). VTrans also voluntarily uses this grading system to prioritize projects in other transportation modes. All projects must be approved by the General Assembly.

### Legislative Role in the Planning Process

Substantial legislative role. The House and Senate transportation committees receive VTrans' proposed annual Transportation Program each January and solicit testimony from agency, regional planning, and local officials. The General Assembly's annual transportation bill adopts the agency's proposed program, except as modified in the bill. Except for emergency projects, no money can be spent on any project unless it is included in the approved annual program. The General Assembly has also established statutory guidelines for the planning process.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline (fixed rate and variable rate—percentage of price)	•	•	•	•	• Pas-senger and freight	•		•		Includes a fixed-rate tax and a variable tax based on tax-adjusted retail price, both allocated to the Transportation Fund, and another variable tax that is allocated to the Transportation Infrastructure Bond Fund (Vt. Stat. Ann. tit. 23, §3106; Vt. Stat. Ann. tit. 19, §11f)
Fuel taxes: diesel (fixed rate)	•	•	•	•	• Pas-senger and freight	•		•		Includes two fixed-rate taxes, one allocated to the Transportation Fund and the other to the Transportation Infrastructure Bond Fund (Vt. Stat. Ann. tit. 23, §3003; Vt. Stat. Ann. tit. 19, §11f)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel; use is restricted to aviation (Vt. Stat. Ann. tit. 19, §11; Vt. Stat. Ann. tit. 5, §211)
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight	•		•		Allocated to the Transportation Fund (Vt. Stat. Ann. tit. 23, §§361 et seq.)
Sales taxes on motor vehicle sales, leases, and rentals	•	•	•	•	• Pas-senger and freight	•		•		"Motor vehicle purchase and use tax"; allocated in part to the Transportation Fund (Vt. Stat. Ann. tit. 32, §§8900 et seq.)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger and freight	•		•		Allocated to the Transportation Fund (Vt. Stat. Ann. tit. 23, §367)
Transportation impact fees	•	•	•	•				•		Enacted in 2013; may be assessed by VTrans; may be used for highways, public transit, and bicycle and pedestrian facilities (Vt. Stat. Ann. tit. 10, §§6101 et seq.)
Interest income	•	•	•	•	• Pas-senger and freight	•		•		Transportation Infrastructure Bond Fund (Vt. Stat. Ann. tit. 19, §11f), Transportation Fund Budget Stabilization Reserve (Vt. Stat. Ann. tit. 32, §308a)

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- The Transportation Fund is used for multimodal transportation purposes that include highways, transit, rail, and aviation. Vermont has no ports.
- Vermont’s only toll facilities are privately operated toll roads.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon) and variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation (with exceptions). State statute directs motor fuel tax revenues to the Transportation Fund, to be used for multimodal transportation purposes (Vt. Stat. Ann. tit. 19, §§11 et seq.). An exception is an allocation to the Fish and Wildlife Fund and the Department of Forests, Parks, and Recreation for natural resource management (Vt. Stat. Ann. tit. 23, §3106).
<b>Restrictions on Other Transportation Revenues</b>	State statute directs various transportation-related revenues to the Transportation Fund, to be used for multimodal transportation purposes (Vt. Stat. Ann. tit. 19, §§11 et seq.). An exception is an allocation of one-third of motor vehicle purchase and use taxes to the Education Fund (Vt. Stat. Ann. tit. 16, §4025). Aviation fuel tax revenues must be used for aviation purposes (Vt. Stat. Ann. tit. 5, §211).
<b>Dedicated or Restricted Transportation Funds</b>	State statute requires the Transportation Fund to be appropriated only for VTrans, the Transportation Board, Transportation Pay Act Funds, transportation capital projects, transportation debt, rest areas (known as “information centers”), and the Department of Public Safety (Vt. Stat. Ann. tit. 19, §11a). Nevertheless, a portion of the fund’s revenues is typically allocated to other state functions as part of the annual budget process, with the governor’s budget proposing an amount and the General Assembly responding. This allocation has generally decreased each year.
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds		•	•	•	• Pas-senger and freight	•				Authorized in session law (appropriation acts)
Revenue bonds	•	•	•		• Pas-senger and freight	•				Special Obligation Transportation Infrastructure Bonds; generally authorized in statute for roads, bridges, rail, and airports; (Vt. Stat. Ann. tit. 32, §972); require further legislative approval
Advance construction		•	•					•		
Federal-aid matching: tapered match		•	•					•		
Design-build	•	•	•	•	• Pas-senger and freight	•		•	•	Authorized in statute for any transportation project, including trails (Vt. Stat. Ann. tit. 19, §§2601 et seq.) (see notes); used for several road and bridge projects
State infrastructure bank	•	•	•	•	• Pas-senger and freight			•		Capitalized with state and Federal funds; may be used for activities as defined in Title 23 and Title 49 of the Code of Federal Regulations (including highway, public transit, rail, and pedestrian projects) (Vt. Stat. Ann. tit. 10, §§280d et seq.)

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Vermont law authorizes the use of design-build for transportation projects, including trails. Trails are categorized as both “pedestrian and bicycle projects” and “other” in this chart, as state uses the term to refer to any type of trail facility (bicycle, pedestrian, or multi-use) that has a transportation function.



<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	All financing methods, including bonding, require legislative approval.
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes and no. VTrans' spending authority is limited to the state and Federal funds authorized in the annual transportation and appropriation bills. State law gives the administration the authority to carry forward unspent appropriations of state funds into the next fiscal year (Vt. Stat. Ann. tit. 32, §703), but carryforward funds can only be spent on the project or program for which the original funds were authorized. Unexpended Federal funds must be re-appropriated to be spent. All revenue in excess of appropriated amounts are credited to the Transportation Fund.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. No approved project may be canceled without the approval of the General Assembly. VTrans is, however, authorized to reallocate funds without further legislative approval in the event of cost overruns or emergency projects, although the agency is required to notify the relevant legislative committees in most such cases (Vt. Stat. Ann. tit. 19, §10g).
<b>Legislative Actions to Control DOT Costs</b>	State statute directs VTrans to use either low bid or best value as the basis for awarding design-build contracts (Vt. Stat. Ann. tit. 19, §§2601 et seq.).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas, legislative appropriations, and grants. An annual legislative appropriation is made to the town highway aid program from the state Transportation Fund, which receives state transportation revenues including gas taxes and vehicle registration fees. Of this appropriation, 6 percent goes to class 1 town highways, 44 percent to class 2 town highways, and 50 percent to class 3 highways. Each percentage is further distributed to towns based on highway miles in each class. Funds can be used for highway projects, as the local share for Federal transit assistance, or for bicycle routes. A second appropriation is made for towns with multi-lane class 1 highways, and is distributed among them based on the additional highway lanes. Further appropriations are made to state aid programs for town highway bridge projects, non-Federal and Federal disasters, town highway structures, and class 2 highway improvements. VTrans awards discretionary grants to towns from all these programs, within statutory guidelines for eligibility and local matches (Vt. Stat. Ann. tit. 19, §306).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes municipalities to levy property taxes for town highways and impose special assessments for public improvements (Vt. Stat. Ann. tit. 24, §1521 and §3253). Municipalities may also charge developers impact fees to pay for development-related capital improvements (including transportation improvements, although these are not specifically identified in law; see Vt. Stat. Ann. tit. 24, §§5200 et seq.). Regional transit authorities may assess property taxes (Vt. Stat. Ann. tit. 24, §5108).



# VIRGINIA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	162,937 (98,290 rural, 64,647 urban)
	Bridges	13,538
	Toll facilities	Yes (roads: 102.0 miles; bridges: 7; tunnels: 3)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, light rail, commuter rail, ferry boat, vanpool, demand response
	Urban transit trips in 2014	73.6 million
<b>Rail</b>	Freight rail route miles	3,394
<b>Aviation</b>	Total airports	279
	Public-use airports	66
	Passengers boarded in 2015	25.7 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	78.8 million

### Notes:

- These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.
- The number included in this chart for freight rail miles in Virginia does not include trackage rights. The number of urban transit trips in 2014 refers to unlinked passenger trips, and does not include MetroRail.

## Organizational Facts

### Legislature

<b>Name</b>	Virginia General Assembly
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (40 members), House of Delegates (100 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to Feb. (odd years), Jan. to Mar. (even years)
<b>Legislative Measures Introduced in 2016</b>	3,286
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Finance <ul style="list-style-type: none"> <li>• Subcommittee on Transportation</li> </ul> Senate Committee on Transportation <ul style="list-style-type: none"> <li>• Subcommittee on Tolling</li> </ul> House Committee on Appropriations <ul style="list-style-type: none"> <li>• Subcommittee on Transportation</li> </ul> House Committee on Transportation <ul style="list-style-type: none"> <li>• Subcommittees #1, #2, #3, and #4</li> </ul> [Commission] Joint Commission on Transportation Accountability

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and

Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

### Department of Transportation

<b>Name</b>	Virginia Department of Transportation (VDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor’s cabinet), Commissioner of VDOT, Commonwealth Transportation Board (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	7,176
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, pedestrian/bicycle. VDOT also operates and maintains several vehicle ferries.
<b>Includes DMV?</b>	No. The Department of Motor Vehicles is an independent state agency. It is funded by 1 percent of state fuel taxes (Va. Code §58.1-2289), not out of VDOT’s budget.
<b>Includes Highway Patrol?</b>	No. The Virginia State Police is a state agency under the Secretariat of Public Safety and Homeland Security. It is funded by general funds and fee revenues. In addition, public-private partnership concession operators contract with the Virginia State Police for patrols and enforcement.
<b>Jurisdiction Over Toll Facilities?</b>	Yes, over some facilities. There are, however, toll facilities in Virginia that fall under other jurisdiction.

### Other

<b>Other State-Level Transportation Entities</b>	Department of Rail and Public Transportation (state agency)	The Department of Rail and Public Transportation is a state agency that, like VDOT, reports to the secretary of transportation and is subject to oversight by the Commonwealth Transportation Board (Va. Code §33.2-282). Its main areas of activity are rail, public transit, and commuter services. It is funded by state revenues—including portions of sales taxes, fuel taxes, vehicle rental taxes, and recordation taxes—and Federal funds.
	Department of Aviation (state agency)	The Department of Aviation is a state agency that reports to the secretary of transportation but is not subject to oversight by the Commonwealth Transportation Board (Va. Code §§5.1-1 et seq.). It is funded by a statutory distribution from the Transportation Trust Fund (Va. Code §33.2-1526).
	Motor Vehicle Dealer Board (state agency)	The Motor Vehicle Dealer Board regulates and provides oversight for the vehicle dealer industry (Va. Code §§46.2-1500 et seq.). It is funded by dealer license fees.
	Virginia Port Authority (corporation/ instrumentality)	The Virginia Port Authority is a corporation and instrumentality of the state with jurisdiction over Virginia’s ports and related facilities (Va. Code §§62.1-128 et seq.). The authority reports to the secretary of transportation but is not subject to oversight by the Commonwealth Transportation Board. It is funded by fee revenues and a statutory distribution from the Transportation Trust Fund (Va. Code §62.1-132.16 and §33.2-1526).
	Virginia Commercial Space Flight Authority (corporation/ instrumentality)	The Virginia Commercial Space Flight Authority is a corporation and instrumentality of the state that was established to promote space activity, economic development, and aerospace research. The secretary of transportation serves as an ex officio member of the authority’s board of directors (Va. Code §§2.2-2201 et seq.). It is funded by a statutory distribution from the Transportation Trust Fund (Va. Code §33.2-1526).
	Washington Metropolitan Area Transit Authority (inter-state corporation/ instrumentality)	The Washington Metropolitan Area Transit Authority is an instrumentality of the District of Columbia, Maryland, and Virginia (Va. Code §33.2-3100). It was created to plan, finance, build, and operate a comprehensive public transit system for the Washington metropolitan area. It is funded by fares and advertising revenues, as well as contributions from the District of Columbia, Maryland, Virginia, and counties in the greater metropolitan Washington area. On an annual basis, these jurisdictions must appropriate funds according to an agreed-upon formula to subsidize WMATA’s operating and capital budget.

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, proactive. VDOT and the General Assembly have a proactive approach to communication. VDOT holds informational regional town hall meetings with legislators, analyzes proposed legislation, testifies in committee hearings during the legislative session, and posts key information online. Among other duties, VDOT's chief of policy oversees the department's legislative activities.
<b>DOT Legislative Liaison</b>	VDOT's chief of policy, among other duties, is the main point of contact between the department and the General Assembly.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Va. Code tit. 5.1, 33.2, and 46.2; portions of Va. Code tit. 15.2, 25.1, 56, and 62.1; portions of Va. Code tit. 58.1 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. The governor can prepare legislation at his or her discretion, with assistance from cabinet members, state agencies, or others. The governor typically solicits legislative proposals from cabinet members, including the secretary of transportation, that then are developed in collaboration with state agencies. Only legislators, however, can request legislative bill drafts, and all bills must be sponsored and introduced by legislators to be considered by the General Assembly.
	Advocacy and Lobbying	VDOT analyzes and comments on all proposed legislation that directly or indirectly impacts transportation or agency operations, administration, services, or functions. The department's analyses and recommendations are provided to the secretary of transportation, the Virginia Department of Planning and Budget, and the governor's office for consideration. VDOT legislative liaisons also interact with legislators and legislative committees and committee staff to communicate the impacts of legislation.
	Fiscal Notes or Policy Impact Statements for Legislative Use	VDOT prepares legislative impact statements that include fiscal analyses and address policy implications of relevant proposed legislation.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	As of July 1, 2016, the Commonwealth Transportation Board has 17 members. Of those, 14 are voting, citizen members who are appointed to up to two consecutive four-year terms by the governor, subject to confirmation by the General Assembly and within statutory requirements for geographic representation. Nine members must represent the state's highway districts, and of the other five, two must live in rural areas and two in urban areas. The other three members are the secretary of transportation, the commissioner of VDOT (called the "commissioner of highways" in statute), and the director of the Department of Rail and Public Transportation, who serve as ex officio, non-voting members (Va. Code §§33.2-200 et seq.; 2015 Va. Acts, Chap. 684). The commissioner of VDOT is appointed by the governor, subject to confirmation by the General Assembly, within broad statutory guidelines for experience and ability (Va. Const. art. V, §10; Va. Code §§33.2-222). The secretary of transportation is appointed by the governor to a term that coincides with the governor's, subject to confirmation by the General Assembly (Va. Code §2.2-200).
<b>Legislature Able to Remove DOT Leaders?</b>	No. As of July 1, 2016, the governor may remove members of the Commonwealth Transportation Board for specified causes (Va. Code §2.2-108; 2015 Va. Acts, Chap. 684 [House Bill 1887]). The commissioner of VDOT and the secretary of transportation serve at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes (optional). The Joint Commission on Administrative Rules may review any proposed or existing rule, as may the relevant standing committees. Either may suspend a rule with the concurrence of the governor (Va. Code §§30-73.1 et seq. and §§2.2-4000 et seq.).

**Legislative Audits  
or Sunset Reviews**

Legislative audits only. VDOT is subject to audits conducted by the Joint Legislative Audit and Review Commission and by the Auditor of Public Accounts, the legislative external auditor for state departments and other entities (Va. Code §§30-130 et seq.). Virginia does not conduct sunset reviews of state agencies or programs.

