

**CHAPTER 214****( HB 241 )**

AN ACT relating to appropriations providing financing and conditions for the operations, maintenance, support, and functioning of the Transportation Cabinet of the Commonwealth of Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. Notwithstanding KRS 48.100 and 48.300, the Transportation Cabinet Budget is as follows:

**PART I****OPERATING BUDGET**

(1) **Funds Appropriations:** There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the fiscal year beginning July 1, 2021, and ending June 30, 2022, for the fiscal year beginning July 1, 2022, and ending June 30, 2023, and for the fiscal year beginning July 1, 2023, and ending June 30, 2024, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the budget units of the Transportation Cabinet are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

**A. TRANSPORTATION CABINET****Budget Units****1. GENERAL ADMINISTRATION AND SUPPORT**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
General Fund	-0-	17,864,000	500,000
Restricted Funds	31,400	2,743,400	2,752,300
Federal Funds	-0-	69,456,000	-0-
Road Fund	1,088,200	81,374,000	81,626,400
<b>TOTAL</b>	<b>1,119,600</b>	<b>171,437,400</b>	<b>84,878,700</b>

(1) **Biennial Highway Construction Plan:** The Secretary of the Transportation Cabinet shall produce a single document that shall detail the enacted fiscal biennium 2022-2024 Biennial Highway Construction Program and the 2024-2028 Highway Preconstruction Program.

(2) **Debt Service:** Included in the above Road Fund appropriation is \$343,800 in fiscal year 2022-2023 and \$345,000 in fiscal year 2023-2024 for debt service on previously authorized bonds.

(3) **Adopt-A-Highway Litter Program:** The Transportation Cabinet and the Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A.

(4) **Riverport Improvements:** Included in the above General Fund appropriation is \$500,000 in each fiscal year to improve public riverports within Kentucky. The Secretary of the Transportation Cabinet, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how the funds are distributed.

(5) **Electric Vehicle Charging Program:** Included in the above appropriations are \$17,364,000 in General Fund and \$69,456,000 in Federal Funds in fiscal year 2022-2023 for the Electric Vehicle Charging Program in the Infrastructure Investment and Jobs Act. Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward. The Transportation Cabinet shall submit an Electric Vehicle Infrastructure Development Plan to the Interim Joint Committee on Transportation on or before June 30, 2022.

**2. AVIATION**

## ACTS OF THE GENERAL ASSEMBLY

	2021-22	2022-23	2023-24
General Fund	-0-	11,400,000	757,000
Restricted Funds	77,400	22,690,000	19,130,400
Federal Funds	-0-	500,500	500,500
Road Fund	30,700	1,866,400	1,875,700
TOTAL	108,100	36,456,900	22,263,600

(1) **Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted Funds appropriation includes operational costs of the program in each fiscal year.

(2) **Debt Service - Existing Projects:** Included in the above Road Fund appropriation is \$836,100 in fiscal year 2022-2023 and \$835,300 in fiscal year 2023-2024 for debt service on previously authorized bonds. Notwithstanding KRS 183.525, \$836,100 in fiscal year 2022-2023 and \$835,300 in fiscal year 2023-2024 is transferred to the Road Fund from the Kentucky Aviation Economic Development Fund to support debt service on those bonds.

(3) **Debt Service - New Projects:** Included in the above General Fund appropriation is \$757,000 in fiscal year 2023-2024 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(4) **General Aviation Airports:** Included in the above General Fund appropriation is a one-time allocation of \$11,400,000 in fiscal year 2022-2023 to provide \$200,000 to each General Aviation airport.

### 3. DEBT SERVICE

	2022-23	2023-24
Road Fund	134,952,100	136,855,100

(1) **Economic Development Road Lease-Rental Payments:** Included in the above Road Fund appropriation is \$134,705,100 in fiscal year 2022-2023 and \$136,605,100 in fiscal year 2023-2024 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority.

(2) **Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 2022-2024 fiscal biennium.

