

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the 2nd Meeting of the 2025 Interim

July 14, 2025

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Transportation was held on July 14, 2025, at 1:00 PM in Room 149 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative John Blanton, Co-Chair; Senators Karen Berg, Donald Douglas, Greg Elkins, Brandon Smith, Brandon J. Storm, Gex Williams, and Mike Wilson; and Representatives Ryan Bivens, Josh Branscum, Randy Bridges, Anne Gay Donworth, Myron Dossett, David Hale, Samara Heavrin, Thomas Huff, Mary Beth Imes, Derek Lewis, Bobby McCool, Amy Neighbors, Rachel Roarx, Tom Smith, Ashley Tackett Laferty, Walker Thomas, and Ken Upchurch.

Guests: Gary Valentine, Executive Advisor, Department of Highways, Kentucky Transportation Cabinet (KYTC); Amanda Spencer, Assistant State Highway Engineer, KYTC; Matt Cole, Commissioner, Department of Vehicle Regulation, KYTC; Godwin Onodu, Director, Division of Motor Vehicle Licensing, KYTC; Matt Cole, Commissioner, Department of Vehicle Regulation, KYTC; Godwin Onodu, Director, Division of Motor Vehicle Licensing, KYTC; and Matt Ryan, Northern Kentucky Auto Sales.

LRC Staff: John Snyder, Dana Fugazzi, Ashley Nash, and Christina Williams.

Approval of Minutes

The minutes for the June 3, 2025, meeting were approved.

Interstate 69 Bridge Project, KYTC Report on Financing and Memo with Indiana

Gary Valentine, Executive Advisor, Department of Highways, KYTC, and Amanda Spencer, Assistant State Highway Engineer, KYTC, gave an update on the Interstate 69 Bridge Project and Ohio River Crossing. The crossing (section two of the project) will complete the I-69 connection between Evansville, Indiana and Henderson, Kentucky. Interstate cross-river connectivity will reduce traffic delays and improve safety. The crossing includes more than 11 miles of new interstate and a four-lane river crossing, and construction is expected to begin in 2027 after funding is identified. Construction is currently underway in Henderson (section one) and is expected to be complete in late 2025. Construction is also underway in Evansville (section three) and is expected to be complete in late 2026. Both section one and

three are fully funded.

The crossing is a \$933 million project, of which Kentucky's share is \$508 million. The draft financial plan includes tolling, GARVEE Bonds, traditional federal revenues, funds from the Biennial Highway Construction Program, and \$150 million appropriated from the General Fund, but not yet released. The preliminary engineering is complete, the development of an alternative delivery procurement is underway, right of way activities are beginning, the KYTC and Indiana Department of Transportation (INDOT) tolling agreement began execution in June 2025 due to 2025 Regular Session House Bill 546, and the financial plan and bi-state development agreement is being finalized.

In response to Chair Higdon concerning the timeline for completion of the crossing, Ms. Spencer stated the plan is to have the bridge open to traffic and tolling by 2031. Kentucky and Indiana will share the toll revenue 50/50.

In response to Representative Thomas, Mr. Valentine stated at least one of the existing US 41 bridges will remain open for local traffic.

In response to Representative Roarx, Ms. Spencer stated, once the cost of the bridge has been recovered and the debt satisfied, the decision to sunset the tolls has not yet been determined, but could be a bi-state decision like the Louisville-Southern Indiana Ohio River Bridge project.

In response to Senator Elkins, Mr. Valentine stated tolling will cover approximately one-third of the cost of the \$933 million project cost. He stated Kentucky will take the lead on the financing, so the tolls collected that are allocated to Kentucky will be Kentucky's to repay the debt that the Kentucky Public Transportation Infrastructure Authority (KPTIA) has issued with the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. When that sunsets, Mr. Valentine stated it has not yet been determined whether the tolls will end, and what those toll revenues will be used for in the future.

In response to Representative Heavrin, Ms. Spencer stated a bi-state tolling body will be established after the bi-state development agreement is signed. That body will set toll policy and toll rates, and will be required to do so in a way that satisfies any covenants made, such as in the TIFIA loan. Mr. Valentine stated the General Assembly directed tolling on this project in House Bill 546. In previous years, the local community has been supportive of tolls.

Implementation of SB 63 - Special Purpose Vehicles Registration

Matt Cole, Commissioner, Department of Vehicle Regulation, KYTC, and Godwin Onodu, Director, Division of Motor Vehicle Licensing, KYTC, updated the committee on the

implementation of 2025 Regular Session Senate Bill 63, which involves special purpose vehicle registration. Mr. Cole stated the cabinet has successfully completed the implementation of a new registration category specifically for special purpose vehicles, which are typically low-speed or utility-style vehicles. The program is now fully operational across the state. He added KYTC has integrated the new functionality into the Kentucky Automated Vehicle Information System (KAVIS), ensuring a smooth process for both clerks and customers. Ongoing communication has been maintained with county clerk leadership throughout the process. Any issues that arise during transactions are being addressed in real-time.