**Required DOT Reports  
to the Legislature**

Each year, the commissioner of VDOT is required to submit a comprehensive annual report to the legislature that addresses existing assets, maintenance needs, performance targets and outcomes, collaboration with the private sector, and other matters (Va. Code §33.2-232). The commissioner also must submit annual reports concerning use of the Innovation and Technology Transportation Fund (Va. Code §33.2-1531) and clean special fuel vehicles on HOV lanes (Va. Code §46.2-749.3), as well as quarterly status reports on highway construction projects (Va. Code §32.2-233). The secretary of transportation must submit annual reports on the allocation of Federal transportation funds and actions taken to provide the required match (2016 Va. Acts, Chap. 780) and, in consultation with the commissioner of VDOT and the director of the Department of Rail and Public Transportation, on actions taken to increase public transit use and reduce highway congestion (Va. Code §33.2-106). VDOT is required to report annually on litter collection (Va. Code §10.1-1416) and performance and payment bonds (2012 Va. Acts, Chap. 783), and at least every six months on significant transportation projects in and near the Northern Virginia Transportation District, in coordination with the Commonwealth Transportation Board, Department of Rail and Public Transportation, and the Northern Virginia Transportation Authority (Va. Code §33.2-257). In addition to these regular reporting requirements, VDOT and the Department of Rail and Public Transportation are also required to submit a number of one-time reports.

**Legislative Role in DOT  
Performance Management**

In addition to the reporting requirements and legislative audits listed above, state statute requires the Statewide Transportation Plan to include quantifiable measures and achievable goals relating to, but not limited to, congestion reduction and safety, transit and high-occupancy vehicle facility use, job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, movement of freight by rail, and per capita vehicle miles traveled (Va. Code §33.2-353).

**Other Legislative Oversight  
Mechanisms**

The General Assembly occasionally creates special committees, including interim committees, to study transportation topics. In 2014, for example, Senate Resolution 32 established the Joint Committee to Study Construction of Proposed Interstate 73. In addition, the Joint Commission on Transportation Accountability, comprising members of the Virginia House of Delegates and Senate and the Auditor of Public Accounts, was established specifically to review and study various transportation issues as well as the performance and operations of transportation agencies. The commission also reviews actions of the Commonwealth Transportation Board (Va. Code §§30-282 et seq.). Other oversight mechanisms include legislative requests for information from VDOT.

**Resources Provided to DOT  
to Support Compliance with  
Oversight Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations  
Overview**

Biennial enactment of two 12-month budgets; fiscal year begins July 1. The budget is adopted for a biennium, but is amended in the second year of the biennium.

**Allocation of Transportation  
Revenues to the DOT**

## Federal Revenues

Legislative appropriation. Federal transportation funds are allocated to VDOT as state legislative appropriations to departmental programs or broad spending categories.

## State Revenues

Legislative appropriation. As with Federal funds, state transportation funds are allocated to VDOT as legislative appropriations to departmental programs or broad spending categories.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2017 and FY 2018 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures (FY 2018 only)</b>	Environmental monitoring and evaluation	\$13,674,514
	Ground transportation planning and research	\$64,625,062
	Highway construction programs	\$1,812,622,400
	Highway system maintenance and operations	\$1,711,761,575
	Commonwealth toll facilities	\$79,794,150
	Financial assistance to localities for ground transportation	\$975,994,130
	Non-toll supported transportation debt service	\$383,211,784
	Administrative and support services	\$265,724,618
	<b>Total</b>	<b>\$5,307,408,233</b>
<b>Revenue Sources (FY 2018 only)</b>	General	\$40,000,000
	Commonwealth Transportation Fund	\$4,296,950,931
	Trust and agency	\$445,071,551
	Dedicated special revenue	\$518,000,000
	Federal Trust	\$7,385,751
	<b>Total</b>	<b>\$5,307,408,233</b>

**Note:** VDOT, the secretary of transportation, the Department of Motor Vehicles, the Department of Rail and Public Transportation, the Department of Aviation, the Motor Vehicle Dealer Board, the Virginia Port Authority, and the Virginia Commercial Space Flight Authority all have their own detailed budgets. This chart shows the budget for VDOT only.

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	At least every four years, the Commonwealth Transportation Board must develop a long-range, multimodal Statewide Transportation Plan (Va. Code §33.2-353). The board works with VDOT, the state's other modal agencies, MPOs, and regional planning organizations to develop the plan, which expresses the state's overall vision, goals, and priorities. All other transportation plans and programs are developed with the Statewide Transportation Plan in mind. The Six-Year Improvement Program, which details specific projects and investment priorities for highways and transit, is annually updated by the Commonwealth Transportation Board in collaboration with VDOT and other state, regional, and local planning partners. In July 2016, pursuant to statutory requirements, the board adopted the quantifiable, transparent " <a href="#">SMART SCALE</a> " prioritization process for capacity-enhancing projects (Va. Code §33.2-214; 2014 Va. Acts, Chap. 726). As part of the planning process, the Commonwealth Transportation Board holds a series of public hearings at which it invites input from its planning partners, elected officials, and the general public. The board approves all final plans.
<b>Legislative Role in the Planning Process</b>	Moderate legislative role. The General Assembly can identify priority projects in the annual appropriation act, but the vast majority of annual project prioritization and funding decisions remains the purview of the Commonwealth Transportation Board. The General Assembly has set statutory guidelines for rail, transit, port, and airport spending, as well as the prioritization process for some highway projects. Legislators serve on some of the larger MPOs, which play a critical role in determining which projects advance within their respective areas. The Statewide Transportation Plan is presented to the General Assembly for review, but not approval. The General Assembly is required to authorize all debt.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (variable rate—percentage of price)	•	•	•	•	• Pas-senger and freight	•	See notes	•		Adjusted twice per year based on average wholesale price, with a price floor of \$3.17/gallon for gasoline and \$3.36/gallon for diesel (the average prices on Feb. 20, 2013); allocated in part to the Transportation Trust Fund (Va. Code §58.1-2217, §58.1-2289)
Fuel taxes: alternative fuels	•	•	•	•	• Pas-senger and freight	•	See notes	•		Includes taxes on liquid and other alternative fuels; allocated the same way as gasoline and diesel taxes (Va. Code §58.1-2249, §58.1-2289)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Va. Code §5.1-53, §58.1-2217, §58.1-2289)
Vehicle registration fees	•	•	•					•		Allocated in part to the Highway Maintenance and Operating Fund (Va. Code §§46.2-694 et seq., §46.2-702.1)
Truck registration fees (based on gross vehicle weight)	•	•	•					•		Allocated in part to the Highway Maintenance and Operating Fund (Va. Code §46.2-697, §46.2-702.1)
Special fees on electric vehicles	•	•	•					•		Allocated to the Highway Maintenance and Operating Fund (Va. Code §58.1-2249, §33.2-1530)
Sales taxes on motor vehicle sales	•	•	•	•	• Pas-senger and freight	•	See notes	•		Allocated in part to the Transportation Trust Fund (Va. Code §58.1-2402, §58.1-2425, §33.2-1530)
Sales taxes on rental vehicles	•	•	•	•	• Pas-senger and freight	•	See notes	•		Allocated in part to the Transportation Trust Fund and to the Rail Enhancement Fund (Va. Code §58.1-1736, §58.1-1741; 2015 Va. Acts, Chap. 684)
Tolls	•	•	•							Va. Code §33.2-1529
Oversize/overweight truck permit fees	•	•	•					•		Allocated to the Highway Maintenance and Operating Fund (Va. Code §46.2-652.1, §46.2-1128, §§46.2-1140.1 et seq., §33.2-1530)
Aircraft registration fees	•	•				•				Va. Code §5.1-5, §5.1-9, §5.1-51



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Airport licensing fees	•	•				•				Va. Code §5.1-7, §5.1-9, §5.1-51
Sponsorship, Advertising, and Vending Enhancement (SAVE) Program		•	•							Rest area sponsorship program; no authorizing statute found; revenues used for rest areas only
State recodation taxes	•	•		•						Allocated in part to the Commonwealth Mass Transit Fund and the Commonwealth Transit Capital Fund (Va. Code §58.1-815.4)
State general sales taxes	•	•	•	•	• Passenger and freight	•	See notes	•		Portions are dedicated to various transportation funds (Va. Code §58.1-638, §58.1-638.3)
Interest income	•	•	•	•	• Passenger and freight	•	See notes	•		Transportation Trust Fund (Va. Code §33.2-1524), Intercity Passenger Rail Operating and Capital Fund (Va. Code §33.2-1603)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Revenues from high-occupancy toll (HOT) lanes and congestion pricing (see Va. Code §§33.2-500 et seq.) currently go to the private entities that operate those roads under public-private partnerships.
- State revenues that go to the Commonwealth Port Fund in the Transportation Trust Fund for port purposes are set aside for use by the Virginia Port Authority (Va. Code §58.1-638), which is an instrumentality of the state, not a state agency.



<b>State Fuel Tax Model</b>	Variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation. As of July 1, 2016, fuel tax revenues are allocated to the Highway Maintenance and Operating Fund, the Transportation Trust Fund for multimodal transportation purposes, the Priority Transportation Fund, the Commonwealth Transit Capital Fund, the Commonwealth Mass Transit Fund, and a special fund for the expenses of the Department of Motor Vehicles (Va. Code §58.1-2289). In addition, transportation funding legislation enacted in 2013 requires that any provisions of the act that generate additional revenue through state taxes or fees, which includes some gas tax provisions, expire at the end of any year in which any of those revenues are appropriated for or transferred to any non-transportation-related purpose (2013 Va. Acts, Chap. 766).
<b>Restrictions on Other Transportation Revenues</b>	Transportation funding legislation enacted in 2013 requires that any provisions of the act that generate additional revenue through state taxes or fees, which includes provisions related to general sales taxes and motor vehicle sales taxes, expire at the end of any year in which any of those revenues are appropriated for or transferred to any non-transportation-related purpose (2013 Va. Acts, Chap. 766). State statute restricts the use of revenues from sales and use taxes on motor vehicles to highways, including traffic regulation (Va. Code §58.1-2425). State statute directs that taxes on fuels used for boating and aviation are generally to be used for those modes (Va. Code §58.1-2289), although some revenues from boat fuel taxes are allocated to roads and bikeways that provide access to public recreational areas and historic sites (Va. Code §33.2-1510). Toll revenues are deposited into the Toll Facilities Revolving Account within the Transportation Trust Fund, to be used for toll facilities (Va. Code §33.2-1529). State statute specifically allows the use of highway funding for public transit assistance (Va. Code §33.2-367).
<b>Dedicated or Restricted Transportation Funds</b>	By state statute, the Transportation Trust Fund is to be used for highways and other transportation purposes, and includes dedicated accounts for transit and rail, aviation, and ports (Va. Code §33.2-1526 and §58.1-638). State statute allows diversion from the fund by the General Assembly or the governor in the budget bill, but only if language is included that sets out the plan for repayment of the funds within three years (Va. Code §2.2-1509.2). State statute dedicates the Priority Transportation Fund to priority transportation projects (Va. Code §33.2-1527).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Revenue bonds	•	•	•	•	• Passenger only					Authorized in statute for surface transportation projects; requires further legislative approval (Va. Code §§33.2-1700 et seq.)
Build America Bonds		•	•	•	• Passenger only					Issued in 2010 as capital project revenue bonds
GARVEE bonds	•	•	•							Authorized in state statute, subject to a \$1.2 billion cap set in session law (Va. Code §§33.2-1511 et seq.; 2005 Va. Acts, Chap. 655); most recently issued in 2013
Private activity bonds		•	•							Issued

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Federal credit assistance: TIFIA		•	•							Active loan(s), used for highway projects
Advance construction		•	•							
Federal-aid matching: toll credits (“soft match”)		•	•							
Design-build	•	•	•	•	• Passenger and freight	•	•			Authorized in statute for VDOT and Department of Rail and Public Transit use (Va. Code §33.2-209); used for several projects
Public-private partnerships	•	•	•	•	See notes	•	•			Authorized in statute for various transportation modes (Va. Code §§33.2-1800 et seq.); authorized in session law for passenger rail (see notes); used for several projects
State infrastructure bank: Federally capitalized			•	•						Capitalized with Federal funds in 1996 and 1997 under the NHS Act pilot program; may be used for highway or transit projects; currently inactive (see notes)
State infrastructure bank: Virginia Transportation Infrastructure Bank	•	•	•	•	• Passenger and freight	•	•		•	Established in 2011; capitalized with state funds only; may be used for highway, transit, rail, port, airport, or commercial space flight projects (Va. Code §§33.2-1500 et seq.) (see notes)

#### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Session law enacted in 2015 authorizes the Department of Rail and Public Transportation to enter into public-private partnerships of up to 20 years to improve passenger rail service (2015 Va. Acts, Chap. 684).
- Virginia has two state infrastructure banks: a Federally-capitalized infrastructure bank that was established under the NHS Act pilot program in the late 1990s and is currently inactive, and the separate, active, state-capitalized Virginia Transportation Infrastructure Bank, which was enacted into state law in 2011 (2011 Va. Acts, Chap. 830 and 868; Va. Code §§33.2-1500 et seq.).

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	The General Assembly must authorize all debt. As provided in session law, the current limit on Capital Projects Revenue Bonds is \$3.18 billion total (2007 Va. Acts, Chap. 896; 2010 Va. Acts, Chap. 874).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. VDOT may retain excess funds with no restrictions. Additional approval, however, is required to spend excess funds in some cases. Annual amendments to the appropriation act re-appropriate excess funds, and in some cases residue bond proceeds require additional legislative authorization.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	State statute requires VDOT to use value engineering for highway projects, including all projects costing more than \$5 million, unless a project-specific waiver is granted by the commissioner of highways (Va. Code §33.2-261).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formula, legislative appropriations, and grants. VDOT is responsible for most roadways in the state, and actively maintains secondary and local roads in all but two counties and the 38 independent cities. Virginia does, however, allocate some state funds to local governments for transportation projects. The Commonwealth Transportation Board makes allocations to eligible counties, cities, and towns for highway maintenance from overweight permit fees and other state revenues. These funds are distributed by statutory formulas based on lane miles (Va. Code §33.2-319, §33.2-366, §46.2-1140.1, §46.2-1143, §46.2-1148, and §1149.1). The Revenue Sharing Program, which the Commonwealth Transportation Board funds out of legislative appropriations, provides state matches for local spending on highway projects. Under this program, VDOT can award a county, city, or town a discretionary grant of up to \$5 million for highway maintenance and up to \$10 million for highway improvement or construction (Va. Code §33.2-357). Virginia also levies some state taxes and fees specifically for regional transportation projects. These include general sales taxes and sales taxes on gasoline for the Northern Virginia and Hampton Roads planning districts, and occupancy taxes and grantor's fees for Northern Virginia only (Va. Code §58.1-603.1, §58.1-604.01, §58.1-802.2, §58.1-1742, and §58.1-2295). Transportation funding legislation enacted in 2013 provides that if a county or city where these taxes and fees are levied uses any of the revenues for non-transportation purposes, it cannot receive any funding from those sources in the following year (2013 Va. Acts, Chap. 766). Local entities also receive state aid for access roads to airports, economic development sites, and recreational or historic areas, within statutory guidelines and subject to funding approvals (Va. Code §§33.2-1509 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	VDOT maintains most roadways in the state, including secondary roads, and local governments have a limited role in paying for transportation infrastructure. In addition, Virginia is a "Dillon Rule" state in which localities are prohibited from implementing local taxes without express authorization from the General Assembly. State statute does, however, authorize several local option taxes that can be used for transportation purposes. Service districts created by counties, cities, or towns may levy property taxes or special assessments for services that may include streets and public transit (Va. Code §§15.2-2403 et seq.). Cities and counties served by the Washington Metropolitan Area Transportation Authority may assess additional vehicle license taxes for transit operations (Va. Code §46.2-753). Until Jan. 1, 2018, counties and cities may adopt severance taxes, to be used primarily for road improvements (Va. Code §58.1-3713). Eligible localities may charge developers impact fees for development-related road improvements (Va. Code §§15.2-2317 et seq.) and any county, city, or town may adopt tax increment financing (Va. Code §58.1-3245.2).