### 4. HIGHWAYS

	2021-22	2022-23	2023-24
General Fund	-0-	250,000,000	-0-
Restricted Funds	6,826,300	159,157,500	310,375,400
Federal Funds	176,904,800	1,391,741,900	1,245,769,800
Road Fund	11,583,700	996,115,300	974,783,400
TOTAL	195,314,800	2,797,014,700	2,530,928,600

(1) **Debt Service:** Included in the above Federal Funds appropriation is \$77,900,400 in fiscal year 2022-2023 and \$70,356,800 in fiscal year 2023-2024 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously appropriated by the General Assembly.

(2) **State Supported Construction Program:** Included in the above Road Fund appropriation is \$477,924,700 in fiscal year 2022-2023 and \$475,689,500 in fiscal year 2023-2024 for the State Supported Construction Program.

(3) **Biennial Highway Construction Program:** Included in the Biennial Highway Construction Program is \$336,324,700 in fiscal year 2022-2023 and \$334,089,500 in fiscal year 2023-2024 from the Road Fund for state construction projects and the state match for federal projects in the 2022-2024 Biennial Highway Construction Program.

(4) **Highway Construction Contingency Account:** Included in the State Supported Construction Program is \$16,600,000 in each fiscal year for the Highway Construction Contingency Account. Notwithstanding KRS

45.247(2), (4), (6), (7), and (8), the Secretary shall only expend Highway Construction Contingency moneys for projects of an emergency nature, for projects that relieve a hazardous condition, or to provide the state match for unanticipated Federal Funds made available as a result of other states not utilizing their total federal obligations. Notwithstanding KRS 224.43-505(2), included in the Highway Construction Contingency Account is \$4,000,000 in each fiscal year to support the Kentucky Pride Fund created in KRS 224.43-505. Notwithstanding KRS 45.247 and 177.320(4), included in the Highway Construction Contingency Account is \$290,000 in each fiscal year for the Kentucky Transportation Center. Also included in the Highway Construction Contingency Account for Railroads is \$1,600,000 in each fiscal year for public safety and service improvements which shall not be expended unless matched with non-state funds equaling at least 20 percent of the total amount for any individual project. Additionally, in each fiscal year, up to \$350,000 of the \$1,600,000 appropriation may be used to establish and administer the Kentucky Rail Office in the Kentucky Transportation Cabinet.

**(5) 2020-2022 Biennial Highway Construction Plan:** Projects in the enacted 2020-2022 Biennial Highway Construction Plan are authorized to continue their current authorization into the 2022-2024 fiscal biennium. If projects in previously enacted highway construction plans conflict with the 2022-2024 Biennial Highway Construction Plan, the projects in the 2022-2024 Biennial Highway Construction Plan shall control. The Secretary shall make every effort to maintain highway program delivery by adhering to the timeframes included in the 2022-2024 Biennial Highway Construction Plan for those projects.

**(6) State Match Provisions:** The Transportation Cabinet is authorized to utilize Road Fund or General Fund state construction moneys or Toll Credits to match federal highway moneys.

**(7) Federal Aid Highway Funds:** If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific moneys shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2022-2024 Biennial Highway Construction Plan are funded. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the Highway Preconstruction Program.

**(8) Road Fund Cash Management:** The Secretary of the Transportation Cabinet may continue the Cash Management Plan to address the policy of the General Assembly to expeditiously initiate and complete projects in the fiscal biennium 2022-2024 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial Highway Construction Plan by employing management techniques that maximize the Cabinet's ability to contract for and effectively administer the project work. Under the approved Cash Management Plan, the Secretary shall continuously ensure that the unspent project and Road Fund balances available to the Transportation Cabinet are sufficient to meet expenditures consistent with appropriations provided. The Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on Appropriations and Revenue when the General Assembly is not in session and the Standing Committees on Appropriations and Revenue when the General Assembly is in session beginning July 1, 2022.

