

# ENROLLMENT(S)

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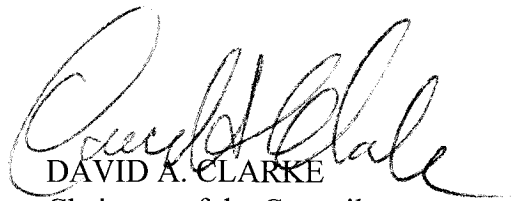
# **COUNCIL OF THE DISTRICT OF COLUMBIA**

## **D.C. LAW 11-116**

### **"Highway Trust Fund Establishment Temporary Act of 1996".**

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P.L. 93-198 "the Act", the Council of the District of Columbia adopted Bill No. 11-512 on first and second readings, December 5, 1995 and February 6, 1996 respectively. Following the signature of the Mayor on February 20, 1996, pursuant to Section 404(e) of "the Act", and was assigned Act No. 11-218 and published in the March 1, 1996, edition of the D.C. Register (Vol. 43 page 1029) and transmitted to Congress on March 8, 1996 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 11-116, effective May 3, 1996.

  
DAVID A. CLARKE  
Chairman of the Council

#### Dates Counted During the 30-day Congressional Review Period:

March	8,11,12,13,14,15,18,19,20,21,22,25,26, 27,28,29
April	15,16,17,18,19,22,23,24,25,26,29,30
May	1,2

AN ACT  
D.C. ACT 11-218

*Codification  
District of  
Columbia  
Code  
1996 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

FEBRUARY 20, 1996

To establish, on an temporary basis, the District of Columbia Highway Trust Fund to comply with the requirement for the creation of a dedicated highway fund mandated by the District of Columbia Emergency Highway Relief Act; to require the Mayor to deposit into the Fund an amount equivalent to revenue received from the motor vehicle fuel tax and associated fees and fines; and to make a conforming amendment to the Stable and Reliable Source of Revenues for WMATA Act of 1982 to remove the dedication of motor vehicle fuel tax revenue from the Metrorail/Metrobus Account of the General Fund.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Highway Trust Fund Establishment Temporary Act of 1996".

Sec. 2. (a) There is established the District of Columbia Highway Trust Fund ("Fund").

*Note, Section  
7-134*

(b) The monies in the Fund shall not be a part of, or lapse into, the General Fund of the District or any other fund of the District.

(c) The Mayor shall deposit into the Fund, on a monthly basis, an amount equivalent to all receipts from taxes, fees, and civil fines and penalties collected by the District after September 30, 1995, pursuant to An Act To provide for a tax on motor vehicle fuels sold within the District of Columbia, and for other purposes, approved April 23, 1924 (43 Stat. 106; D.C. Code § 47-2301 *et seq.*).

(d) All monies in the Fund shall be used first to comply with the requirements of section 3 of the District of Columbia Emergency Highway Relief Act, approved August 4, 1995 (P.L. 104-21; 109 Stat. 257)("Highway Relief Act").

(e) Any excess monies remaining in the fund after the requirements of section 3 of the Highway Relief Act have been met may be used for the construction and maintenance of local rights-of-ways and related structures and systems not eligible for federal aid.

## ENROLLED ORIGINAL

Sec. 3. The Mayor may issue rules and regulations as the Mayor finds necessary to carry out the purposes of this act pursuant to the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1203; D.C. Code § 1-1501 *et seq.*).

Sec. 4. Fiscal impact statement.

1. Overall 5-Year Fiscal Impact of the D.C. Highway Trust Fund Establishment Emergency Act of 1995.

This legislation will allow the District to comply with a major provision of the District of Columbia Highway Relief Act of 1995, P. L. 104-21 which requires the District of Columbia among other things to establish a highway trust fund for the purpose of repaying the Federal Highway Administration waived local match in Fiscal Years 1995 and 1996 and to fund the District federal-aid match requirement in future years. The Congress noted in its debate on P.L. 104-21 that the District of Columbia was one of only three States that did not have a Highway Trust Fund to fund the local match requirements for Federal-aid transportation projects and to fund the construction and maintenance of local nonfederal-aid transportation projects.

Historically, the District obtained its federal transportation match funds and the funds to repair and maintain local roads from the selling of general obligation debt bonds. However, due to the current fiscal crisis, the District has been unable to go to the bond market. As a result, the District stood to lose its federal-aid transportation appropriations for Fiscal Years 1995 and 1996. P.L. 104-21 allowed the District to spend approximately \$82 million in federal funds in FY 1995 that otherwise would have been lost to the city.