# WASHINGTON

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	166,908 (114,100 rural, 52,808 urban)
	Bridges	7,353
	Toll facilities	Yes (roads: 28.0 miles; bridges: 4 within state boundaries, 2 of which are bi-state bridges operated by the state of Oregon)
	High-occupancy toll (HOT) lanes	Yes
<b>Public Transit</b>	Transit modes	Bus, light rail, commuter rail, ferry boat, monorail, streetcar, vanpool, demand response
	Urban transit trips in 2014	250.1 million
<b>Rail</b>	Freight rail route miles	3,069
<b>Aviation</b>	Total airports	351
	Public-use airports	135
	Passengers boarded in 2015	22.8 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	119.2 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Washington Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (49 members), House of Representatives (98 members)
<b>Type</b>	Hybrid
<b>Session</b>	Annual, approx. Jan. to Apr. (odd years), Jan. to Mar. (even years)
<b>Legislative Measures Introduced in 2016</b>	1,301
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation House Committee on Transportation [Interim] Joint Transportation Committee

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Washington State Department of Transportation (WSDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet), Washington State Transportation Commission (independent body, governor serves ex officio). The Washington State Transportation Commission is separate from WSDOT, and does not have direct control over the agency. Rather, its role is to set ferry fares and toll rates, and to develop the four-year policy plan.
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	6,957.8
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle, Washington State Ferries. WSDOT has Federal safety oversight responsibility for public transit and funds some intercity bus service.
<b>Includes DMV?</b>	No. The Washington State Department of Licensing performs driver's licensing and vehicle registration functions. It is funded by fee revenues, not out of WSDOT's budget.
<b>Includes Highway Patrol?</b>	No. The Washington State Patrol is an independent state agency. It is funded by fees, grants, contracts, and other revenues, not out of WSDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. WSDOT is responsible for designing, constructing, and operating all toll facilities on the state system. Toll rates, however, are set by the Washington State Transportation Commission. WSDOT is also responsible for setting the statewide standards and protocols for all toll facilities in the state.

## Other

<b>Other State-Level Transportation Entities</b>	Utilities and Transportation Commission (state entity)	The Utilities and Transportation Commission regulates certain commercial transportation providers including special-needs transportation providers, moving vans, private ferries, and charter buses (Wash. Rev. Code Ann. §§80.01.010 et seq.). WSDOT and the commission are partner agencies with no direct membership ties.
	Washington State Traffic Safety Commission (state entity)	The Washington State Traffic Safety Commission is the state's highway safety office, and is funded primarily by Federal funds. The secretary of transportation is a statutory member (Wash. Rev. Code Ann. §§43.59.010 et seq.).
	Freight Mobility Strategic Investment Board (state entity)	The Freight Mobility Strategic Investment Board identifies, recommends, and coordinates funding for freight projects. The secretary of transportation is a statutory member (Wash. Rev. Code Ann. §§47.06a.001 et seq.).
	Transportation Improvement Board (state entity)	The Transportation Improvement Board distributes grant funding, which comes from 3 cents of the state fuel tax, to cities and counties for transportation projects. WSDOT has two statutory seats on the board (Wash. Rev. Code Ann. §§47.26.121 et seq.).
	County Road Administration Board (state entity)	The County Road Administration Board is a state agency that provides grant funding, technical assistance, and oversight for the state's 39 county road departments (Wash. Rev. Code Ann. §§36.78.010 et seq.). It is funded by a portion of the counties' fuel tax that is withheld for state supervision and a portion of the state grant programs that it administers. WSDOT and the County Road Administration Board are partner agencies with no direct membership ties.
	Board of Pilotage Commissioners (state entity)	The Board of Pilotage Commissioners regulates marine pilots. State law places it under the jurisdiction of WSDOT for staff support and administration, but explicitly retains its independent policy making powers. WSDOT's assistant secretary of marine operations is a statutory member (Wash. Rev. Code Ann. §47.01.031 and §§88.16.010 et seq.).

## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, extensive. WSDOT executive management and legislative committee members interact frequently (daily during the legislative session) about transportation policy and budgetary matters. This includes regular WSDOT testimony before the Legislature's transportation committees. Significant and consistent interaction occurs at the staff level as well. WSDOT's Intergovernmental and Tribal Relations Office conducts policy research and analysis, tracks relevant bills, prepares presentations for legislative bodies, coordinates the agency's requests for legislation through the governor's office, and answers requests for information from legislators and legislative staff.
<b>DOT Legislative Liaison</b>	WSDOT's Intergovernmental and Tribal Relations Office is the main point of contact between the department and the Legislature. Various WSDOT officials and staff also engage with, and provide information and testimony to, legislators and legislative staff.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Wash. Rev. Code Ann. tit. 14, 46, 47, 80, 81, 88, and 91; Wash. Rev. Code Ann. §§43.146.010 et seq. and §§43.59.010 et seq.; Wash. Const. art. II, §40 (revenue restrictions); portions of Wash. Rev. Code Ann. tit. 82 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. Washington executive agencies, including WSDOT, submit legislative proposals known as "agency request bills" to the governor's office for approval. Once a proposal is approved, the agency requests a legislative bill draft. The agency also must find a legislative sponsor for each bill, as only legislators can sponsor and introduce legislation for consideration. Agency request bills indicate after the sponsor's name that they are "by request" of the relevant agency.
	Advocacy and Lobbying	WSDOT advocates for its "agency request bills" and testifies regularly on other bills that impact the agency to indicate support, express concerns, or provide information.
	Fiscal Notes or Policy Impact Statements for Legislative Use	WSDOT prepares fiscal notes in coordination with the Office of Financial Management. By law, the state Office of Financial Management must coordinate the development of fiscal notes with all affected state agencies (Wash. Rev. Code Ann. §43.88A.020).

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation is appointed by the governor, with the advice and consent of the Senate, and serves at the pleasure of the governor (Wash. Rev. Code Ann. §47.01.041). The seven voting members of the Washington State Transportation Commission are appointed to up to two consecutive six-year terms by the governor, with the consent of the Senate and within statutory requirements for geographic representation. Members should reflect a "wide range of transportation interests" and cannot otherwise be state officials or employees. The governor or governor's designee and the secretary of transportation serve as ex officio, non-voting members (Wash. Rev. Code Ann. §47.01.051).
<b>Legislature Able to Remove DOT Leaders?</b>	Once confirmed by the Senate, no. In Washington, the secretary of transportation may start serving upon appointment even without a Senate confirmation vote, unless and until voted down by a majority vote of the Senate. (An example of the secretary of transportation being removed in this way took place during the 2016 legislative session.) However, a secretary that has been confirmed by a majority vote of the Senate may then only be removed at the governor's pleasure. The same general rule applies to members of the Washington State Transportation Commission, except that a commissioner that has been confirmed by the Senate may only be removed by the governor for cause.



**Legislative Review of Administrative Rules**

Yes (optional). The Joint Administrative Rules Review Committee selectively reviews proposed and existing rules. In general, the committee reviews only those rules that raise a question about whether they follow legislative intent. The role of the committee is mainly advisory (Wash. Rev. Code Ann. §§34.05.610 et seq.).

**Legislative Audits or Sunset Reviews**

Legislative audits only. The Joint Legislative Audit and Review Committee conducts performance audits of WSDOT. The state conducts sunset reviews, but not of WSDOT.

**Required DOT Reports to the Legislature**

WSDOT is required to submit [many legislatively mandated studies and reports](#). In addition to ongoing statutory reports, WSDOT is also often directed to submit various reports to the Legislature by the biennial state transportation budget. WSDOT must submit a comprehensive biennial report that includes operational and construction activities in the previous biennium and recommendations for future operations (Wash. Rev. Code Ann. §47.01.141). As of Oct. 1, 2016, WSDOT also must submit a biennial attainment report to assess progress toward transportation policy goals and objectives (2016 Wash. Laws, Chap. 35). Other required biennial reports concern small business participation (Wash. Rev. Code Ann. §43.19.727) and commute trip reduction (Wash. Rev. Code Ann. §70.94.551). Required annual reports concern the Freight Rail Investment Bank (2015 Wash. Laws, Chap. 10 [1st Spec. Sess.]), public transit, bicycle, and pedestrian projects (2015 Wash. Laws, Chap. 43 [3rd Spec. Sess.]), public transit systems (Wash. Rev. Code Ann. §35.58.2796), toll nonpayment adjudication (Wash. Rev. Code Ann. §46.63.160), highway construction workforce development (Wash. Rev. Code Ann. §47.01.435), local permit applications that take more than 90 days (Wash. Rev. Code Ann. §47.01.485), reimbursable expenditures (Wash. Rev. Code Ann. §47.04.210), the miscellaneous transportation programs account (Wash. Rev. Code Ann. §47.04.220), progress on the state public transportation plan (Wash. Rev. Code Ann. §47.06.110), the SR167 high-occupancy toll (HOT) lane pilot project (Wash. Rev. Code Ann. §47.56.403), Interstate 405 express toll lanes (Wash. Rev. Code Ann. §47.56.880), ferry system performance (Wash. Rev. Code Ann. §47.64.360), rural mobility grants (Wash. Rev. Code Ann. §47.66.100), transit coordination grants (Wash. Rev. Code Ann. §47.66.110), regional mobility grants (Wash. Rev. Code Ann. §47.66.030), and, from 2017 to 2020, use of recycled materials (Wash. Rev. Code Ann. §70.95.807). WSDOT must also submit periodic reports on highway classification (Wash. Rev. Code Ann. §47.05.021) and ferry fuel cost reduction (Wash. Rev. Code Ann. §47.60.830); quarterly reports on various aspects of toll operations and penalties (2015 Wash. Laws, Chap. 10 [1st Spec. Sess.]); and semi-annual reports on Connecting Washington project savings (Wash. Rev. Code Ann. §47.01.480). The secretary of transportation must submit an annual report concerning private contracting (Wash. Rev. Code Ann. §47.28.251).

**Legislative Role in DOT Performance Management**

In addition to the reporting requirements and legislative audits listed above, the Legislature established performance measurement requirements for all state agencies (Wash. Rev. Code Ann. §43.17.385 and §43.17.390), including that state agencies must include performance measures in their biennial budget requests (Wash. Rev. Code Ann. §43.88.030 and §43.88.090). The Legislature also created six overall state transportation policy goals in state statute. The Office of Financial Management, in consultation with the Washington State Transportation Commission, oversees the establishment of objectives and performance measures for each state transportation agency based on the statutory policy goals (Wash. Rev. Code Ann. §47.04.280) and is required to submit a biennial [“attainment report”](#) measuring statewide progress toward those goals (2016 Wash. Laws, Chap. 35). Although not required, WSDOT also produces its own performance publications that are tied to the statutory goals, such as the [Gray Notebook](#) and the [Corridor Capacity Report](#), and provides them to the Legislature.



**Other Legislative Oversight Mechanisms**

The State Auditor's Office in the executive branch conducts financial and performance audits of WSDOT, and must submit them to the Joint Legislative Audit and Review Committee and other appropriate legislative committees (Wash. Rev. Code Ann. §46.68.290). By law, the relevant legislative body must hold a public hearing to consider the findings of each performance audit conducted by the State Auditor's Office (Wash. Rev. Code Ann. §43.09.470). Other legislative committees may ask for presentations of the State Auditor's performance audit results as well. Legislative members and staff also at times ask for copies of audits performed by WSDOT's Internal Audit Office. In addition, the interim Joint Transportation Committee performs a number of studies and evaluations of WSDOT expenditures and activities between legislative sessions. In 2015, for example, the Legislature directed the committee to study WSDOT's implementation of design-build project delivery and weigh stations. The committee also chose to review several other transportation topics during the interim. Other oversight mechanisms include legislative requests for information from WSDOT, as well as committee work sessions on particular projects and programs during the legislative session.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

Yes. Some funds have been allocated to WSDOT to support its compliance with legislative oversight requirements. Many reports are required to be completed within existing agency resources.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Biennial enactment of one 24-month budget; fiscal year begins July 1. Supplemental transportation budgets frequently are enacted in each of the two years following the adoption of the biennial budget to account for technical and workload updates, make corrections, or address emerging issues.

**Allocation of Transportation Revenues to the DOT**

## Federal Revenues

Partial legislative appropriation. Federal transportation funds are mostly allocated to WSDOT as state legislative appropriations to departmental programs or broad spending categories. Some funds flow directly to WSDOT from the U.S. DOT with no state legislative involvement. Legislative staff must review, but need not approve, any Federal funding that is received for operating purposes outside of existing appropriations.

## State Revenues

Legislative appropriation. State transportation funds are allocated to WSDOT as legislative appropriations to departmental programs and broad spending categories, and as project-specific earmarks.

## State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, 2015–17 fiscal biennium (enacted and revised by a <a href="#">supplemental budget</a> )	
<b>Authorized Expenditures (2015–17 biennium total)</b>	Aviation	\$12,788,000
	Charges from other agencies	\$78,281,000
	Economic partnerships	\$1,600,000
	Facilities	\$49,962,000
	Highway maintenance	\$431,207,000
	Improvements	\$2,450,660,000
	Information technology	\$75,357,000
	Local programs	\$140,030,000
	Marine	\$484,348,000
	Preservation	\$678,552,000
	Program delivery management and support	\$54,661,000
	Public transportation	\$172,686,000
	Rail	\$597,553,000
	Toll operations and maintenance	\$90,920,000
	Traffic operations	\$74,909,000
	Transportation management and support	\$31,961,000
	Transportation planning, data, and research	\$52,630,000
	Washington State Ferries	\$406,035,000
	<b>Total</b>	<b>\$5,884,140,000</b>
<b>Revenue Sources (2015–17 biennium total)</b>	State appropriations	\$4,060,146,000
	Federal appropriations	\$1,633,819,000
	Private/local appropriations	\$190,175,000
	<b>Total</b>	<b>\$5,884,140,000</b>

**Note:** Washington's transportation budget bill makes appropriations to many state agencies including WSDOT, the Washington State Patrol, the Department of Licensing, the Washington State Transportation Commission, and others. This chart shows the budget for WSDOT only.

## Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	In general, the Washington State Transportation Commission conducts statewide and long-range planning activities (Wash. Rev. Code Ann. §47.01.071), while WSDOT is charged with project identification and prioritization. WSDOT takes the lead in developing the state's several modal plans and the annually updated four-year Statewide Transportation Improvement Program (STIP). The governor's office also plays a significant role in identifying, selecting, and prioritizing projects through the budget process. MPOs, transit agencies, port authorities and local governments are solely responsible for local programming, but play only a minor role in state projects, mainly through lobbying. The Legislature approves the budget and also selects, approves, and funds specific projects.
<b>Legislative Role in the Planning Process</b>	Substantial legislative role. The Legislature approves the overall WSDOT budget and regularly earmarks Federal and state funds for specific projects. The Legislature must authorize any bond financing in legislation that identifies the projects for which the bonds can be used. WSDOT sometimes seeks input from legislative transportation committee chairs about how to allocate certain Federal funds for capital purposes.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•					See notes		As of July 1, 2016, allocated to the Motor Vehicle Fund, Connecting Washington Account, and Transportation Partnership Account; includes use for ferries (see note) (Wash. Rev. Code Ann. §46.68.090, §82.36.020, §82.38.030)
Fuel taxes: alternative fuels	•	•	•					See notes		Includes taxes on gaseous and liquid alternative fuels; allocated the same way as gasoline and diesel taxes (Wash. Rev. Code Ann. §46.68.090, §82.38.030)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel; used for aviation only (Wash. Rev. Code Ann. §82.42.020, §82.42.090)
Vehicle registration and license fees	•	•	•					See notes		Allocated to the Motor Vehicle Fund, Transportation 2003 Account, and Transportation Partnership Account; includes use for ferries and highway patrol (Wash. Rev. Code Ann. §46.68.030, §46.68.035)
Vehicle title fees	•	•	•	•	• Passenger and freight	•	•	•		Allocated to the Motor Vehicle Fund, Multimodal Transportation Account, and Transportation 2003 Account; includes use for ferries (Wash. Rev. Code Ann. §46.68.020).
Vehicle weight fees (passenger vehicles, motor homes)	•	•	•	•	• Passenger and freight	•	•	•		Allocated to the Multimodal Transportation Account; includes use for ferries (Wash. Rev. Code Ann. §46.17.365, §46.68.415)
License plate retention fees	•	•	•	•	• Passenger and freight	•	•	•		Allocated to the Multimodal Transportation Account; includes use for ferries (Wash. Rev. Code Ann. §46.17.200)
Special fees on electric vehicles	•	•	•	•	• Passenger and freight	•	•	•		Allocated to the Motor Vehicle Fund, Multimodal Transportation Account, and other accounts; includes use for ferries (Wash. Rev. Code Ann. §46.17.323)
Sales taxes on motor vehicle sales and rental vehicles	•	•	•	•	• Passenger and freight	•	•	•		Allocated in part to the Multimodal Transportation Account; includes use for ferries (Wash. Rev. Code Ann. §82.08.020)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Truck registration fees (based on gross vehicle weight)	•	•	•					See notes		Allocated to the Motor Vehicle Fund, Transportation 2003 Account, and Transportation Partnership Account: includes use for ferries and highway patrol (Wash. Rev. Code Ann. §46.17.355, §46.68.035)
Tolls	•	•	•							Revenues used for toll facilities; See notes (Wash. Rev. Code Ann. §47.56.820)
Studded tire fees	•	•	•					See notes		Aside from a portion retained by the seller, fee revenues go to the Motor Vehicle Fund (Wash. Rev. Code Ann. §46.37.427)
Congestion pricing/variable tolling/high-occupancy toll (HOT) lanes	•	•	•							Includes congestion variable tolling on SR 167 and I-405 HOT lanes, and time-variable tolling on SR 520 bridge (Wash. Rev. Code Ann. §47.56.403, §47.56.870, §47.56.880)
Property sales	•	•	•							Allocated to the Motor Vehicle Fund (Wash. Rev. Code Ann. §47.12.063, §47.12.283)
Aircraft excise taxes	•	•				•				Used for aviation only (Wash. Rev. Code Ann. §§82.48.010 et seq.)
Aircraft dealer license fees	•	•				•				Used for aviation only (Wash. Rev. Code Ann. §§14.20.010 et seq.)
Aircraft registration fees	•	•				•				Used for aviation only (Wash. Rev. Code Ann. §47.68.250)
Ferry fares and surcharges	•	•	See notes							Used for ferries only (see notes) (Wash. Rev. Code Ann. §47.60.315, §47.60.530)
Interest income	•	•	•	•	• Passenger and freight	•	•	•		Various funds and accounts, including the Motor Vehicle Fund and the Multimodal Transportation Account (Wash. Rev. Code Ann. §43.84.092)

### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- Washington state ferries are considered part of the state highway system.
- The Motor Vehicle Fund may be used for pedestrian, equestrian, or bicycle projects, but only when mitigating the impacts of a highway project (Wash. Rev. Code Ann. §47.30.030).
- Only the Legislature may authorize the imposition of tolls on eligible toll facilities (Wash. Rev. Code Ann. §47.56.820).
- The state does not directly participate in transit, but makes grants to local entities and provides coordination.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of excise taxes on motor vehicle fuel to highway purposes, including public highways, county roads, bridges, city streets, traffic signs and signals, state policing of public highways, and ferries that are part of a highway, road, or street (Wash. Const. art. II, §40). In Washington, state ferries are considered part of the state highway system.
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle license fees to highway purposes, including public highways, county roads, bridges, city streets, traffic signs and signals, state policing of public highways, and ferries that are part of a highway, road, or street. This restriction does not include driver's license fees, any vehicle tax that is imposed in lieu of property tax, titling fees, or taxes not levied primarily for highway purposes (Wash. Const. art. II, §40). State statute requires vehicle weight fees to be used for transportation purposes (Wash. Rev. Code Ann. §46.68.415), ferry fares, for ferries (Wash. Rev. Code Ann. §47.60.530), and tolls, for the toll facility (Wash. Rev. Code Ann. §47.56.820). Aviation fuel taxes and other aviation-related revenues are directed to the Aeronautics Account, to be used for aviation purposes (Wash. Rev. Code Ann. §14.20.060., §47.68.250, §82.42.090, and §82.48.080). Only the Legislature may authorize the imposition of tolls on eligible toll facilities, or the use of fees or tolls on public-private partnership projects (Wash. Rev. Code Ann. §47.56.820).
<b>Dedicated or Restricted Transportation Funds</b>	By state statute, the Motor Vehicle Fund, which receives fuel taxes and other highway-dedicated revenues, is to be used for road, street, and highway purposes (Wash. Rev. Code Ann. §46.68.070). The fund can also be used for pedestrian, equestrian, or bicycle projects, but only when mitigating the impacts of a highway project (Wash. Rev. Code Ann. §47.30.030). Within the fund are the <a href="#">Transportation 2003 (Nickel) Account</a> , the <a href="#">Transportation Partnership Account</a> , and the Connecting Washington Account, which are set aside for projects that were identified and funded by legislative packages in 2003, 2005, and 2015, respectively (Wash. Rev. Code Ann. §47.10.863, §47.10.875, and §46.68.395). The Multimodal Transportation Fund (formerly the Transportation Fund) is a separate fund that is dedicated to transportation purposes (Wash. Rev. Code Ann. §82.44.180) and has been used for highways, transit, aviation, and rail. The fund includes the Multimodal Transportation Account.
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•	• Pas-senger and freight					Wash. Rev. Code Ann. §47.10.812, §47.10.843, §47.10.861, §47.10.867, §47.10.873, §47.10.879, §47.10.889
Build Amer-ica Bonds	•	•	•							Issued by the state in 2009 and 2010 for highway projects
GARVEE bonds	•	•	•							Most recently issued in 2013 for a public bridge project; also authorized in state statute for public-private partnerships, with further legislative approval required (Wash. Rev. Code Ann. §47.29.060)
Federal credit assistance: TIFIA	See notes	•	•							Active loan(s), used for a highway project; authorized in state statute for public-private partnerships (Wash. Rev. Code Ann. §47.29.060) (see notes)
Advance construction		•	•							
Design-build	•	•	•							Authorized for highway projects over \$2 million (Wash. Rev. Code Ann. §§47.20.780 et seq.) and auto ferries (Wash. Rev. Code Ann. §§47.60.810 et seq.); used for several projects
Public-private partnerships	•		•	•	• Pas-senger and freight	•	•	•		Authorized in statute for any transportation mode; legislative approval required for the use of tolls (Wash. Rev. Code Ann. §§47.29.010 et seq.); not currently in use
State infrastructure bank	•	•	•	•						Capitalized with Federal funds; may be used for highway or transit projects (Wash. Rev. Code Ann. §§82.44.190 et seq.)
Freight Rail Investment Bank	•	•			• Freight only					Wash. Rev. Code Ann. §47.76.250; state-capitalized at a rate of \$2.5 million per year; to date, the rail bank has been used more than the state infrastructure bank

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Washington statute only explicitly authorizes the use of Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance for public-private partnerships (Wash. Rev. Code Ann. §47.29.060). The state’s one use of TIFIA so far, however, has been a direct loan for the State Route (SR) 520 bridge project, which is not a public-private partnership. The TIFIA loan is considered to have been authorized under statutes that authorize general obligation bonds for SR 520, payable first from tolls (Wash. Rev. Code Ann. §47.10.879 and §47.10.883), as it too is being reimbursed by toll revenues.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds must be used for the projects for which they were authorized by the Legislature. Legislative approval is also required to use GARVEE bonds for a public-private partnership project (Wash. Rev. Code Ann. §47.29.060). Use of design-build for highways is limited to projects over \$2 million (Wash. Rev. Code Ann. §47.20.780).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

**Other State Funding and Finance Issues**

<b>DOT Able to Retain and Spend Excess Funds</b>	No. WSDOT is not authorized to retain unspent appropriation authority or excess funds. Unspent appropriations revert to the fund from which they were appropriated and become part of the fund’s balance for the next fiscal biennium. WSDOT must seek new expenditure authority for unfinished projects or activities. Excess funds must be re-appropriated to be spent.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No. WSDOT may shift funding between earmarked projects with approval from the governor’s budget office. This process includes review by legislative staff. Also, under the biennial transportation appropriations bill, the state’s director of financial management can authorize a transfer of appropriation authority between projects that are funded with Transportation 2003 Account or Transportation Partnership Account appropriations, if the transfer does not exceed \$250,000 or 10 percent of the total project cost. These transfers must be reported to the Legislature (2016 Wash. Laws, Chap. 14).
<b>Legislative Actions to Control DOT Costs</b>	State statute contains applicable provisions concerning construction contracts, including low-bid requirements (Wash. Rev. Code Ann. §47.28.090).



## State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	<p>Statutory formulas, legislative appropriations, and grants. Counties and municipalities receive statutory allocations from state fuel tax revenues and the Motor Vehicle Fund for highway uses, and from the Multi-modal Transportation Account for transportation uses generally. After set-asides, the allocations for counties are distributed among them by a statutory formula based on population, road costs, and need (Wash. Rev. Code Ann. §§46.68.120 et seq.). Most of the funds for cities and towns are distributed among them based on population (Wash. Rev. Code Ann. §46.68.110). Further portions of state fuel taxes are set aside for county ferries and urban, county, and rural arterials (Wash. Rev. Code Ann. §46.68.090, §§47.26.086 et seq., and §47.56.725). In addition, WSDOT awards discretionary grants to cost-effective local projects that improve regional mobility (Wash. Rev. Code Ann. §46.68.320 and §47.66.030) and rural transit projects (Wash. Rev. Code Ann. §46.68.325 and §47.66.100). Both grant programs receive statutory allocations from the Multi-modal Transportation Account. WSDOT also can award grants to municipalities for airport projects (Wash. Rev. Code Ann. §47.68.090) and to local governments for complete streets projects (Wash. Rev. Code Ann. §47.04.320) out of legislative appropriations made for those purposes.</p>
<b>Local Revenue Sources Authorized in State Law</b>	<p>State statute authorizes a wide range of local option revenue sources for transportation purposes. Counties and border area cities may adopt local option fuel taxes for highway uses (Wash. Rev. Code Ann. §82.47.020 and §82.80.010). Property taxes may be assessed by a variety of special districts, including county road districts (Wash. Rev. Code Ann. §36.54.130, §36.60.040, §36.73.060, §36.83.030, and §84.52.043). Transportation benefit districts may impose tolls, although tolls on state routes must be authorized by the Legislature (Wash. Rev. Code Ann. §36.73.040). A number of local sales taxes are authorized for public transit and other transportation-related uses (Wash. Rev. Code Ann. §81.100.060, §81.104.160, §81.104.170, §82.14.045, §82.14.370, and §82.14.445). Eligible counties, regional transportation investment districts, and public transportation benefit areas with passenger-only ferry service may assess motor vehicle excise taxes (Wash. Rev. Code Ann. §81.100.060 and §82.80.130). Transportation benefit districts may impose annual vehicle fees (Wash. Rev. Code Ann. §82.80.140) and regional transportation investment districts may assess local option vehicle license fees (Wash. Rev. Code Ann. §82.80.100). Counties and cities may levy real estate transfer taxes for capital projects that may include roads and bridges (Wash. Rev. Code Ann. §82.46.010). Counties, cities, regional transportation investment districts, and passenger-only ferry service districts may assess commercial parking taxes for transportation uses (Wash. Rev. Code Ann. §§82.80.030 et seq.). Municipalities and county road improvement districts may levy special assessments (Wash. Rev. Code Ann. §35.43.040 and §36.88.010). Employer taxes may be imposed by certain counties and other entities for high-occupancy vehicle (HOV) lanes, and by cities and other entities for high-capacity public transit (Wash. Rev. Code Ann. §81.100.030 and §81.104.150). County transportation authorities, public transportation benefit area authorities, and other entities may assess business and occupation taxes (Wash. Rev. Code Ann. §35.95.040). Local governments may charge developers impact fees to pay for development-related transportation improvements (Wash. Rev. Code Ann. §39.92.040 and §§82.02.050 et seq.).</p>

# WEST VIRGINIA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	79,934 (67,575 rural, 12,359 urban)
	Bridges	7,215
	Toll facilities	Yes (roads: 86.8 miles; bridges: 2)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, automated guideway, demand response
	Urban transit trips in 2013	8.5 million
<b>Rail</b>	Freight rail route miles	2,226
<b>Aviation</b>	Total airports	72
	Public-use airports	35
	Passengers boarded in 2013	388,854
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	63.9 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	West Virginia Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (34 members), House of Delegates (100 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to Mar.
<b>Legislative Measures Introduced in 2016</b>	1,896
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation and Infrastructure House Committee on Roads and Transportation [Interim] Joint Committee on Government and Finance [Interim/Select] Joint Interim Select Committee on Infrastructure [Interim/Commission] Joint Legislative Oversight Commission on Department of Transportation Accountability

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	West Virginia Department of Transportation (WVDOT)
<b>Structure</b>	Organized mainly by transportation mode
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet), Commissioner of Highways (WVDOT Division of Highways only)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	5,500
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	Yes. The Division of Motor Vehicles is a division of WVDOT and is funded by the State Road Fund and Federal funds as part of WVDOT's budget.
<b>Includes Highway Patrol?</b>	No. The West Virginia State Police, an independent state agency, carries out highway patrol functions. It is funded by general funds.
<b>Jurisdiction Over Toll Facilities?</b>	Yes. The West Virginia Parkways Authority, which operates the state's toll roads, is a component unit both of the state of West Virginia and of WVDOT. The secretary of transportation or designee is a statutory member of the authority (W. Va. Code §17-16A-3).