**(9) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229, unexpended Road Fund and General Fund appropriations in the Highways budget unit for the Construction program, the Maintenance program, and the Research program in fiscal year 2021-2022 and in fiscal year 2022-2023 shall not lapse but shall carry forward. Unexpended Federal Funds and Restricted Funds appropriations in the Highways budget unit for the Construction program, the Maintenance program, the Equipment Services program, and the Research program in fiscal year 2021-2022 and in fiscal year 2022-2023, up to the amount of ending cash balances and unissued Highway and GARVEE Bond Funds, to include any interest income earned on those bond funds, and grant balances shall not lapse but shall carry forward.

**(10) Federally Supported Construction Program:** Included in the above Federal Funds appropriation is \$1,026,136,100 in fiscal year 2022-2023 and \$867,771,400 in fiscal year 2023-2024 for federal construction projects.

**(11) Highways Maintenance:** Included in the above Highways Road Fund appropriation is \$439,456,200 in fiscal year 2022-2023 and \$423,427,500 in fiscal year 2023-2024 for Highways Maintenance.

**(12) Delayed Projects Status Report:** The Secretary of the Transportation Cabinet shall report by September 30 of each fiscal year to the Interim Joint Committee on Transportation any project included in the enacted Biennial Highway Construction Plan which has been delayed beyond the fiscal year for which the project was authorized. The report shall include:

- (a) The county name;

- (b) The Transportation Cabinet project identification number;
- (c) The route where the project is located;
- (d) The length of the project;
- (e) A description of the project and the scope of improvement;
- (f) The type of local, state, or federal funds to be used on the project;
- (g) The stage of development for the design, right-of-way, utility, and construction phases;
- (h) The fiscal year in which each phase of the project was scheduled to commence;
- (i) The estimated cost for each phase of the project;
- (j) A detailed description of the circumstances leading to the delay; and
- (k) The same information required in paragraphs (a) to (i) of this subsection for the project or projects advanced with funds initially scheduled for the delayed project.

**(13) Maintenance Reentry Employment Program:** Included in the above Road Fund appropriation is \$1,000,000 in each fiscal year to support contracting with a 501(c)(3) nonprofit organization that employs individuals on probation or parole supervision to perform crew-based maintenance services. These individuals shall be selected with input from the Department of Corrections and shall provide assistance with litter abatement, graffiti removal, and vegetation control in highway districts three, five, six, and seven.

**(14) Federal Highways Match:** Included in the above General Fund appropriation is \$250,000,000 in fiscal year 2022-2023 to match Federal Funds from the Infrastructure Investment and Jobs Act exclusively for the Brent Spence Bridge Project, the Mountain Parkway Widening Project, or the I-69 Ohio River Crossing Project. Notwithstanding KRS 45.229, the General Fund appropriation balance for Federal Highways Match for fiscal years 2021-2022 and 2022-2023 shall not lapse and shall carry forward.

**(15) Grant Anticipation Revenue Vehicle (GARVEE) Bonds:** Included in the above Restricted Funds appropriation is \$150,000,000 in fiscal year 2023-2024 for GARVEE Bond Funds to be issued for the Brent Spence Bridge Project.

**(16) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service:** Included in the above Federal Funds appropriation is \$2,106,300 in fiscal year 2023-2024 for GARVEE Bonds debt service payments relating to the Brent Spence Bridge Project.

**(17) River Crossing Study:** It is the intent of the General Assembly for the Transportation Cabinet to conduct a feasibility study for alternative crossings at the Cave-in-Rock ferry.

## 5. JUDGMENTS

**(1) Payment of Judgments:** Road Fund resources required to pay judgments shall be transferred from the State Construction Account at the time when actual payments must be disbursed from the State Treasury.

## 6. PUBLIC TRANSPORTATION

	2021-22	2022-23	2023-24
General Fund	63,800	15,575,800	15,575,800
Restricted Funds	-0-	730,100	730,000
Federal Funds	53,200	82,622,700	80,586,000
TOTAL	117,000	98,928,600	96,891,800

**(1) Nonpublic School Transportation:** Included in the above General Fund appropriation is \$5,000,000 in each fiscal year for nonpublic school transportation.