Senator Smith stated participation is voluntary and not mandatory unless someone wants to take advantage of the program.

In response to Chair Higdon, Mr. Onodu explained that all counties are enrolled in the program, however, some counties have not submitted applications to be processed.

In response to Senator Storm, Mr. Onodu stated, as of the meeting date, they have issued or processed 292 special purpose vehicle license plates but are unaware of how many the clerks have processed.

In response to Senator Elkins concerning educating the public on inconsistencies between counties participating in the program, Mr. Cole stated a conversation where that information could be consolidated would be helpful.

Implementation of SB 43 - Medical Review Board Changes and Third-Party Driver's License Issuance

Mr. Cole addressed the implementation of 2025 Regular Session Senate Bill 43, which involves Medical Review Board changes and third-party driver's license issuance. Senate Bill 43 included two big changes. First, the cabinet updated the structure and internal procedures of the Medical Review Board to align with the new statutory requirements. The changes help ensure decisions related to medical fitness to drive are handled with improved efficiency, transparency, and fairness, while still protecting public safety on Kentucky's roads. Second, the cabinet has built the framework for a significant expansion of how driver's licenses may be issued in Kentucky through authorized third-parties. This is a major step that can give flexibility, enhance customer convenience, and hopefully reduce pressure on regional offices, especially in high-volume areas. The cabinet has included a possible stakeholder in the creation of this program to align objectives as much as possible.

In response to Senator Berg concerning third-party driver's license issuance, Mr. Cole stated KYTC is still finalizing what functions can be carried out by a third-party, however,

the initial REAL ID issuance needs to be done at KYTC offices. Since the renewal process is the same for both a standard and REAL ID, that should be an option offered by third-parties.

Representative Donworth called attention to frustrations arising from major policy changes occurring simultaneously and questioned how to relieve the situation so it does not occur again. Mr. Cole stated conversations are needed to address the situation.

In response to Senator Douglas concerning if regulatory changes necessitated by Senate Bill 43 have been filed, Mr. Cole stated procedure changes have been made and regulations are being drafted and should be filed soon.

In response to Chair Higdon, Mr. Cole stated KYTC is finalizing the administrative regulations on third-party administrators, which should be in place by approximately the middle of September.

Representative Dossett voiced concerns over the actions of the Medical Review Board and is hopeful changes will be made.

Co-Chair Blanton clarified that REAL ID has been in effect for seven years and people waited until the last minute to obtain their REAL ID, which resulted in long wait times, and is why that major policy change appears to be grouped closely together with others. Mr. Cole reiterated that the federal government pushed the REAL ID deadline back several times.

Update on KAVIS - Specifically Sheriff's Inspections

Mr. Cole and Mr. Onodu gave a brief update on integrating the sheriff's inspection process into KAVIS. The system is now fully operational and performing well, with ongoing feedback from both law enforcement and county clerk leadership. The update reduced paperwork, cut back on fraud, improved data integrity, and brought new levels of transparency and tracking to a process that previously relied heavily on manual steps. Mr. Cole stated the regulations for these programs are in the final stages of internal review, and legal and policy teams are involved to ensure they are ready for formal submission. No issues are anticipated.

In response to Co-Chair Blanton, Mr. Cole stated the sheriff's inspection program is active and training is ongoing. Mr. Onodu added some sheriffs have not yet gone through the program, and classes are scheduled for them to do so. In terms of inspectors from dealerships, if the sheriffs from that county nominate individuals for inspection and submit a list to KYTC, the cabinet trains them to become inspectors. Mr. Onodu stated the county clerks have been given the information they need and a new form has been developed to

aid in the process. The sheriffs are aware of the form.

In response to Representative Lewis, Mr. Onodu stated the collection of fees for this program is executed by the Kentucky Sherriff's Association, not KYTC.

In response to Representative Huff, Mr. Cole stated KYTC is having ongoing discussions with the clerks about KAVIS having the necessary framework for clerks to be able to collect the fees associated with purchasers using their existing tags instead of temporary tags.

Motor Vehicle Dealer Issues Ad Valorem Taxes

Representative Smith appeared before the committee with Matt Ryan, Northern Kentucky Auto Sales, to discuss issues his dealership has had with salvage vehicles that have been flagged for delinquent ad valorem taxes. Mr. Ryan expressed his frustration with backlogged notifications, notices on vehicles upon which taxes have already been paid, and a lack of communication from the Department of Revenue. Representative Smith urged the committee to examine this issue in the future.

Adjournment

With no further business to come before the committee, Chair Higdon adjourned the meeting at 1:55 PM.