## Other

<b>Other State-Level Transportation Entities</b>	None. West Virginia has no state-level entities outside of WVDOT and (for highway patrol functions) the West Virginia State Police. The Division of Highways, Division of Public Transit, West Virginia Aeronautics Commission, West Virginia Parkways Authority, West Virginia Public Port Authority, and State Rail Authority are all contained within WVDOT.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through leadership. Communication between the Legislature and WVDOT is generally through upper management, with all written correspondence signed by the commissioner of highways or the assistant commissioner. During the legislative session, communication is generally through the state highway engineer, the commissioner of highways, and the assistant commissioner. WVDOT's Office of Communications responds to legislative requests for information.
<b>DOT Legislative Liaison</b>	WVDOT officials, including the commissioner of highways and the assistant commissioner, are the main point of contact between the department and the Legislature. WVDOT has no dedicated legislative liaison or governmental affairs office.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	W. Va. Code ch. 17 to 17F and 24A; W. Va. Const. art. VI, §52 (revenue restrictions); portions of W. Va. Code ch. 11 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. WVDOT drafts bills for consideration by the Legislature, but only legislators can request legislative bill drafts and sponsor and introduce legislation. A legislative sponsor may identify a bill as being introduced "by request" of a state agency.
	Advocacy and Lobbying	When the Division of Highways does not support a piece of legislation, it informs the full committee, the committee chair, or the sponsor and offers to assist with rewrites.
	Fiscal Notes or Policy Impact Statements for Legislative Use	Legislative rules require the preparation of a fiscal note prior to legislative consideration of a bill with fiscal impacts. These fiscal notes must be obtained by the legislative sponsor, and are typically prepared by executive branch agencies, including WVDOT.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation is appointed by the governor with the advice and consent of the Senate (W. Va. Code §5F-1-2). The commissioner of highways is appointed by the governor, by and with the advice and consent of the Senate, within broad statutory guidelines for experience and qualifications (W. Va. Code §17-2A-2).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The secretary of transportation serves at the will and pleasure of the governor. The governor has the power to remove any officer the governor appoints, including the commissioner of highways, for cause (W. Va. Const. art. VII, §10).
<b>Legislative Review of Administrative Rules</b>	Yes. The joint Legislative Rule-Making Review Committee reviews all proposed rules. The committee's role is mainly advisory (W. Va. Code §§29A-3-1 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. WVVDOT is subject to audits conducted by the Legislative Auditor's Office, including financial audits and periodic performance reviews. In addition, state law requires independent annual financial audits of the Commission of Highways and the Industrial Access Road Fund, to be conducted under the oversight of the Joint Committee on Government and Finance (W. Va. Code §17-3-1a and §17-3A-6). In 2015, the Legislature also mandated a special independent performance audit of WVVDOT's Division of Highways, to be performed under the oversight of the legislative Joint Committee on Government and Finance (W. Va. Code §17-2A-6a). The state conducts sunset reviews, but not of WVVDOT.
<b>Required DOT Reports to the Legislature</b>	The commissioner of highways must submit annual reports to the Legislature concerning the department's activities and accomplishments, alternative road funding models and any legislative recommendations (W. Va. Code §17-28-4), and highway design-build projects (W. Va. Code §17-2D-5). Other entities within WVVDOT that must submit annual reports to the Legislature include the Complete Streets Advisory Board, on the Division of Highway's implementation of the complete streets program (W. Va. Code §17-4A-3); the Public Port Authority, on the statewide tourist intermodal transportation system and the authority's activities (W. Va. Code §17-16B-6); the Division of Public Transit, on the safety of the state's rail fixed guideway transportation systems (W. Va. Code §17-16E-3); the commissioner of motor vehicles, on Class G licenses (W. Va. Code §17B-2B-9) and the ignition interlock program (W. Va. Code §17C-5A-3a); and the chief hearing examiner of the Office of Administrative Hearings, on the office's activities (W. Va. Code §17C-5C-2).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, every state agency must undergo regular legislative performance reviews, after which the Legislature may vote on whether the agency should be continued, consolidated, or terminated (W. Va. Code §§4-10-1 et seq.). This is not a true sunset, because the agency is not automatically terminated if there is no action of the Legislature. WVVDOT is next scheduled for review in 2020.
<b>Other Legislative Oversight Mechanisms</b>	Interim committees are assigned topics to study between legislative sessions. In 2015, for example, the Joint Standing Committee on Finance studied highway and bridge revenue sources. Other oversight mechanisms include legislative requests for information from WVVDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins July 1.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. In general, Federal transportation funds are allocated to WVDOT as a lump sum appropriation to the department. In some cases, the Legislature may designate specific projects, or indicate a project as a line item, in the budget bill.
	State Revenues	Legislative appropriation. As with Federal funds, state transportation funds are generally allocated to WVDOT as a lump sum, with appropriations made to specific designations or line items.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures</b>	State Rail Authority	\$2,113,694
	Division of Public Transit	\$17,894,318
	Aeronautics Commission	\$1,084,022
	Division of Motor Vehicles	\$69,113,774
	Division of Highways	\$1,209,076,000
	Office of Administrative Hearings	\$1,951,979
	Public Port Authority	\$4,626,250
	Claims against the state	\$983,485
	<b>Total</b>	<b>\$1,306,843,522</b>
<b>Revenue Sources</b>	General revenue	\$5,498,334
	State Road Fund	\$1,255,390,193
	Other state funds	\$13,561,511
	Federal funds	\$32,393,484
	<b>Total</b>	<b>\$1,306,843,522</b>

### Planning and Projects

<b>Transportation Planning and Capital Project Selection Process</b>	WVDOT is primarily responsible for creating the statewide, long-term transportation plan. WVDOT works with MPOs to identify projects and programs, as funding allows. MPOs provide and approve projects for the Statewide Transportation Improvement Program (STIP), with the governor's office providing input when appropriate. A public comment period is provided for each project. WVDOT has final approval of the state's transportation plans.
<b>Legislative Role in the Planning Process</b>	Moderate legislative role. The Legislature's input is received in the public comment process, and members are provided with lists of projects scheduled in their districts. The Legislature appropriates the State Road Fund in the annual budget, but appropriations are generally based on revenue estimates for the budget year rather than on project priorities. In some cases, the Legislature may designate specific projects, or indicate a project as a line item, in the budget bill.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate and variable rate—percentage of price)	•	•	•							Includes a fixed-rate component and a variable component that is annually adjusted based on average wholesale price, with a price floor of \$2.34/gallon; the price cannot vary more than 10 percent per year (W. Va. Code §11-14C-5)
Fuel taxes: alternative fuels (fixed rate and variable rate—percentage of price)	•	•	•							Includes taxes on gaseous and liquid alternative fuels; assessed the same way as gasoline and diesel taxes (W. Va. Code §11-14C-2, §11-14C-5)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (W. Va. Code §11-15-18b)
Vehicle registration and title fees	•	•	•							W. Va. Code §17A-3-4, §17A-10-1 et seq.
Truck registration fees (based on gross vehicle weight)	•	•	•							W. Va. Code §17A-10-3
Oversize/overweight truck permit fees	•	•	•							Includes permit fees for any oversize or overweight trucks and special permit fees for overweight coal trucks (W. Va. Code §17C-17-11, §17C-17A-5, §17C-17A-13)
Sales taxes on motor vehicle sales, leases, and rentals	•	•	•							W. Va. Code §11-15-3c
Tolls	•	•	•							Used by West Virginia Parkways Authority (W. Va. Code §17-16a-1 et seq.)
General funds		•		•	• Passenger and freight	•	•			Legislative appropriations in the annual budget bill for public transit, rail, aviation, and ports

**Note:** In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level



development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon) and variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution dedicates gasoline and other motor fuel excise and license taxes, and all other revenues derived from motor fuels, to public highways, including debt (W. Va. Const. art. VI, §52).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution dedicates vehicle registration and license taxes and all other vehicle-related revenues to public highways, including debt (W. Va. Const. art. VI, §52). State statute dedicates aviation fuel taxes to providing the match for Federal funds for airport projects (W. Va. Code §11-15-18b).
<b>Dedicated or Restricted Transportation Funds</b>	State statute restricts the use of the State Road Fund, which receives fuel tax and vehicle-related revenues, to state roads, related debt, and administrative costs of the WV DOT Division of Highways (called the “road department” in statute) (W. Va. Code §17-3-1).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•							Authorized by constitutional amendments (e.g., W. Va. Const. amend. 16, the “Safe Roads Amendment of 1996”)
GARVEE bonds	See notes	•	•							Most recently issued in 2009
Advance construction		•	•							
Design-build	•	•	•							Authorized for highway and bridge projects; use is capped at \$50 million per year or, if funds are rolled over from previous years, \$150 million per year (W. Va. Code §§17-2D-1 et seq.); used for several projects
Public-private partnerships	•	•	•			•	•			Authorized in statute for roads, bridges, ports, and airports (W. Va. Code §§17-27-1 et seq.); used for a road project (see notes)
State infrastructure bank	•		•	•						Established in 2015 (W. Va. Code §§17-17b-1 et seq.; 2015 W. Va. Acts, Chap. 213); may be used for highway or transit projects; not yet capitalized or active

#### Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as



public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- The Division of Highways issues GARVEE bonds under the authority of a constitutional amendment that authorizes up to \$200 million in revenue bonds (W. Va. Const. amend. 8, the “Better Roads Amendment”).
- In the mid-2000s, West Virginia began a public-private project for the King Coal Highway under a special negotiated agreement by which some highway construction is done by local mining companies as they extract coal nearby. The project was authorized in part by project-specific legislation that created the King Coal Highway Authority (1999 W. Va. Acts, Chap. 299) and urged the project’s acceleration (1999 W. Va. House Concurrent Resolution 7). The state’s current authorizing statutes for public-private partnerships were enacted in 2008.
- As of March 2016, West Virginia was in the loan pipeline for Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	Bonding, including GARVEE bonding, is limited to the amounts authorized by amendments to the state constitution (e.g., W. Va. Const. amend. 16, the “Safe Roads Amendment of 1996”). Use of design-build for highway and bridge projects is capped at \$50 million per year or, if funds are rolled over from previous years, \$150 million per year (W. Va. Code §§17-2D-1 et seq.).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Surplus funds are retained by WVDOT in the State Road Fund without restrictions at the end of the fiscal year. However, WVDOT must adhere to spending only the appropriated amounts established for each specific line. Thus, in order for surplus funds to be spent beyond an existing appropriation for any line, WVDOT must request additional spending authority from the Legislature.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. Legislative approval is required for transfers between line items of appropriations. Other amendments to WVDOT’s expenditure schedule must be approved by the secretary of revenue and reported to the Legislative Auditor’s Office (W. Va. Code §11B-2-13 and §11B-2-17).
<b>Legislative Actions to Control DOT Costs</b>	State law contains low-bid requirements for highway construction contracts (W. Va. Code §17-4-19), public-private transportation facilities (W. Va. Code §17-27-16), and some projects of the State Rail Authority (W. Va. Code §29-18-6).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas and grants. The commissioner of highways, at his discretion, allocates to counties a portion of the revenues deposited into the State Road Fund from state motor fuel taxes, vehicle registration fees, motor carrier road tax, and other sources. Funds are first distributed to counties for local road maintenance by a statutory formula based on paved, unpaved, and dirt road miles. Funds are then distributed for local road construction based on unimproved road miles. In addition, the commissioner can use state funds for local road projects on a matching fund basis, and can determine at his discretion the required local match (W. Va. Code §§17-3-6 et seq.).
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to adopt property taxes on property outside of municipalities for the benefit of roads in those areas (W. Va. Code §17-10-23). Counties may also charge developers impact fees to pay for development-related capital improvements (W. Va. Code §§7-20-1 et seq.).

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	238,608 (186,362 rural, 52,246 urban)
	Bridges	14,116
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, light rail, streetcar, vanpool, demand response
	Urban transit trips in 2014	72.8 million
<b>Rail</b>	Freight rail route miles	3,319
<b>Aviation</b>	Total airports	429
	Public-use airports	126
	Passengers boarded in 2015	4.9 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2015	30.0 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Wisconsin Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (33 members), Assembly (99 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	1,830 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation and Veterans Affairs Assembly Committee on Transportation [Commission] Transportation Projects Commission The Legislative Council regularly creates special study committees, but none are currently studying transportation topics.

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Wisconsin Department of Transportation (WisDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	3,499
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	Yes. The Division of Motor Vehicles is a division of WisDOT. It is funded by the Transportation Fund, specific user fee revenues, and Federal funds as part of WisDOT's budget.
<b>Includes Highway Patrol?</b>	Yes. The Wisconsin State Patrol is a division of WisDOT. It is funded by the Transportation Fund, specific user fee revenues, and Federal funds as part of WisDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	No. Wisconsin has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	Office of the Commissioner of Railroads (state agency)	The Office of the Commissioner of Railroads is the state agency with primary responsibility for making determinations of the adequacy of warning devices at railroad crossings, along with other regulations related to railroads and water carriers. It is administratively attached to the Public Service Commission, except that WisDOT processes its budget requests, and its administrative costs are covered by railroad assessments (Wis. Stat. Ann. §§189.01 et seq., §15.03, §15.795, and §195.60). WisDOT coordinates with the office on railroad crossings and highway projects.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through dedicated liaisons. WisDOT's assistant deputy secretary and legislative advisor in the Office of the Secretary oversee and manage the department's legislative activities and relationships. The role includes providing testimony at legislative hearings, interacting regularly with legislators, and reviewing pending legislation. Other WisDOT staff members, especially in the regional offices, often meet with local legislators over the course of the year.	
<b>DOT Legislative Liaison</b>	The assistant deputy secretary and legislative advisor in WisDOT's Office of the Secretary are the main points of contact between the department and the Legislature.	