## 7. REVENUE SHARING

	2021-22	2022-23	2023-24
Road Fund	214,500	372,763,000	364,783,000
TOTAL	214,500	372,763,000	364,783,000

**(1) County Road Aid Program:** Included in the above Road Fund appropriation is \$140,877,100 in fiscal year 2022-2023 and \$137,848,400 in fiscal year 2023-2024 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440.

**(2) Rural Secondary Program:** Included in the above Road Fund appropriation is \$170,900,000 in fiscal year 2022-2023 and \$167,225,900 in fiscal year 2023-2024 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360.

**(3) Municipal Road Aid Program:** Included in the above Road Fund appropriation is \$59,276,100 in fiscal year 2022-2023 and \$58,001,800 in fiscal year 2023-2024 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369.

**(4) Energy Recovery Road Fund:** Included in the above Road Fund appropriation is \$141,800 in fiscal year 2022-2023 and \$141,900 in fiscal year 2023-2024 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.978, 177.979, and 177.981.

**(5) Continuation of the Flex Funds and 80/20 Bridge Replacement Programs:** The Transportation Cabinet shall continue the Flex Funds and the 80/20 Bridge Replacement Programs within the Rural Secondary Program.

**(6) County Judge/Executive Expense Allowance:** Notwithstanding KRS 67.220, County Judge/Executives not serving in a consolidated local government that served as a County Judge/Executive prior to November 2022 shall receive an annual expense allowance of \$3,600. County Judge/Executives newly elected in November 2022 and those serving in counties with a consolidated local government shall not receive an annual expense allowance.

**8. VEHICLE REGULATION**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Restricted Funds	94,400	17,265,100	17,392,200
Federal Funds	-0-	4,127,100	4,627,100
Road Fund	588,800	46,728,300	47,052,200
<b>TOTAL</b>	<b>683,200</b>	<b>68,120,500</b>	<b>69,071,500</b>

**(1) Debt Service:** Included in the above Road Fund appropriation is \$1,507,000 in each fiscal year for debt service on previously authorized bonds.

**(2) Motor Vehicle Commission Additional Personnel:** Included in the above Restricted Funds appropriation is \$350,000 in each fiscal year to support four additional positions for the Motor Vehicle Commission.

**TOTAL - TRANSPORTATION CABINET**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
General Fund	63,800	294,839,800	16,832,800
Restricted Funds	7,029,500	202,586,100	350,380,300
Federal Funds	176,958,000	1,548,448,200	1,331,483,400
Road Fund	13,505,900	1,633,799,100	1,606,975,800
<b>TOTAL</b>	<b>197,557,200</b>	<b>3,679,673,200</b>	<b>3,305,672,300</b>

**PART II**

**CAPITAL PROJECTS BUDGET**

**(1) Capital Construction Fund Appropriations and Reauthorizations:** Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2022-2024 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

**(2) Expiration of Existing Line-Item Capital Construction Projects:** All appropriations to existing line-item capital construction projects expire on June 30, 2022, unless reauthorized in this Act with the following exceptions: (a) A construction contract for the project shall have been awarded by June 30, 2022; (b) Permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds, if the authorized project completes an initial draw on the line of credit within the biennium immediately subsequent to the original authorization; and (c) Grant or loan agreements, if applicable, shall have been finalized and properly signed by all necessary parties. Notwithstanding the criteria set forth in this subsection, the disposition of 2020-2022 fiscal biennium nonstatutory appropriated maintenance pools funded from Capital Construction Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

**(3) Bond Proceeds Investment Income:** Investment income earned from bond proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage rebates and penalties and excess bond proceeds upon the completion of a bond-financed capital project shall be used to pay debt service according to the Internal Revenue Service Code and accompanying regulations.

