

108TH CONGRESS
1ST SESSION

H. R. 2914

To amend title 49, United States Code, to provide for the establishment of a flexibility incentive grant program.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2003

Ms. CARSON of Indiana (for herself, Mr. OWENS, Ms. JACKSON-LEE of Texas, Mrs. TAUSCHER, Mr. RANGEL, Mr. GRIJALVA, Mr. HONDA, Mr. CAPUANO, Ms. MILLENDER-MCDONALD, Mr. CASE, Mr. FILNER, and Mr. BOSWELL) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend title 49, United States Code, to provide for the establishment of a flexibility incentive grant program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FLEXIBILITY INCENTIVE GRANT PILOT PRO-**
4 **GRAM.**

5 (a) IN GENERAL.—Chapter 53 of title 49, United
6 States Code, is amended by adding at the end the fol-
7 lowing:

1 **“§ 5339. Flexibility Incentive Grant Pilot Program**

2 “(a) PURPOSE.—The purpose of this section is to
3 provide incentives to encourage States to establish new
4 sources of revenue for transit projects and services and
5 to reward States for creating more flexibility in the use
6 of their existing transportation funds.

7 “(b) ESTABLISHMENT OF PROGRAM.—The Secretary
8 of Transportation shall establish a flexibility incentive
9 grant pilot program in accordance with this section.

10 “(c) SELECTION PROCESS AND CRITERIA.—Not later
11 than 90 days after the date of enactment of this section,
12 the Secretary shall establish a process and criteria for se-
13 lecting States to participate in the pilot program. Any
14 State may apply under the process to participate in the
15 pilot program.

16 “(d) SELECTION OF PARTICIPATING STATES.—The
17 Secretary shall select States to participate in the pilot pro-
18 gram under the selection process, and based on the selec-
19 tion criteria, established by the Secretary.

20 “(e) DETERMINATIONS BY THE SECRETARY.—Not
21 later than September 1 of each of calendar years 2004
22 through 2009, the Secretary shall determine which of the
23 States selected to participate in the pilot program in-
24 creased the aggregate amount of State funds (excluding
25 funds from Federal sources) that the State expended on
26 transit projects and services from the State’s second fiscal

1 year preceding such September 1 to the State's first fiscal
2 year preceding such September 1, the amount of such in-
3 crease, and the percentage of such increase over the
4 State's second preceding fiscal year.

5 “(f) GRANTS FOR INCREASED TRANSIT FUNDING.—

6 “(1) STATES WITH AN INCREASE OF 10 PER-
7 CENT OR MORE.—Subject to paragraph (2) and sub-
8 section (h)—

9 “(A) the Secretary shall make a grant for
10 each of fiscal years 2006 through 2010 to each
11 State selected to participate in the pilot pro-
12 gram whose percentage increase in expenditures
13 for transit projects and services over the pre-
14 ceding fiscal year of the State was 10 percent
15 or more, as determined by the Secretary under
16 subsection (e); and

17 “(B) the amount of the grant shall be
18 equal to the increase in the aggregate amount
19 of State funds (excluding funds from Federal
20 sources) that the State expended on transit
21 projects and services from the second preceding
22 fiscal year of the State to the first preceding
23 fiscal year of the State, as determined by the
24 Secretary under subsection (e); except that the

1 amount of the grant may not exceed
2 \$5,000,000.

3 “(2) LARGE STATES WITH AN INCREASE OF 1
4 PERCENT OR MORE.—Subject to subsection (h), for
5 each of fiscal years 2006 through 2010, the Sec-
6 retary shall make a grant of \$10,000,000 to each
7 State selected to participate in the pilot program
8 whose percentage increase in expenditures for tran-
9 sit projects and services over the preceding fiscal
10 year of the State was 1 percent or more, and whose
11 aggregate expenditures for such projects and serv-
12 ices in the State’s preceding fiscal year was more
13 than \$1,000,000,000, as determined by the Sec-
14 retary under subsection (e).

15 “(g) STATES CREATING FLEXIBLE TRANSPOR-
16 TATION FUNDS.—

17 “(1) NEW DEDICATED SOURCE OF REVENUE.—

18 “(A) IN GENERAL.—Subject to subsection
19 (h), for each of fiscal years 2004 through 2010,
20 the Secretary shall make a grant of
21 \$10,000,000 to each State that implemented in
22 the first preceding fiscal year of the State a
23 dedicated source of revenue for carrying out
24 only transit projects and services that the Sec-
25 retary—

1 “(i) determines was not in effect in
2 the second preceding fiscal year of the
3 State; and

4 “(ii) projects will result in an increase
5 of 10 percent in State funds available for
6 expenditure on such projects and services
7 within 2 years after the date of such imple-
8 mentation.

9 “(B) DEDICATED SOURCE OF REVENUES
10 DEFINED.—For purposes of this paragraph, the
11 term ‘dedicated source of revenue’ may include
12 the dedication of a State motor fuels tax or
13 sales tax, interest on existing highway funds,
14 motor vehicle excise tax, tolls, loans to be made
15 out of highway funds, and such other sources of
16 revenue as the Secretary determines.

17 “(2) UNRESTRICTED USE OF HIGHWAY
18 FUNDS.—Subject to subsection (h), for each of fiscal
19 years 2004 through 2010, the Secretary shall make
20 a grant of \$10,000,000 to each State that in the
21 preceding fiscal year of the State amended State law
22 or the State constitution to allow funds that were re-
23 stricted for highway purposes only to be used for
24 transit projects and services as well as highway pur-
25 poses.

1 “(h) LIMITATION FOR STATES ELIGIBILITY FOR
2 MULTIPLE GRANTS.—If the Secretary determines that a
3 State is eligible for a grant under more than one of sub-
4 sections (f)(1), (f)(2), (g)(1), and (g)(2) for a fiscal year,
5 the Secretary may only make the grant to the State that
6 is for the greatest amount the State is eligible for under
7 such subsections.

8 “(i) USE OF GRANTS.—A State may obligate funds
9 granted to it under this section for any project or activity
10 eligible for assistance under title 23 or chapter 53.

11 “(j) GRANT REQUIREMENTS.—Except as otherwise
12 provided in this section—

13 “(1) a grant under this section being used for
14 a transit project or activity shall be subject to all of
15 the terms and conditions to which a grant made
16 under section 5307 is subject; and

17 “(2) a grant under this section being used for
18 a highway project or activity shall be subject to all
19 of the terms and conditions that would be applicable
20 to such project or activity if such project or activity
21 were being carried out under title 23, United States
22 Code.

23 “(k) FEDERAL SHARE.—The Federal share of the
24 cost of a project or activity funded under this section shall
25 be 100 percent.

1 “(l) AUTHORIZATIONS OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 for each of fiscal years 2004 through 2010 \$80,000,000.
4 Such sums shall remain available until expended.

5 “(m) PROGRAM EVALUATION.—Not later than 5
6 years after the date of enactment of this section, the Sec-
7 retary shall—

8 “(1) conduct a study to evaluate the pilot pro-
9 gram authorized by this section; and

10 “(2) submit to the Committee on Transpor-
11 tation and Infrastructure of the House of Represent-
12 atives and the Committee on Banking, Housing and
13 Urban Affairs of the Senate a report describing the
14 results of the study.”.

15 (b) CONFORMING AMENDMENT.—The analysis for
16 such chapter is amended by adding at the end the fol-
17 lowing:

“5539. Flexibility incentive grant pilot program.”.

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