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Wis. Stat. Ann. §§15.46 et seq.; Wis. Stat. Ann. §13.489; Wis. Stat. Ann. ch. 80 to 86, 110, 114, 189 to 195, 237, and 340 to 351; Wis. Stat. Ann. §§25.40 et seq. (funds); Wis. Const. art. VIII, §11 (revenue restrictions); Wis. Stat. Ann. ch. 78 and portions of ch. 76 and 77 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. State agencies including WisDOT may request legislative bill drafts, but all bills must be formally sponsored and introduced by a legislator or legislative committee.
	Advocacy and Lobbying	WisDOT staff regularly testify at hearings and committee meetings on legislation affecting the department, and can influence transportation-related legislation through the biennial budget process.
	Fiscal Notes or Policy Impact Statements for Legislative Use	WisDOT typically develops both policy and fiscal notes on relevant pending legislation.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation is appointed by the governor with the advice and consent of the Senate (Wis. Stat. Ann. §15.05).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The secretary of transportation serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules are reviewed first by the Legislative Council. After a process that includes a public hearing, drafting of the final rule, and approval of the final rule by the governor, the agency then delivers the final rule to the Legislature for review by the relevant standing committees. If a standing committee objects to a rule, it sends it to the Joint Committee for Review of Administrative Rules which, if it agrees, introduces a bill to veto the rule. Otherwise, if no committee action is taken, the agency certifies the final rule and submits it to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register. A final rule is effective on the first day of the month commencing after the date of publication. The joint committee may also review and suspend existing rules (Wis. Stat. Ann. §§227.10 et seq.; see also Wis. Exec. Order No. 2011-50).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. WisDOT is subject to annual financial audits and periodic programmatic audits conducted by the Legislative Audit Bureau. Wisconsin does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	Each secretary of a state agency (including WisDOT) is required to submit to the Legislature a biennial report on the agency's performance and operations during the previous biennium, and its goals and objectives as developed for the program budget report (Wis. Stat. Ann. §15.04). The secretary of transportation must also submit biennial reports concerning the comprehensive highway safety program (Wis. Stat. Ann. §85.07). WisDOT must submit a report every six months on major highway projects (Wis. Stat. Ann. §13.489), annual reports concerning economic development programs (Wis. Stat. Ann. §84.01) and, until 2019, traffic signals and intelligent transportation programs (Wis. Stat. Ann. §84.06), and biennial inventories of surplus land (Wis. Stat. Ann. §84.09). WisDOT must submit a joint annual report with the Department of Justice concerning access to driver's license and ID photos (Wis. Stat. Ann. §343.237). The legislative Joint Committee on Finance has also directed WisDOT to report on the status of the Highway Maintenance Program (Wis. Stat. Ann. §84.07) twice per year.
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, WisDOT reports on its performance goals, objectives, measures, and progress to the Department of Administration, for consideration by the Office of the Governor, <a href="#">as part of its biennial budget request</a> . This information is then passed on to the General Assembly for consideration in the budget process.
<b>Other Legislative Oversight Mechanisms</b>	WisDOT is required to prepare reports to accompany bills that would create exceptions to vehicle weight limits (Wis. Stat. Ann. §13.096) or revoke a person's driving privileges upon conviction for an offense (Wis. Stat. Ann. §13.0965). These reports are distributed in the same way as bill amendments. In addition, the Joint Committee on Finance, which takes up all budget items in the Wisconsin Legislature, has its own budget staff that regularly asks questions of WisDOT throughout the year. Other oversight mechanisms include other legislative requests for information from WisDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	Yes. Funds have been allocated to WisDOT to support its compliance with legislative oversight requirements. For example, the 2015-17 biennial budget (2015 Wis. Laws, Act 55) provided \$1 million over the biennium to study methods of improving the solvency of the state's Transportation Fund, and required WisDOT to submit a report to the Legislature by Jan. 1, 2017.

## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month budgets; fiscal year begins July 1. WisDOT submits biennial budget requests for approval by the Legislature.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal airport, transit, and traffic safety funds are allocated to WisDOT as state legislative appropriations to departmental programs. Federal highway funds are allocated among several WisDOT programs by legislative appropriation, based on an estimate of the total amount that will be received. If receipts differ from estimates by more than 5 percent, WisDOT must submit a plan to the legislative Joint Committee on Finance to adjust the appropriations. The committee may approve or modify the plan. WisDOT makes administrative adjustments for any difference under the 5 percent threshold.
	State Revenues	Partial legislative appropriations. State transportation funds are allocated to WisDOT through legislative appropriations at the program or category level. WisDOT generally has spending discretion within broad categories (state highway rehabilitation, major highway development, airport improvement, etc.), each of which has its own appropriation. With a few minor exceptions, there are no automatic or formula-based appropriations of state funds to transportation programs.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2016 and FY 2017 ( <a href="#">enacted</a> )	
<b>Authorized Expenditures (FY 2016 and FY 2017, total)</b>	State highways	\$3,387,900,000
	Local programs	\$1,959,800,000
	Debt service and reserves	\$992,600,000
	DOT operations	\$482,500,000
	<b>Total</b>	<b>\$6,822,800,000</b>
<b>Revenue Sources (FY 2016 and FY 2017, total)</b>	State funds	\$3,852,600,000
	Federal funds	\$1,655,000,000
	Bond funds (total bonding allocated to programs)	\$910,700,000
	General purpose revenue	\$229,900,000
	Other funds	\$227,900,000
	Revenues allocated to non-WisDOT agencies	(\$53,300,000)
	<b>Total</b>	<b>\$6,822,800,000</b>

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

WisDOT is responsible for both short- and long-term multimodal planning. Project identification is an iterative process that begins with a needs analysis conducted by the central WisDOT office. WisDOT regional planning sections review the analysis and develop a range of alternatives. “Backbone” projects (multi-lane highways connecting all major population and economic regions of the state) are ranked using a comprehensive prioritization process focused on safety and life-cycle cost estimates. These projects are approved by a statewide peer review process. In this process, WisDOT works closely with MPOs to coordinate transportation planning in metropolitan areas. By law, major highway projects have an added layer of analysis and require legislative approval. These planning activities result in a long-term multimodal plan, the annually updated four-year Statewide Transportation Improvement Program (STIP), and a list of major highway projects that is typically approved by the Legislature in the biennial budget process.

### Legislative Role in the Planning Process

Substantial legislative role. The main role of the Legislature is to review and approve major highway projects and project studies for projects that require significant capacity expansion. The review is performed largely by the Transportation Projects Commission, using recommendations from WisDOT, as part of the biennial budget process. The Transportation Projects Commission is a legislative body, chaired by the governor, that is made up of 10 legislators, three citizen members, and the secretary of transportation, who is a nonvoting member. After projects are approved by the commission, they then must be approved by the full Legislature and identified in statute (Wis. Stat. Ann. §13.489 and §84.013). The Legislature also approves overall funding levels in the biennial budget bill.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §78.01
Fuel taxes: alternative fuels	•	•	•	•	• Pas-senger and freight	•	•	•		Includes taxes on gaseous and liquid alternative fuels (Wis. Stat. Ann. §25.40, §78.39, §78.40)
Fuel taxes: aviation fuels	•	•	•	•	• Pas-senger and freight	•	•	•		Includes taxes on aviation gasoline, jet fuel, and other fuels (Wis. Stat. Ann. §78.555)
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight	•	•	•		Includes additional registration fees for some vehicle types (Wis. Stat. Ann. §§341.25 et seq., §342.14)
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §341.25
Oversize/overweight truck permit fees	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §§348.25 et seq.



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fines for truck size and weight violations	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §348.11, §348.21, §348.25
State rental vehicle fees	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §77.995, §25.40
Driver's license and state ID card fees	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §343.21, §343.50
Railroad property taxes	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §§76.01 et seq., §25.40
Airline prop-erty taxes	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §76.01, §76.24, §25.40
Aircraft registration fees	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §114.20, §25.40
Outdoor advertising revenues	•	•	•	•	• Pas-senger and freight	•	•	•		Sign permit fees (Wis. Stat. Ann. §84.30)
Passenger rail station sponsorship	•	•	•	•	• Pas-senger and freight	•	•	•		Fees for the display of sponsorship information at state-owned pas-senger rail stations (Wis. Stat. Ann. §84.01)
Driver and vehicle record infor-mation fees		•	•	•	• Pas-senger and freight	•	•	•		State statutes generally address the release of driver and vehicle records (Wis. Stat. Ann. §19.36, §343.03) but do not explicitly authorize the fees
Property sales	•	•	•	•	• Pas-senger and freight	•	•	•		Sales of surplus land (Wis. Stat. Ann. §84.09)
Petroleum Inspection Fund reve-nues		•	•	•	• Pas-senger and freight	•	•	•		Annual appropriations of Petroleum Environmental Cleanup Fund Award (PECFA) fees from the Petroleum Inspection Fund to the Transporta-tion Fund



State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General funds	•	•	•	•	• Pas-senger and freight	•	•	•		Annual transfer of 0.25 percent of general fund revenues to Transportation Fund (Wis. Stat. Ann. §16.5185); also includes transfers from the general fund that are enacted into law each biennium ( <a href="#">Wis. Stat. Ann. §20.395</a> ) and one-time appropriations from the general fund to pay debt service on general obligation bonds used for transportation projects
Interest income	•	•	•	•	• Pas-senger and freight	•	•	•		Transportation Fund (Wis. Stat. Ann. §25.40)

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- State statute directs that Transportation Fund revenues may be used for administrative costs, safety programs, and traffic enforcement, in addition to the kinds of transportation activities described in this chart (Wis. Stat. Ann. §25.40).
- Under the Tribal Elderly Transportation Grant Program, WisDOT awards grants to Federally recognized American Indian tribes or bands to assist in providing transportation services for older adults. The program, although state-administered, is funded from tribal gaming revenues (Wis. Stat. Ann. §85.215; 2009 Wis. Laws, Act 28).

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, multimodal transportation. The state constitution dedicates fuel taxes to WisDOT for transportation purposes or to the holders of transportation-related revenue bonds, via the comprehensive, multimodal Transportation Fund or a trustee (Wis. Const. art. VIII, §11). State statute provides further authority for designating fuel taxes to the Transportation Fund (Wis. Stat. Ann. §25.40).
<b>Restrictions on Other Transportation Revenues</b>	As with fuel taxes, other transportation-related revenues are also deposited into the comprehensive, multimodal Transportation Fund (Wis. Const. art. VIII, §11).
<b>Dedicated or Restricted Transportation Funds</b>	Wisconsin has a comprehensive, multimodal trust fund called the Transportation Fund, which receives fuel taxes and other transportation-related revenues. The state constitution prohibits transfers or appropriations from the Transportation Fund to any program that is not directly administered by WisDOT in relation to the state’s transportation systems (Wis. Const. art. VIII, §11). State statute further provides that the fund may be used for transportation purposes that include highways, airports, harbors, ferries, railroads, and bicycle or pedestrian facilities, as well as administrative costs, safety programs, and traffic enforcement (Wis. Stat. Ann. §25.40).
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•		• Pas-senger and freight		•			Generally authorized in statute for highway rehabilitation projects (Wis. Stat. Ann. §84.95); specifically authorized by session law (budget bills); currently in use for highway, rail, and harbor projects
Revenue bonds	•	•	•							Transportation revenue bonds; authorized in statute for highway projects and administrative facilities (see notes); capped at \$3.93 billion total (Wis. Stat. Ann. §84.51, §84.53, §84.59)
Build America Bonds		•	•		• Freight only		•			Includes transportation revenue bonds issued as Build America Bonds in 2010; used for highways, ports, and freight rail
Advance construction		•	•							
Partial conversion of advance construction		•	•							Used once or twice per year at most
Design-build	•		•							Limited authorization in statute for bridge projects (Wis. Stat. Ann. §84.11[5n]); not currently in use
Public-private partnerships	•		•	•						Limited authorization in statute for build-operate-lease or transfer agreements, including for highways and park-and-ride facilities (Wis. Stat. Ann. §84.01[30]); not currently in use
State infrastructure bank	•	•	•	•						Capitalized with state and Federal funds; may be used for highway or transit projects (Wis. Stat. Ann. §25.405)

## Notes:

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- State statute directs that transportation revenue bonds may also be used for administrative facilities (i.e., office buildings) in addition to the kinds of transportation activities described in this chart (Wis. Stat. Ann. §84.59).

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds must be used for major highway projects and for the purposes for which they were authorized by the Legislature. State statute currently limits transportation revenue bonds, which may be used for highway projects and administrative facilities, to a total of \$3.93 billion (Wis. Stat. Ann. §84.59).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, for some funds. For most capital improvement and maintenance programs, WisDOT retains appropriated but unobligated funds from year to year. Excess fund revenues are not available for expenditure, however, unless appropriated by the Legislature. For administrative functions, unspent funds lapse to the transportation fund at the end of the fiscal year.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. Legislative approval is required to move funds between legislative appropriations. No legislative approval is required, however, to move funds within those appropriations.
<b>Legislative Actions to Control DOT Costs</b>	State statute contains many examples of cost controls, which include but are not limited to low-bid requirements for highway construction contracts and railroad projects (Wis. Stat. Ann. §84.06 and §85.077), required cost-benefit analyses for engineering services contracts over \$300,000 (Wis. Stat. Ann. §84.01), and limits on expenditures for aesthetic elements of highway improvement projects (Wis. Stat. Ann. §85.0205).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory and DOT formulas, legislative appropriations, and grants. Each local aid program in Wisconsin has its overall funding levels set by the Legislature. The General Transportation Aids program allocates more than 20 percent of all state transportation revenues, including fuel taxes and vehicle registration fees, to counties and municipalities for road projects and other transportation costs. Funds are distributed to counties by a statutory formula based on "share of costs," which is how much a county has spent on its road miles in previous years. Each municipality's share is calculated based either on share of costs or road miles, whichever yields a larger amount (Wis. Stat. Ann. §86.30). The Local Roads Improvement Program distributes some funding to counties, cities, and towns based on statutory percentages and WisDOT formulas, and other amounts through WisDOT discretionary grants (Wis. Stat. Ann. §86.31). The State Urban Mass Transit Operating Assistance program allocates funds to eligible local entities, divided so that all transit systems have an equal percentage of their total operating costs covered by combined state and Federal aid. This program requires a 20 percent local match (Wis. Stat. Ann. §85.20). WisDOT also distributes smaller amounts to airports, transportation enhancements, and other projects on a discretionary basis. Significant general aid is also provided to local governments from the general fund and likely has the effect of supporting local transportation expenditures.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties and municipalities to levy vehicle registration fees for transportation projects (Wis. Stat. Ann. §341.35) and property taxes for roads and bridges (Wis. Stat. Ann. §83.065 and §83.14). Municipalities may charge developers impact fees to pay for development-related capital improvements (Wis. Stat. Ann. §66.0617).