**(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the identification of specific projects cannot be ascertained with absolute certainty at this time, amounts are appropriated for specific purposes to projects which are not individually identified in this Act in the following areas: Aircraft Maintenance Pool, Barkley Regional Airport Improvement Projects Pool, Mt. Sterling/Montgomery County Airport Improvement Projects Pool, and Bardstown/Nelson County Airport Improvement Projects Pool. Notwithstanding any statute to the contrary, projects estimated to cost \$1,000,000 and over and equipment estimated to cost \$200,000 and over shall be reported to the Capital Projects and Bond Oversight Committee.

#### A. TRANSPORTATION CABINET

Budget Units	2021-22	2022-23	2023-24
<b>1. GENERAL ADMINISTRATION AND SUPPORT</b>			
<b>001. Maintenance Pool - 2022-2024</b>			
Road Fund	-0-	4,000,000	4,000,000
<b>002. Construct Ballard County Maintenance Facility and Salt Storage Additional Reauthorization (\$2,284,000 Road Fund)</b>			
Road Fund	-0-	229,000	-0-
<b>003. Construct Clay County District Office Additional Reauthorization (\$7,445,000 Road Fund)</b>			
Road Fund	-0-	5,500,000	-0-
<b>004. AASHTOWare</b>			
Road Fund	-0-	1,000,000	1,000,000
<b>005. Construct Whitley County Maintenance Facility and Salt Structure Additional Reauthorization (\$1,050,000 Road Fund)</b>			
Road Fund	3,000,000	-0-	-0-
<b>006. District 6 Office and Materials Lab Additional Reauthorization (\$1,500,000 Road Fund)</b>			
Road Fund	-0-	9,500,000	-0-
<b>007. Construct Breckinridge County Maintenance and Salt Storage Facility</b>			
Road Fund	-0-	500,000	2,500,000
<b>008. Construct Regional Salt Structures</b>			
Road Fund	-0-	2,000,000	-0-
<b>009. Construct Union County Maintenance and Salt Storage Facility</b>			
Road Fund	-0-	500,000	2,500,000
<b>010. Construct District 2 Office and Materials Lab</b>			
Road Fund	-0-	2,000,000	-0-
<b>011. Construct Morgan County Maintenance and Salt Storage Facility</b>			



**1. Aviation**

Agency Revenue Fund	421,100	453,000
(KRS 183.525(4) and (5))		

**2. Aviation**

Agency Revenue Fund	-0-	757,000
(KRS 183.525(4) and (5))		

TOTAL - FUNDS TRANSFER	421,100	1,210,000
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**PART IV****TRANSPORTATION CABINET BUDGET SUMMARY****OPERATING BUDGET**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
General Fund	63,800	294,839,800	16,832,800
Restricted Funds	7,029,500	202,586,100	350,380,300
Federal Funds	176,958,000	1,548,448,200	1,331,483,400
Road Fund	13,505,900	1,633,799,100	1,606,975,800
SUBTOTAL	197,557,200	3,679,673,200	3,305,672,300

**CAPITAL PROJECTS BUDGET**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
General Fund	-0-	800,000	100,000
Restricted Funds	-0-	210,000	-0-
Road Fund	3,000,000	32,529,000	16,050,000
Bond Funds	-0-	-0-	21,000,000
Investment Income	-0-	-0-	700,000
SUBTOTAL	3,000,000	33,539,000	37,850,000

**TOTAL - TRANSPORTATION CABINET BUDGET**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
General Fund	63,800	295,639,800	16,932,800
Restricted Funds	7,029,500	202,796,100	350,380,300
Federal Funds	176,958,000	1,548,448,200	1,331,483,400
Road Fund	16,505,900	1,666,328,100	1,623,025,800
Bond Funds	-0-	-0-	21,000,000
Investment Income	-0-	-0-	700,000
TOTAL FUNDS	200,557,200	3,713,212,200	3,343,522,300

**Vetoed in Part and Overridden and Signed by Secretary of State April 14, 2022.**