REBUILD ALABAMA ACT
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RAA SUMMARY
• Passed during the First Special Session of 2019
• Sponsored by Representative Bill Poole (District 63)
• Passed by the House on March 8, 2019 with 83 yes votes
• Passed by the Senate on March 12, 2019 with 28 yes votes
• Signed into law by Governor Kay Ivey on March 12, 2019

BILL HIGHLIGHTS
• New excise tax on gasoline and diesel fuel (6-2-2 model), including an index
• Creation of the Electric Transportation Infrastructure Grant Program
• Creation of an annual Federal Aid Exchange Program with counties
• Creation of ATRIP-II and Annual Grant Program
• Modified distribution method of new gas tax funds compared to existing model
• Identified 3 program purposes for RAA funds allocated to ALDOT and not obligated for other uses (ATRIP-II, Annual Grant, FA Exchange programs)

NEW EXCISE TAX
• On September 1, 2019, initial 6 cents went into effect
• Beginning October 1, 2020, additional 2 cents
• Final 2 cents goes into effect on October 1, 2021
• Funds will be distributed 66.67% to State, 25% to counties and 8.33% to municipalities (8/12, 3/12, 1/12)
• Cities receiving a portion of total revenue (1/12) represents a change from previous distribution model

NEW EXCISE TAX INDEXING
• “Beginning October 1, 2023 and on July 1 of every other year after, excise tax rate shall be adjusted by the percentage change in the yearly average of the National Highway Construction Cost Index (NHCCI) issued by FHWA for the most recent 12-month period ending December 31 of the preceding year compared to the base year 2020”
• Maximum amount of increase or decrease shall not exceed 1 cent

ELECTRIC TRANSPORTATION INFRASTRUCTURE GRANT PROGRAM
• Created annual license tax and registration fee of $200 for a battery electric vehicle and $100 for a plug-in hybrid electric vehicle, went into effective January 1, 2020
• Beginning July 1, 2023 and every fourth year thereafter, the license tax and registration fee for both vehicle types increase by $3
• Defined the difference between vehicle types, both use plug-in recharging stations but hybrids also have an internal combustion engine

The Rebuild Alabama Act
ELECTRIC TRANSPORTATION INFRASTRUCTURE GRANT PROGRAM

- The first $150 and $75 from each vehicle type shall be allocated utilizing the 8/12, 3/12, 1/12 distribution formula previously mentioned.
- Remaining $50 and $25 from each vehicle type is used to fund grants for electric vehicle transportation charging infrastructure.
- Once total annual registration of electric and hybrid vehicles exceeds 4% of all motor vehicle registrations statewide, $50 and $25 fee stops.

FEDERAL AID EXCHANGE PROGRAM

- Starting in FY2020, ALDOT will provide $400,000 in RAA funds in exchange for $533,000 in FA funds allocated annually to each county.
- First priority for RAA funds – must be used as matching funds necessary to obligate any unauthorized remaining FA balance.
- Counties will have 3 years to obligate their unauthorized FA balances.
- Counties with no unauthorized FA balance are being provided an MOA for execution to finalize distribution of RAA exchange funds.

ATRIP-II PROGRAM

- ATRIP-II Committee: consists of 8 members, chaired by ALDOT Director and includes designees by Lt Governor, Senate President Pro Tem and House Speaker, as well as four appointees by the Governor.
- Director John Cooper, Senator Garlan Gudger (District 4), Senator Arthur Orr (District 3), Representative Bill Poole (District 63), Representative Steve Clouse (District 93), Representative Debbie Wood (District 38), Senator Vivian Davis Figures (District 33), and County Commissioner Tony Cherry (Choctaw County).
- For FY2020, received 121 applications requesting $147.2M in ATRIP funds, also provided $36.9M in supplemental funding.
- On October 10, 2019 Governor Kay Ivey announced 28 project awards throughout 26 counties for $30.13M in ATRIP funds, including $9.5M in supplemental funds.
- FY2020 project award list is available at the ATRIP-II website located on ALDOT homepage.
ANNUAL GRANT PROGRAM

- Program of no less than $10M annually, beginning in FY2020, administered by ALDOT
- For use on any classified system of roads and bridges which any city or county government may apply
- Guidelines and application can be found at the Rebuild Alabama Annual Grant Program website located on the ALDOT homepage

ANNUAL GRANT PROGRAM

- Received 231 applications requesting $53.48m in Annual Grant Program funds for FY2020
- On January 16, 2020 Governor Kay Ivey announced 31 project awards for $7.12M in Annual Grant Program funds
- FY2020 project award list available at the RAA Annual Grant Program website located on the ALDOT homepage
- Remaining $2.88M to be distributed prior to end of fiscal year

DISTRIBUTION OF RAA FUNDS

- City and county distribution of RAA funds modified from previous gas tax revenue models (county % same as with previous funds)
- Cities formerly received 10% of county’s distribution
- Cities are now receiving 8.33% of the total RAA distribution
- 25% allocated evenly and 75% based on the population of that city to the overall city population statewide
- County distribution doesn’t impact amount of funds cities may receive

DISTRIBUTION OF RAA FUNDS

- Based on the previous model – counties with few cities, city allocation is higher than average and counties with a large number of cities, each city allocation is lower than average
- Goodwater in Coosa County (1,475 people) received $126,800 from previous model; additional $24,000 estimated through RAA model
- Elberta in Baldwin County (1,498 people) received $9,200 from previous model; additional $24,200 estimated through RAA model
- Average city distribution increased 190% using RAA model with 48% of municipality distributions at least doubling their previous allocation

ALDOT PROGRAM TYPES

- Identified 3 program categories for ALDOT use of RAA funds:
  1. Congestion Relief
  2. Economic Development Roads
  3. System Preservation
- ALDOT to report results of each program and itemize specific projects of each type to the Permanent Joint Transportation Committee of the Legislature (if RAA funds are utilized)

ALDOT PROGRAM TYPES

- Congestion Relief – purpose is to add capacity to State, US and Interstate routes in highly congested areas of the state
- Economic Development Roads – purpose is to develop and improve transportation infrastructure to enhance economic development efforts in the state
- System Preservation – purpose is to address the ongoing and growing preservation needs for state-maintained transportation infrastructure