# WYOMING

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	60,381 (53,881 rural, 6,500 urban)
	Bridges	3,085
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, demand response
	Urban transit trips in 2013	487,000
<b>Rail</b>	Freight rail route miles	1,889
<b>Aviation</b>	Total airports	97
	Public-use airports	42
	Passengers boarded in 2013	532,199
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	0

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Wyoming Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (30 members), House of Representatives (60 members)
<b>Type</b>	Citizen/part-time
<b>Session</b>	Annual, approx. Jan. to Mar. (odd years), Feb. to Mar. (even years)
<b>Legislative Measures Introduced in 2016</b>	300 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Revenue Senate Committee on Transportation, Highways, and Military Affairs House Committee on Revenue House Committee on Transportation, Highways, and Military Affairs [Interim] Joint Interim Committee on Appropriations [Interim] Joint Interim Committee on Revenue [Interim] Joint Interim Committee on Transportation, Highways, and Military Affairs [Select] Air Transportation Liaison Committee

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Wyoming Department of Transportation (WYDOT)
<b>Structure</b>	Organized mainly by functional activity. One of WYDOT's five divisions, however, is dedicated to a specific transportation mode (aeronautics).
<b>Leadership</b>	Director of WYDOT (serves on governor's cabinet), Transportation Commission (independent body)
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	2,000
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight rail, aviation, pedestrian/bicycle. State-level aeronautics, rail, and transit functions reside within WYDOT. WYDOT's jurisdiction over freight rail, however, only extends to crossings, grade separations, fencing, fireguards, and claims for injury to livestock.
<b>Includes DMV?</b>	Yes. WYDOT performs driver's licensing and vehicle registration functions, supported by non-restricted revenues to the Highway Fund.
<b>Includes Highway Patrol?</b>	Yes. The Wyoming Highway Patrol is a division of WYDOT (Wyo. Stat. §24-12-101). The Highway Patrol budget is primarily legislatively appropriated and WYDOT-funded with state revenues. Highway user fees can fund a portion of highway patrol functions, as can non-restricted funding that WYDOT receives, such as Federal mineral royalties and severance taxes. At times, there may be small legislative appropriations of general funds for a specific purpose.
<b>Jurisdiction Over Toll Facilities?</b>	No. Wyoming has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	None. Wyoming has no state-level transportation entities besides WYDOT and the Transportation Commission.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. WYDOT and the Legislature interact face-to-face and through issue-specific materials that are requested by the Legislature or provided on WYDOT's initiative. WYDOT's executive team works closely with the Legislature during the legislative session. During the interim, WYDOT is generally given a full day at each meeting of the Joint Interim Committee on Transportation, Highways, and Military Affairs to present the department's concerns and issues. Between committee meetings, legislative attorneys work with WYDOT to prepare legislation for the committee to consider. WYDOT is also given the opportunity to suggest topics for the committee to study during its interim work.
<b>DOT Legislative Liaison</b>	Various WYDOT staff, including its executive team, interact closely with the Legislature. The secretary of the Transportation Commission also acts as a legislative liaison and is a main point of contact between the department and the Legislature. Another main point of contact is the WYDOT Management Services Program, which recently assumed duties to assist with coordinating agency legislative activities and responses.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	Wyo. Const. art. III, §27; Wyo. Stat. tit. 10, 24, and 31; portions of Wyo. Stat. tit. 37 and 41; Wyo. Const. art. XV, §16 (revenue restrictions); portions of Wyo. Stat. tit. 39 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. In Wyoming, only legislators can request legislative bill drafts and formally sponsor and introduce legislation, but the process of drafting transportation-related legislation is collaborative. Between meetings of the Joint Transportation, Highways, and Military Affairs Committee during the legislative interim, legislative attorneys work directly with WYDOT to draft legislation for the committee to consider. WYDOT can comment and suggest revisions to bill drafts throughout the process.
	Advocacy and Lobbying	WYDOT does not lobby or engage in advocacy. The department provides the Legislature with information, including statistics and other data, but does not ask legislators to vote for or against bills.
	Fiscal Notes or Policy Impact Statements for Legislative Use	WYDOT provides information to the Budget and Fiscal Section of the Legislative Service Office for fiscal notes. The department also provides policy information for bills when requested to do so.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The seven members of the Transportation Commission are appointed to six-year terms by the governor, by and with the advice and consent of the Senate and within statutory requirements for partisan balance and geographic representation (Wyo. Stat. §24-2-101). The director of WYDOT is appointed by the governor, from among at least three nominees chosen by the Transportation Commission (Wyo. Stat. §24-2-105).
<b>Legislature Able to Remove DOT Leaders?</b>	No. Members of the Transportation Commission and the director of WYDOT may be removed at the governor's pleasure (Wyo. Stat. §9-1-202).
<b>Legislative Review of Administrative Rules</b>	Yes. The Legislative Service Office reviews all new, amended, or repealed rules, then submits them to the Management Council for further review. The council may also review any other rule. The roles of these entities are mainly advisory. The council may, however, introduce a legislative order to prohibit the implementation or enforcement of a rule. Otherwise, the rule is automatically approved by the Legislature and moves on to the governor for review (Wyo. Stat. §§28-9-101 et seq.).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. WYDOT is subject to audits conducted by the Legislative Service Office at the direction of the Management Audit Committee (Wyo. Stat. §28-8-107). Wyoming does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	State law requires each state agency's budget request to be accompanied by a written, comprehensive report of its programs, objectives, activities, and condition during the previous fiscal period, including an annual performance report (Wyo. Stat. §9-2-1014). WYDOT's budget request must also include reports about armed forces and gold star license plates (Wyo. Stat. §31-2-217 and §31-2-229). WYDOT must also annually report on diesel taxes (Wyo. Stat. §39-17-211) and has, at times, <a href="#">been asked to submit ad hoc, one-time reports</a> .
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, state statute also requires each state agency to maintain a statement of policies and statutory authority that guide its programs, activities, and functions, including objectives against which the agency will be measured to evaluate its effectiveness. Every other year, each agency must also submit its four-year plan to accomplish and further certain goals and objectives as defined by the governor. This plan must include performance measures that are reviewed by the legislative Management Audit Committee (Wyo. Stat. §28-1-115). Given the smaller size of WYDOT and the Legislature, the Legislature's role in tracking and monitoring the department's performance is mostly maintained as a function of its oversight and funding activities. Oral and written reports to the Joint Interim Committee on Transportation, Highways, and Military Affairs typically are used to monitor and evaluate WYDOT's performance.



**Other Legislative Oversight Mechanisms**

The Transportation Commission is required to submit WYDOT's budget, including the non-legislatively appropriated budget, for legislative review each year (Wyo. Stat. §9-2-1011). In addition, audits conducted by WYDOT's internal audit program and an annual audit conducted by a private sector external auditor are submitted to the Legislature through the Management Audit Committee. Also, each joint interim committee conducts studies of assigned topics between legislative sessions. In 2016, for example, the Joint Interim Committee on Transportation, Highways, and Military Affairs plans to study methods to promote economic development along transportation corridors, out-of-state vehicle registrations, distribution of vehicle sales and use taxes, and statutes governing vehicle titles and oversize or overweight vehicles. Other oversight mechanisms include legislative requests for information from WYDOT.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

No.

## Transportation Funding and Finance

### Budgeting and Appropriations

**Budgeting and Appropriations Overview**

Biennial enactment of one 24-month budget; fiscal year begins July 1.

**Allocation of Transportation Revenues to the DOT**

## Federal Revenues

No legislative role. Federal transportation funds flow directly to WYDOT from the U.S. DOT with no state legislative involvement.

## State Revenues

Partial legislative appropriation. Highway user tax and fee revenues flow directly to WYDOT with no state legislative involvement. The Legislature may also make appropriations for transportation each biennium.

### State Transportation Budget

**Most Recently Enacted Transportation Budget**

Annual budget, FY 2016 ([approved](#)) (see note)

**Authorized Expenditures**

Highway improvement/contract maintenance	\$336,389,881
Regular/special maintenance/operations	\$109,341,038
Law enforcement	\$43,532,421
Aeronautics	\$38,767,534
Administration	\$1,728,969
Support services/regulatory	\$14,331,370
Operating transfers out	\$7,838,644
Capital expenditures	\$8,643,431
Planning/administration	\$26,957,939
Other expenditures	\$23,239,248
<b>Total</b>	<b>\$610,770,475</b>

**Revenue Sources**

Federal aid	\$272,782,508
Highway user fees	\$205,266,433
Royalties	\$66,472,500
Severance taxes	\$6,711,500
General funds	\$34,449,466
Other	\$25,088,068
<b>Total</b>	<b>\$610,770,475</b>

**Note:** This chart represents anticipated revenues and expenditures for the WYDOT, current to the beginning of FY 2016. This includes funds that were appropriated by the Legislature and by the Transportation Commission.



## Planning and Projects

### Transportation Planning and Capital Project Selection Process

WYDOT, under the direction of the Transportation Commission, is responsible for determining priorities for state highway projects, highway safety programs, and rural public transit. Each year, WYDOT takes the lead in a planning process that emphasizes public involvement and interaction with local officials. WYDOT identifies, selects, and prioritizes projects in collaboration with local entities, the Transportation Commission, and others. Identified and programmed projects are then presented to the Transportation Commission for review and approval. The resulting document is the six-year State-wide Transportation Improvement Program (STIP). Local entities select projects in cities, towns, and counties that are not on the state highway system.

### Legislative Role in the Planning Process

Limited legislative role. The Legislature, by and large, has remained in the role of assessing needs and providing funding through the budget process. It has refrained from large-scale earmarking or project prioritization. The Legislature can make special appropriations to promote spending categories or types of projects, but the state constitution limits the Legislature's ability to provide special funding for individual projects, inasmuch as it expressly prohibits the Legislature from laying out, planning, or directing the construction of roads or highways (Wyo. Const. art. III, §27).

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel, highway use (fixed rate)	•	•	•							Wyo. Stat. §§39-17-201 et seq.
Fuel taxes: alternative fuels	•	•	•							Includes taxes on liquefied and compressed natural gas, biodiesel, electricity, and others (Wyo. Stat. §§39-17-301 et seq.)
Fuel taxes: aviation fuels	•	•				•				Includes taxes on aviation gasoline and jet fuel (Wyo. Stat. §§39-17-101 et seq., §§39-17-201 et seq.)
Fuel taxes: other non-highway use	•	•					•		•	Portions allocated to boating, snowmobiles, and off-road vehicles (Wyo. Stat. §39-17-111)
Vehicle registration and title fees	•	•	•							Wyo. Stat. §§31-3-101 et seq.
Special fees on electric vehicles	•	•	•							Wyo. Stat. §31-3-102
Truck registration fees (based on gross vehicle weight)	•	•	•							Wyo. Stat. §§31-18-401 et seq.

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Oversize/overweight truck permit fees	•	•	•							Wyo. Stat. §31-18-804
Driver's license fees	•	•	•							Wyo. Stat. §31-7-104, §31-7-113
Outdoor advertising revenues	•	•	•							Permit fees (Wyo. Stat. §24-10-107)
Mineral royalties	•	•	•	•		See notes				Includes ongoing allocations to the Highway Fund and past allocations to other funds (Wyo. Stat. §9-4-601, §9-4-607, §11-34-131) (see notes)
Mineral severance taxes	•	•	•	•						Allocated in part to the Highway Fund (Wyo. Stat. §39-14-801) (see notes)
Non-restricted Highway Fund revenues	•	•		•						State statute allocates \$1.5 million annually of non-restricted state highway funds to the Public Transit Account of the Highway Fund (Wyo. Stat. §24-15-102) (see notes)
General funds		•	•	•		•				Legislative appropriations for surface transportation and aviation

#### Notes:

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. "Authorized by state constitution or statute" signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. "Eligible transportation activities" include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The "rail" column refers to heavy rail only. Commuter rail and light rail are included under "public transit."
- A portion of mineral royalties was deposited to the Transportation Enterprise Fund in 1999 and to the Transportation Trust Fund in 2000, 2001, and 2002. These revenues and the interest income derived from them have been used in part to support public transit and aviation (Wyo. Stat. §9-4-601, §9-4-607, and §11-34-131). Mineral royalties and mineral severance taxes are non-restricted funds to WYDOT that, along with other non-restricted revenues to WYDOT, are used for a statutory allocation of state revenues to public transit (Wyo. Stat. §24-15-102). These revenues can also be used for equipment, general property, building expenses, or overhead.
- No state funds are used for rail purposes.

<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, roads and bridges. The state constitution restricts the use of fuel tax revenues from highway users to public highways, county roads, bridges, and streets, alleys and bridges in cities and towns, and the expense of enforcing state traffic laws (Wyo. Const. art. XV, §16).
<b>Restrictions on Other Transportation Revenues</b>	The state constitution restricts the use of vehicle-related revenues to public highways, county roads, bridges, and streets, alleys and bridges in cities and towns, and the expense of enforcing state traffic laws (Wyo. Const. art. XV, §16). State statute allocates \$1.5 million annually of non-restricted state highway funds to the Public Transit Account of the Highway Fund (Wyo. Stat. §24-15-102). Fuel taxes from non-highway uses are directed to the modes of transportation to which they are attributed, including boating, snowmobiles, off-road vehicles, and aviation (Wyo. Stat. §39-17-111 and §39-17-211).
<b>Dedicated or Restricted Transportation Funds</b>	State statute establishes the state Highway Fund (Wyo. Stat. §24-1-119), which receives fuel taxes and other revenues, and specifies some of its uses. In general, however, state law restricts the use of highway-dedicated revenues, rather than this fund. State statute also establishes the Transportation Trust Fund, an investment account for past allocations of mineral royalties, and the Transportation Enterprise Account, which receives interest from the Transportation Trust Fund and is to be used for transportation purposes that include public transit and aviation (Wyo. Stat. §9-4-601, §9-4-607, and §11-34-131).
<b>Revenue Sources Prohibited in State Law</b>	None.

### State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Advance construction		•	•							
Design-build	•		•							Authorized in statute for all state agencies, including for highway projects (Wyo. Stat. §§16-6-701 et seq.); not currently in use
State infrastructure bank			•	•						Capitalized with Federal funds in 1997 under the NHS Act pilot program; not authorized in state statute; currently inactive

**Note:** In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

<b>Transportation-Related Bonding</b>	No. Wyoming does not have state bonding authority. This makes Wyoming one of five states that does not currently use bonding of any kind for transportation projects.
<b>Restrictions on Finance Mechanisms</b>	None.
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, in most cases. WYDOT is authorized to retain excess funds, except for legislatively appropriated general funds that are not spent or obligated by the end of each biennium. Additional approval, however, is required to spend excess funds. All expenditures of highway funds are approved by the Transportation Commission.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	No.
<b>Legislative Actions to Control DOT Costs</b>	State statute contains low-bid requirements for road and bridge construction projects over \$200,000 (Wyo. Stat. §24-2-108).

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	Statutory formulas, legislative appropriations, and grants. After set-asides, 13.5 percent of state gas tax revenues and 20 percent of diesel tax revenues are distributed to counties for County Road funds by a statutory formula based on land area, rural population, and property valuation. Counties also receive 14 percent of gas tax revenues for road construction and maintenance, based on rural population and land area. Cities and towns are allocated 15 percent of gas tax revenues based on gas tax collections and population, and 5 percent of diesel tax revenues based on population only, for street projects (Wyo. Stat. §24-2-110 and §39-17-211). A portion of mineral severance taxes is also distributed to counties for road projects, based on population, county road miles, and property valuation (Wyo. Stat. §39-14-801). By law, each biennium the Transportation Commission must provide \$4 million to the Industrial Road Program for eligible county road projects and \$1.5 million to the Public Transit Program for urban and rural transit assistance. WYDOT awards funds from both programs to local entities as discretionary grants. The Industrial Road Program requires a local match (Wyo. Stat. §24-15-102 and §24-5-118 et seq.). In addition, the Legislature has appropriated funds for airport improvements, transit vehicles, and reclaimed asphalt, and WYDOT and the Transportation Commission have earmarked funds for local projects.
<b>Local Revenue Sources Authorized in State Law</b>	State statute authorizes counties to levy special property taxes for airports or road and bridge purposes, subject to an overall limit on property tax rates (Wyo. Stat. §39-13-104). Counties may form improvement and service districts, which may impose special assessments for public improvements that may include streets (Wyo. Stat. §18-12-117). Regional transportation authorities may assess property taxes (Wyo. Stat. §18-14-103).

