

110TH CONGRESS
1ST SESSION

H. R. 1606

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 2007

Ms. MATSUI 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:

8 **“§ 5341. Flexibility incentive grant pilot program**

9 “(a) PURPOSE.—The purpose of this section is to
10 provide incentives to encourage States to establish new

1 sources of revenue for public transportation projects and
2 services and to reward States for creating more flexibility
3 in the use of their existing transportation funds.

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

7 “(c) APPLICATIONS.—

8 “(1) IN GENERAL.—A State may submit appli-
9 cation to the Secretary for a grant under the section
10 for each of fiscal years 2008, 2009, 2010, and 2011
11 not later than the August 1 preceding the first day
12 of such fiscal year.

13 “(2) CONTENTS.—An application of a State for
14 a grant for a fiscal year under this section shall con-
15 tain, at a minimum, the aggregate amount that the
16 State and the counties of the State expended (ex-
17 cluding amounts from Federal sources) on public
18 transportation projects and services for each of the
19 State’s 2 fiscal years preceding the date of the appli-
20 cation, together with such supporting documentation
21 as the Secretary may require by regulation.

22 “(d) DETERMINATIONS BY THE SECRETARY.—Not
23 later than September 1 of each of calendar years 2008
24 through 2011, the Secretary shall determine for each
25 State that submitted an application for a grant under sub-

1 section (c) for the fiscal year beginning on September 30th
 2 of that calendar year if the State and the counties of the
 3 State increased the aggregate amount that the State and
 4 such counties expended (excluding amounts from Federal
 5 sources) on public transportation projects and services
 6 from the State's second fiscal year preceding such Sep-
 7 tember 1 to the State's first fiscal year preceding such
 8 September 1, the amount of such increase, and the per-
 9 centage of such increase over the State's second preceding
 10 fiscal year.

11 “(e) GRANTS FOR INCREASED PUBLIC TRANSPOR-
 12 TATION FUNDING.—

13 “(1) STATES WITH AN INCREASE OF 10 PER-
 14 CENT OR MORE.—Subject to paragraph (2) and sub-
 15 section (g)—

16 “(A) the Secretary shall make a grant for
 17 each of fiscal years 2008 through 2011 to each
 18 State—

19 “(i) whose percentage increase, as de-
 20 termined by the Secretary under sub-
 21 section (d) with respect to such fiscal year,
 22 in expenditures for public transportation
 23 projects and services over the preceding
 24 fiscal year of the State was 10 percent or
 25 more; and

1 “(ii) whose aggregate expenditures for
2 such projects and services in the State’s
3 preceding fiscal year was \$1,000,000,000
4 or less, as determined by the Secretary
5 under subsection (d).

6 “(B) the amount of the grant shall be
7 equal to the increase in the aggregate amount
8 that the State and the counties of the State ex-
9 pended (excluding amounts from Federal
10 sources) on public transportation projects and
11 services from the second preceding fiscal year of
12 the State to the first preceding fiscal year of
13 the State, as determined by the Secretary under
14 subsection (d).

15 “(2) LARGE STATES WITH AN INCREASE OF 1
16 PERCENT OR MORE.—Subject to subsection (h), for
17 each of fiscal years 2008 through 2011, the Sec-
18 retary shall make a grant of \$50,000,000 to each
19 State—

20 “(A) whose percentage increase, as deter-
21 mined by the Secretary under subsection (d)
22 with respect to such fiscal year, in expenditures
23 for public transportation projects and services
24 over the preceding fiscal year of the State was
25 1 percent or more; and

1 “(B) whose aggregate expenditures for
2 such projects and services in the State’s pre-
3 ceding fiscal year was more than
4 \$1,000,000,000, as determined by the Secretary
5 under subsection (d).

6 “(f) STATES CREATING FLEXIBLE TRANSPORTATION
7 FUNDS.—

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

9 “(A) IN GENERAL.—Subject to subsection
10 (g), for each of fiscal years 2008 through 2011,
11 the Secretary shall make a grant of
12 \$10,000,000 to each State that established in
13 the first preceding fiscal year of the State a
14 dedicated source of revenue for carrying out
15 only public transportation projects and services
16 that the Secretary—

17 “(i) determines was not in effect in
18 the second preceding fiscal year of the
19 State; and

20 “(ii) projects will result in an increase
21 of 10 percent in State funds available for
22 expenditure on such projects and services
23 within 2 years after the date of such imple-
24 mentation.

1 “(B) DEDICATED SOURCE OF REVENUES
2 DEFINED.—For purposes of this paragraph, the
3 term ‘dedicated source of revenue’ may include
4 the dedication of a State motor fuels tax or
5 sales tax, interest on existing highway funds,
6 motor vehicle excise tax, tolls, loans to be made
7 out of highway funds, and such other sources of
8 revenue as the Secretary determines.

9 “(2) UNRESTRICTED USE OF HIGHWAY
10 FUNDS.—Subject to subsection (h), for each of fiscal
11 years 2008 through 2011, the Secretary shall make
12 a grant of \$10,000,000 to each State that in the
13 preceding fiscal year of the State amended State law
14 or the State constitution to allow funds that were re-
15 stricted for highway purposes only to be used for
16 public transportation projects and services as well as
17 highway purposes.

18 “(g) LIMITATION FOR STATES ELIGIBILITY FOR
19 MULTIPLE GRANTS.—If the Secretary determines that a
20 State is eligible for a grant under more than one of sub-
21 sections (e)(1), (e)(2), (f)(1), and (f)(2) for a fiscal year,
22 the Secretary may only make the grant to the State that
23 is for the greatest amount the State is eligible for under
24 such subsections.

1 “(h) USE OF GRANTS.—A State may obligate funds
2 granted to it under this section for any project or activity
3 eligible for assistance under title 23 or chapter 53.

4 “(i) GRANT REQUIREMENTS.—Except as otherwise
5 provided in this section—

6 “(1) a grant under this section being used for
7 a public transportation project or activity shall be
8 subject to all of the terms and conditions to which
9 a grant made under section 5307 is subject; and

10 “(2) a grant under this section being used for
11 a highway project or activity shall be subject to all
12 of the terms and conditions that would be applicable
13 to such project or activity if such project or activity
14 were being carried out under title 23, United States
15 Code.

16 “(j) FEDERAL SHARE.—The Federal share of the
17 cost of a project or activity funded under this section shall
18 be 100 percent.

19 “(k) AUTHORIZATIONS OF APPROPRIATIONS.—There
20 are authorized to be appropriated to carry out this section
21 for each of fiscal years 2008 through 2011 \$250,000,000.
22 Such sums shall remain available until expended.

23 “(l) PROGRAM EVALUATION.—Not later than 5 years
24 after the date of enactment of this section, the Secretary
25 shall—

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

3 “(2) submit to the Committee on Transpor-
4 tation and Infrastructure of the House of Represent-
5 atives and the Committee on Banking, Housing and
6 Urban Affairs of the Senate a report describing the
7 results of the study.”.

8 (b) CONFORMING AMENDMENT.—The analysis for
9 such chapter is amended by adding at the end the fol-
10 lowing:

“5341. Flexibility incentive grant pilot program”.

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