If the trust fund is not established by December 31, 1995, the federal government will rescind authority on approximately \$80 million in Fiscal Year 1996. The loss of these funds could jeopardize the safety of citizens and visitors using our roads and bridges that are in desperate need of repair. Losing these funds will slow down the local economy and adversely affect the local construction industry that desperately needs the work generated by these funds.

Public Law 104-21 requires the District to utilize the equivalent of the motor vehicle fuel tax (gasoline tax) to establish and finance the trust fund. The gasoline tax revenues are estimated at \$35 million for FY 1996. The sum proposed in the bill is sufficient to repay the federal government on the schedule provided in the federal legislation and to match future federal-aid transportation projects.

After the waived local match is repaid to the Federal Government, the motor vehicle fuel tax revenues will be sufficient to allow the Department of Public Works to program and fund some work on local (nonfederal aid) streets and bridges. The federal-aid eligible roads and bridges only account for 40 percent of the District's streets and bridges. The remaining 60 percent are totally dependent on District funds for maintenance and repair. Most states fund the repair of local streets and federal-aid eligible projects through their trust funds.

Redirecting the motor vehicle fuel tax to the Highway Trust Fund will require amending the Fiscal Year 1996 budget.

By the enactment of this bill, the Department expects several financial outcomes:

- The District will comply with provisions of the District of Columbia Emergency Highway Relief Act to establish a Highway Trust Fund by December 31, 1995.
- The District will be able to meet its federal-aid transportation match requirements.
- The District will protect its future federal-aid transportation appropriations.
- The District will be able to effectively plan and implement the rehabilitation and maintenance of local (nonfederal aid) eligible transportation projects.
- The District will improve its debt ratio and calculations by avoiding borrowing to meet its federal-aid match requirements and the capital cost requirement for nonfederal aid eligible transportation projects.
- The District will be in a better position to implement congestion pricing by dedicating, for the first time, motor vehicle revenues to maintenance and improvement of rights-of-way.

The enactment of this legislation will result in the reduction of cost associated with borrowing through General Obligation Bonds to pay for the local match for Federal-aid transportation projects. The following is a generalized example and estimate of the costs associated with borrowing through General Obligation Bonds to pay for the local match for federal-aid transportation projects.

An annual total of \$20 million in General Obligation Bonds borrowing would cost the District \$44 million over a period of 20 years. The District would have to pay approximately \$2.2 million per annum on principal and interest out of the General Fund. This example assumes that the District: 1) has a favorable credit capacity and rating; 2) has a good standing and can access the credit market; 3) has a sound economy and strong revenue projections; 4) can obtain bond insurance; and 5) can obtain financing at a conservative interest rate of nine (9) percent. All of these factors have a significant impact on reducing borrowing costs. Also, borrowing costs involve insurance costs, financial advisors, bond counsel, trustee, underwriter and agent/registrars fees.

Borrowing funds through General Obligation Bonds results in debt service that adds to prior debt. This District's debt is limited to 14% of adjusted District operating revenues. The District is approaching the 14% ceiling.

Typically, states use only 8% of funds spent on transportation improvements from bond financing. Until now, the District had relied exclusively on bond financing for transportation improvements. The above example of borrowing \$20 million annually did not reflect borrowing for local road improvements not eligible for federal-aid.

## 2. Implementation Costs.

There will no additional implementation costs since the administrative staff in all of the relevant District agencies who will have some responsibility for establishing and managing the trust fund are already on board.

3. Available Revenue.

The District of Columbia Highway Relief Act of 1995, Public Law 104-21 requires the District to use the Motor Vehicle Fuel Tax revenue or an equivalent amount to fund the District's Highway Trust Fund. The District collects a motor vehicle fuel tax pursuant to the Motor Vehicle Fuel Tax Act, D.C. Code § 47-2301. The tax is estimated at \$35 million dollars in FY 1996. The District must use this level of funding to finance the Highway Trust fund in FY 1996.

4. Program Effects on Current Fiscal Year (FY 96) Appropriation.

The District's proposed FY 1996 budget must be amended to reflect redirecting the revenues from the motor vehicle fuel tax from the general fund to the highway trust fund. Establishing the highway trust fund will require the District to rework the FY 96 revenue projections and the expenditures against those projections.