# DISTRICT OF COLUMBIA

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	3,428 (all urban)
	Bridges	254
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, heavy rail, streetcar, vanpool, demand response
	Urban transit trips in 2013	413.7 million
<b>Rail</b>	Freight rail route miles	20
<b>Aviation</b>	Total airports	3
	Public-use airports	3
	Passengers boarded in 2013	0 (commercial airports in the D.C. area are legally and geographically in Maryland and Virginia)
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	117,000

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

## Organizational Facts

### Legislature

<b>Name</b>	Council of the District of Columbia
<b>Structure</b>	Unicameral, partisan
<b>Chambers</b>	Council (13 members)
<b>Type</b>	[No data]
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	1,200 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Committee on Finance and Revenue Committee on Transportation and the Environment

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	District Department of Transportation (DDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	DDOT Director (serves on mayor's cabinet). The deputy mayor for planning and economic development and the chair of the Committee on Transportation and the Environment also exercise leadership on some decisions.
<b>Staff Size in Full-Time Equivalents (FTEs)</b>	950
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit (including streetcar), pedestrian/bicycle
<b>Includes DMV?</b>	No. The Department of Motor Vehicles is an independent agency. It is funded by local funds, fee revenues, and Federal funds, not out of DDOT's budget.
<b>Includes Highway Patrol?</b>	No. The Metropolitan Police Department, an independent agency, carries out highway patrol functions. It is funded by both Federal and local funds, not out of DDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	No. The District of Columbia has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	Washington Metropolitan Area Transit Authority (inter-state corporation/ instrumentality)	The Washington Metropolitan Area Transit Authority is an instrumentality of the District of Columbia, Maryland, and Virginia (D.C. Code Ann. §9-1107.01). It was created to plan, finance, build, and operate a comprehensive public transit system for the Washington metropolitan area. It is funded by fares and advertising revenues, as well as contributions from the District of Columbia, Maryland, Virginia, and counties in the greater metropolitan Washington area. On an annual basis, these jurisdictions must appropriate funds according to an agreed-upon formula to subsidize WMATA's operating and capital budget.
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## Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal. The Council's Committee on Transportation and the Environment holds oversight hearings on D DOT policies and programs throughout the year, at which the DDOT director usually testifies. These hearings include an annual performance oversight hearing and an annual budget oversight hearing. The DDOT director and other relevant staff also are invited to testify before the committee when transportation-related legislation is under consideration. DDOT's Office of Policy and Governmental Affairs, the DDOT director, and other department staff maintain frequent contact with individual council members about various projects and issues.
<b>DOT Legislative Liaison</b>	DDOT's Office of Policy and Governmental Affairs is the main point of contact between the department and the Council. The DDOT director and other staff also engage with, and provide information and testimony to, the Council.

## Transportation Governance

### Laws and Legislation

<b>Transportation Laws</b>	D.C. Code Ann. tit. 9 and 50; portions of D.C. Code Ann. tit. 47 (revenues). DDOT is also subject to budgetary provisions of the District's Home Rule Charter.	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Active role. DDOT submits legislative proposals through the mayor, who is authorized to submit drafts of acts to the Council (D.C. Code Ann. §1-204.22). Such bills are introduced through the Council chair.
	Advocacy and Lobbying	DDOT has the opportunity to present testimony, on behalf of the mayor, in support or in opposition to specific bills or resolutions.
	Fiscal Notes or Policy Impact Statements for Legislative Use	DDOT assists in preparing fiscal impact statements but the Office of the Chief Financial Officer presents the fiscal impact statements to the Council.

### Legislative Oversight

<b>Appointment of DOT Leadership</b>	The DDOT director is appointed by the mayor, with the advice and consent of the Council (D.C. Code Ann. §50-921.02 and §1-523.01).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The DDOT director serves at the pleasure of the mayor (D.C. Code Ann. §1-610.51).
<b>Legislative Review of Administrative Rules</b>	In general, no. In most instances the Council does not review administrative rules or regulations. For a very few specific categories of rules, the Council has reserved the right to either a passive or active review of specific rules or regulations. These primarily include the imposition of new fees or fines.
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. DDOT is subject to audits conducted by the Office of the District of Columbia Auditor, which is in the legislative branch (D.C. Code Ann. §1-204.55). No sunset reviews are conducted of District agencies or programs.
<b>Required DOT Reports to the Legislature</b>	All District agencies must submit an annual performance report (D.C. Code Ann. §1-614.13). The director of DDOT must submit annual reports to the Council concerning community-based transportation enhancement activities (D.C. Code Ann. §50-921.02) and distracted driving (D.C. Code Ann. §50-1731.09) and the department must submit an annual report concerning child safety helmet education (D.C. Code Ann. §50-1607). In addition, the mayor is required to submit a number of reports concerning DDOT activities and finances (D.C. Code Ann. §9-111.01c, §50-921.02, §50-921.12, §50-2535, and §50-2635).
<b>Legislative Role in DOT Performance Management</b>	In addition to the reporting requirements and legislative audits listed above, District law requires DDOT's Performance Administration to develop and maintain a performance monitoring system to measure the quality and effectiveness of transportation services (D.C. Code Ann. §50-921.04). The mayor's annual budget submission to the Council must include performance objectives, indicators, and progress for all District agencies, including DDOT (D.C. Code Ann. §§1-614.11 et seq.). The Council also holds annual performance and budget oversight hearings for each District agency. As part of this process, DDOT must answer questions relating to agency organization and operations; budget and finance; laws, audits, and studies; and specific programs.
<b>Other Legislative Oversight Mechanisms</b>	By law, the executive Office of the Inspector General must conduct an annual audit of the District of Columbia's Highway Trust Fund and submit the results to the Council, among others, for review (D.C. Code Ann. §9-109.02). Other oversight mechanisms include Council requests for information from DDOT.
<b>Resources Provided to DOT to Support Compliance with Oversight Requirements?</b>	No.



## Transportation Funding and Finance

### Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Annual budget; fiscal year begins Oct. 1. The local portion of the budget (financed with revenue derived from local sources) is transmitted by the chairman of the Council to the Speaker of the U.S. House of Representatives pursuant to the passive review process used for other acts of the Council. The Federal portion is submitted by the mayor to the president for transmission to Congress. The Federal portion is appropriated only insofar as Congress elects to do so.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	No legislative role. Federal transportation funds flow directly to DDOT from the U.S. DOT with no Council involvement.
	State Revenues	Legislative appropriation. All state transportation revenues are allocated by legislative appropriation. Revenues are appropriated to departmental programs, broad spending categories, or specific projects. DDOT cannot spend local, matching, or special purpose revenue funds without Council appropriation.

### State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Annual budget, FY 2016 ( <a href="#">approved</a> ), separate capital and operating budgets	
<b>Authorized Expenditures (Capital Budget)</b>	Feasibility	\$11,065,000
	Design	\$19,812,000
	Project management	\$34,274,000
	Construction	\$265,620,000
	Equipment	\$4,000,000
	<b>Total (see note)</b>	<b>\$334,770,000</b>
<b>Revenue Sources (Capital Budget)</b>	Government obligation bonds	\$82,941,000
	Paygo (transfer from operating budget)	\$18,575,000
	Equipment lease	\$2,500,000
	Local transportation (transfer from operating budget)	\$46,017,000
	Highway Trust Fund (local match)	\$22,504,000
	Federal	\$162,233,000
	<b>Total</b>	<b>\$334,770,000</b>
<b>Authorized Expenditures (Operating Budget)</b>	Agency management	\$12,318,000
	Agency financial operations	\$1,659,000
	Urban forestry administration	\$1,935,000
	Infrastructure project management administration	\$8,277,000
	Public space operations project	\$6,580,000
	Progressive transportation services	\$11,909,000
	Planning, policy, and sustainability	\$27,557,000
	Transportation operations	\$43,441,000
	<b>Total</b>	<b>\$113,676,000</b>
<b>Revenue Sources (Operating Budget)</b>	General funds	\$105,731,000
	Federal funds	\$7,945,000
	<b>Total</b>	<b>\$113,676,000</b>

**Note:** Numbers do not total due to rounding in [DDOT's Highway Trust Fund budget summary](#).

## Planning and Projects

### Transportation Planning and Capital Project Selection Process

Every year, DDOT revises the Transportation Improvement Program (TIP), a six-year financial plan and schedule for obligating Federal funds to state/local projects. Concurrently, DDOT's short-term planning for transportation projects is driven by the six-year Capital Improvement Plan (CIP), a budget document that must be approved by the Council each year. The projects contained in the CIP must be consistent with the Comprehensive Plan for the Nation's Capital, the Metropolitan Washington Transportation Planning Board's Constrained Long Range Plan, the TIP, the Washington Metropolitan Area Transit Authority capital budget, and move DC Long Range Multi-Modal Transportation Plan. DDOT is required to participate in the MPO process on behalf of the District, which functions in this regard as both the state and the city.

### Legislative Role in the Planning Process

Moderate legislative role. Council members consult with the mayor and the DDOT director about transportation project priorities, and make changes to project funding and priorities during the annual budget process. Plans for some projects must be approved by the Council due to specific legislative requirements.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (variable rate—percentage of price)	•	•	•	•	• Freight only			•	•	Adjusted twice per year based on average wholesale price, with a price floor of \$2.94/gallon. The price cannot vary more than 10 percent per adjustment. Allocated to the local Highway Trust Fund (D.C. Code Ann. §47-2301)
Fuel taxes: alternative fuels (variable rate—percentage of price)	•	•	•	•	• Freight only			•	•	Includes taxes on liquefied petroleum gas and other gaseous and liquid alternative fuels; assessed and allocated the same way as gasoline and diesel taxes (D.C. Code Ann. §47-2301, §47-2302)
Rights-of-way user fees	•	•	•	•	• Freight only			•	•	Allocated to the Local Transportation Fund (D.C. Code Ann. §§10-1141.01 et seq., §9-111.01a)
Public space rental and use fees	•	•	•	•	• Freight only			•	•	Allocated to the Local Transportation Fund (D.C. Code Ann. §§10-1101.01 et seq., §9-111.01a)
Public inconvenience fees		•	•	•	• Freight only			•	•	Allocated, but not otherwise authorized, in statute; allocated to the Local Transportation Fund and the DDOT Enterprise Fund for Transportation Initiatives (D.C. Code Ann. §9-111.01a, §50-921.13)
Utility marking fees		•	•	•	• Freight only			•	•	Allocated, but not otherwise authorized, in statute; allocated to the Local Transportation Fund (D.C. Code Ann. §9-111.01a)

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General funds		•	•	•	See notes			•	•	Appropriations of general funds for capital projects; currently in use for roads, bridges, public transit, pedestrian and bicycle projects, and recreational trails (see notes)
Interest income		•	•	•	• Freight only			•	•	Highway Trust Fund; used as a source of revenue for local matching funds; interest income is not addressed in statute

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- Motor fuel taxes and other revenues deposited in the local Highway Trust Fund are used to pay the cost-sharing requirements established under Title 23 of the U.S. Code (D.C. Code Ann. §9-109.02). DDOT has used the fund primarily for highway projects, but also for public transit, freight rail, pedestrian and bicycle projects, and other transportation projects including recreational trails. Recreational trails are categorized as both “pedestrian and bicycle projects” and “other” in this chart, under the assumption that they may be used for pedestrian, equestrian, bicycle, and motorized vehicular activities.
- There are no overall restrictions on how general funds can be used and, therefore, all transportation modes including freight rail could be eligible activities. However, general funds are allotted to capital projects through annual appropriations, and these specific appropriations do not currently include freight rail projects.
- In addition, district parking meter revenues (D.C. Code Ann. §50-2603) and parking taxes (D.C. Code Ann. §47-2002 and §47-2002.07) are used to support the Washington Metropolitan Area Transit Authority, which is an instrumentality of the District of Columbia, Virginia, and Maryland, not a state agency.

<b>State Fuel Tax Model</b>	Variable rate (percentage of price)
<b>Restrictions on State Fuel Taxes</b>	Statutory, multimodal transportation. District statute allocates fuel taxes to the Highway Trust Fund, which is used first to pay for the non-Federal share of highway projects, and then for other transportation purposes (D.C. Code Ann. §47-2301, §9-109.02, and §§9-111.01 et seq.). In general, District law restricts the use of amount deposited to a specific fund, rather than restricting use of the revenues per se.
<b>Restrictions on Other Transportation Revenues</b>	District statute directs parking meter revenues (after set-asides) to the Washington Metropolitan Area Transit Authority (D.C. Code Ann. §50-2603) and a number of revenues to the Local Transportation Fund (D.C. Code Ann. §9-111.01a).

**Dedicated or Restricted Transportation Funds**

District statute requires that the local Highway Trust Fund, which receives fuel taxes and other revenues, be used to pay the non-Federal share of transportation projects covered under Title 23 of the U.S. Code. DDOT has used the Highway Trust Fund primarily for highway projects, but also for public transit, freight rail, pedestrian and bicycle projects, and other transportation projects including recreational trails. Any remaining trust fund revenues are directed to the Local Transportation Fund, which is used for local transportation infrastructure maintenance and repair, including streets that are not eligible for Federal aid and public transit projects. In this way, fuel taxes and rights-of-way user fees collected in excess of Federal matching requirements are allocated to local transportation uses (D.C. Code Ann. §§9-111.01 et seq.).

**Revenue Sources Prohibited in State Law**

The Council of the District of Columbia is prohibited under the Home Rule Act of 1973 from taxing the personal income of commuters, or any individual not a resident of the District (D.C. Home Rule Act, §602).

**State Finance Mechanisms**

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•				•		Generally authorized in statute (D.C. Code Ann. §§1-204.61 et seq.); require further legislative approval
GARVEE bonds	•	•	•							Authorized in statute for up to \$430 million (D.C. Code Ann. §§9-107.51 et seq.); most recently issued in 2012
Advance construction		•	•							
Design-build	•	•	•	•						Broadly authorized in statute for District agencies (D.C. Code Ann. §§2-356.01 et seq.); used for road and transit projects
Public-private partnerships	•	•	•	•		•				Authorized in statute for uses that include roads, transit, and airports (D.C. Code Ann. §§2-271.01 et seq., §§2-356.01 et seq.); used for a local streets project (see notes)

**Notes:**

- In general, throughout this report, this chart includes finance mechanisms authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”

- The DC Streets public-private partnership was a five-year operations and maintenance (O&M) concession to a private firm that assumed responsibility for city streets, tunnels, bridges, signs, and other features, including snow and ice maintenance. Although the original contract ended in 2005, a private operator continues to operate and maintain the District's tunnels.

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds must be approved by the Council, subject to overall debt limits (D.C. Code Ann. §§1-204.61 et seq.). GARVEE bonding is capped at \$430 million (D.C. Code Ann. §9-107.52).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

### Other State Funding and Finance Issues

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes. Excess funds are retained by DDOT. All excess funds that remain in the Highway Trust Fund after statutory requirements and project needs are met are transferred to the Local Transportation Fund to be continually available for local streets, mass transit, and other projects (D.C. Code Ann. §9-109.02 and §9-111.01). No additional approval is required to spend these funds.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes. DDOT must follow the District's budget reprogramming laws, including requirements for Council approval, to move funds between projects (D.C. Code Ann. §§47-361 et seq.).
<b>Legislative Actions to Control DOT Costs</b>	None.

### State Involvement in Local Transportation Funding

<b>Allocation of State Transportation Revenues to Local Entities</b>	N/A
<b>Local Revenue Sources Authorized in State Law</b>	N/A

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