

CHAPTER 108**(HB 546)**

AN ACT relating to transportation, making an appropriation therefor, and declaring an emergency.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

As used in this Sections 1 to 5 of this Act:

- (1) *"County population ranking" has the same meaning as in KRS 154.21-015;*
- (2) *"County roads" has the same meaning as in KRS 178.010;*
- (3) *"Local Assistance Road Program" or "LARP" means a list of rehabilitation projects on county roads, streets, and urban roads identified by the General Assembly for funding grants; and*
- (4) *"Streets" and "urban roads" have the same meaning as in KRS 177.365.*

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

- (1)
 - (a) *The cabinet shall establish procedures by which a city or county may make application for portions of county roads, streets, and urban roads in its jurisdiction to be considered for grants from the LARP.*
 - (b) *A city or county may submit to the cabinet for consideration for the LARP only those rehabilitation projects that bring the road or street back to its original condition and shall not submit projects that increase capacity or involve other improvements over the original design of the road.*
 - (c) *The maximum amount of funding that a city or county may receive for any individual project under a LARP grant is five hundred thousand dollars (\$500,000).*
 - (d) *Beginning on June 1 of each year, a city or county may submit projects for consideration for LARP grants to the cabinet in advance of each regular session of the General Assembly. In order to be considered for funding during a regular session of the General Assembly, the submission shall be made by October 1 of the preceding year. A project submitted in a previous year that was not selected shall be resubmitted under a new application in order to be considered in a future year.*
- (2) *For each project application submitted under subsection (1) of this section, the cabinet shall:*
 - (a) *Review the project to ensure it meets the requirements of subsection (1)(b) of this section; and*
 - (b) *Evaluate the project in accordance with Section 3 of this Act within thirty (30) days of the submission of the application.*
- (3) *Beginning on July 1 of each year, the cabinet shall submit to the General Assembly through the Legislative Research Commission a list of all project requests submitted under subsection (1) of this section that have been evaluated by the cabinet in the previous month. The list shall be divided into two (2) sections, one (1) section listing projects involving county roads, and one (1) section listing projects involving streets and urban roads. The list shall, at a minimum, include the following information for each project:*
 - (a) *The name of the city or county responsible for maintaining the road or street;*
 - (b) *A unique project identification number;*
 - (c) *The route and highway district where the project is located;*
 - (d) *The length of the project to the nearest one-tenth (1/10) of a mile;*
 - (e) *A description of the project and the scope of rehabilitation;*
 - (f) *The score assigned by the highway district for the project;*
 - (g) *A narrative description of the reasoning for the numerical score assigned under paragraph (f) of this subsection;*

- (h) *Photographs of the project area showing the scope of work, with at least one (1) photograph of every three hundred (300) feet of roadway; and*
- (i) *The estimated cost to complete the project.*
- (4) *No later than November 1 of each year, the cabinet shall submit to the General Assembly through the Legislative Research Commission a list of all project requests submitted under subsection (1) of this section for the year, containing the same information listed in subsection (3) of this section.*
- (5) *The General Assembly shall make the final determination of which projects are to be awarded grants under the LARP.*

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

- (1) *To evaluate projects submitted for grants under the LARP, the cabinet shall develop a scoring system for the project which assigns a score using a one (1) to ten (10) scale, with higher numbers assigned to projects exhibiting the greatest need.*
- (2) *Each highway district shall use the scoring system developed under this section to evaluate all projects within the highway district, and shall submit a score to the cabinet.*
- (3) *The scoring system developed under this section shall include an evaluation of the following factors:*
 - (a) *Preservation of assets, which shall include an evaluation of the current physical condition of the road, including wear and tear, cracking, missing pavement and potholes, roadway and shoulder degradation, and rutting;*
 - (b) *Safety;*
 - (c) *Cost;*
 - (d) *Traffic volume; and*
 - (e) *Priority ranking within the highway district.*