5. Identification of Out-Year Revenue Sources.

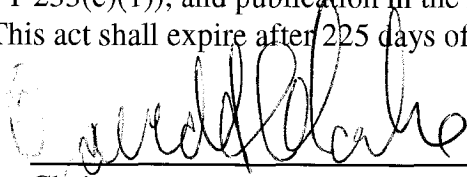
Other states use their highway trust funds to fund the construction and maintenance of their local roads and other nonfederal aid eligible transportation and rights-of-way infrastructure. For example the District could pay the street light and traffic signal maintenance and repair cost out of the trust fund. This would guarantee that these services would never be cut off because of our inability to pay so long as the trust fund is sufficiently financed. Other states establish transportation funds that fund both highway and transit projects and services. If the District decided to fund more services of the trust fund beyond those prescribed in P.L. 104-21 and the construction and maintenance of local roads, then additional revenue would have to be put into the fund. Those revenues could include all revenues generated from the fees and taxes for the use of the public right-of-ways and other motor vehicle related fees and taxes, i.e., licensing and permits fees.

Sec. 5. (a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Authority Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(c)), and a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Self-

**ENROLLED ORIGINAL**

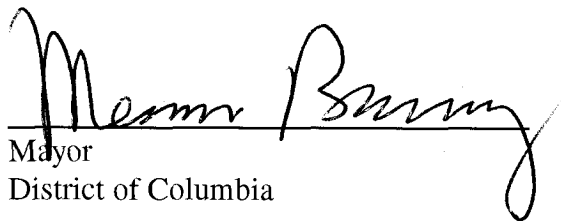
Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.



Chairman

Council of the District of Columbia



Mayor

District of Columbia

APPROVED: February 20, 1996



## COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD ELEVEN

## RECORD OF OFFICIAL COUNCIL VOTE

Docket No.

B11-512

☐ ITEM ON CONSENT CALENDAR☒ ACTION & DATE

ADOPTED FIRST READING, 12-05-95

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

BRAZIL AND WHITTINGTON

ABSENT

☐ ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date

☐ ITEM ON CONSENT CALENDAR☒ ACTION & DATE

ADOPTED FINAL READING, 02-06-96

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

BRAZIL

ABSENT

☐ ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X-indicates no

AB-Absent

NV-Present not voting

CERTIFICATION RECORD

Secretary to the Council

Date

☐ ITEM ON CONSENT CALENDAR☐ ACTION & DATE☐ VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT

☐ ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
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Evans					Ray									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date



AN ACT

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*Codification  
District of  
Columbia  
Code  
1996 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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(b) The monies in the Fund shall not be a part of, or lapse into, the General Fund of the District or any other fund of the District.

*Note, Section  
7-134*

(c) The Mayor shall deposit into the Fund, on a monthly basis, an amount equivalent to all receipts from taxes, fees, and civil fines and penalties collected by the District after September 30, 1995, pursuant to An Act To provide for a tax on motor vehicle fuels sold within the District of Columbia, and for other purposes, approved April 23, 1924 (43 Stat. 106; D.C. Code § 47-2301 *et seq.*).

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## ENROLLED ORIGINAL

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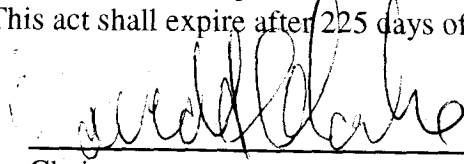
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Sec. 5. (a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Authority Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(c)), and a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Self-

**ENROLLED ORIGINAL**

Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.



\_\_\_\_\_  
Chairman  
Council of the District of Columbia

\_\_\_\_\_  
Mayor  
District of Columbia



## COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD ELEVEN

RECORD OF OFFICIAL COUNCIL VOTE

Docket No.

B11-512

☐ ITEM ON CONSENT CALENDAR☒ ACTION & DATE

ADOPTED FIRST READING, 12-05-95

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

ABSENT

BRAZIL AND WHITTINGTON

☐ ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote      AB - Absent      NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date

☐ ITEM ON CONSENT CALENDAR☒ ACTION & DATE

ADOPTED FINAL READING, 02-06-96

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

ABSENT

BRAZIL

☐ ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

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CERTIFICATION RECORD

Secretary to the Council

Date

☐ ITEM ON CONSENT CALENDAR☐ ACTION & DATE☐ VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT

☐ ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
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