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

- (1) *The cabinet shall use the county population ranking produced every two (2) years by the Cabinet for Economic Development to determine the amount of local matching funds required for grants awarded from the LARP.*
- (2) *The required local match for a project receiving funds from the LARP for projects awarded in the next regular session of the General Assembly shall be as follows:*
 - (a) *Eligible projects in counties where the county population ranking is equal to or greater than one hundred ninety-three (193) shall provide local matching funds equal to ten percent (10%) of the project cost;*
 - (b) *Eligible projects in counties where the county population ranking is less than one hundred ninety-three (193) but equal to or greater than one hundred forty-five (145) shall provide local matching funds equal to twelve and one-half percent (12.5%) of the project cost;*
 - (c) *Eligible projects in counties where the county population ranking is less than one hundred forty-five (145) but equal to or greater than ninety-seven (97) shall provide local matching funds equal to fifteen percent (15%) of the project cost;*
 - (d) *Eligible projects in counties where the county population ranking is less than ninety-seven (97) but equal to or greater than forty-nine (49) shall provide local matching funds equal to seventeen and one-half percent (17.5%) of the project cost; and*
 - (e) *Eligible projects in counties where the county population ranking is less than forty-nine (49) shall provide local matching funds equal to twenty percent (20%) of the project cost.*
- (3) *A city or county may use funds received under KRS 177.320(2) and 177.365 to provide local matching funds for projects in the LARP.*

➔SECTION 5. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

- (1) *The cabinet shall, on a quarterly basis, transmit electronically to the General Assembly through the Legislative Research Commission a report on all activity relating to projects funded through the LARP in a particular year.*
- (2) *The data for each project listed in the report required by subsection (1) of this section shall contain all activity on projects funded through the LARP for that year, and shall also include but not be limited to the following:*
 - (a) *The name of the city or county responsible for maintaining the road or street;*
 - (b) *A unique project identification number;*
 - (c) *The route and highway district where the project is located;*
 - (d) *The length of the project to the nearest one-tenth (1/10) of a mile;*
 - (e) *A description of the project and the scope of rehabilitation;*
 - (f) *The original estimated cost to complete the project;*
 - (g) *The status of funding for the project;*
 - (h) *If the project has been let, the:*
 1. *Name of the contractor;*
 2. *Contractor's vendor number in the statewide accounting system;*
 3. *Current contract amount; and*
 4. *Current amount earned by the contractor; and*
 - (i) *The:*
 1. *Estimated date for completion of the project;*
 2. *Current percentage of work completed based upon time;*
 3. *Actual contract completion date, if applicable; and*
 4. *The final actual cost to complete the project, if applicable.*

➔SECTION 6. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

- (1) *The General Assembly finds that:*
 - (a) *The I-69 Ohio River Crossing Project, since its inception, was designed to be financed by tolling revenues;*
 - (b) *In 2016, the Governors of Kentucky and Indiana signed a memorandum of understanding directing both states to restart the I-69 Ohio River Crossing Project; and*
 - (c) *Based on the anticipated cost of the project and the current funding environment, the memorandum of understanding acknowledged that tolling would need to be part of the financial plan to achieve an implementable solution.*
- (2) *No later than July 1, 2025, the Transportation Cabinet shall enter into a new memorandum of understanding with the State of Indiana to use tolling revenues to finance the I-69 Ohio River Crossing project.*

➔Section 7. 2024 Ky. Acts ch. 180, Part I, A, 4., (3) Biennial Highway Construction Program, at page 1970, is amended to read as follows:

(3) Biennial Highway Construction Program: Included in the State Supported Construction Program is \$535,665,100 in fiscal year 2024-2025 and ~~\$434,260,500~~ ~~[\$435,407,500]~~ in fiscal year 2025-2026 from the Road Fund for state construction projects and the state match for federal projects in the 2024-2026 Biennial Highway Construction Program.

➔Section 8. 2024 Kentucky Acts Chapter 180, Part I, A., 4., (15) Grant Anticipation Revenue Vehicle (GARVEE) Bonds, at page 1972, is amended to read as follows:

(15) Grant Anticipation Revenue Vehicle (GARVEE) Bonds: Included in the above Restricted Funds appropriation is \$150,000,000 in fiscal year 2025-2026 for GARVEE Bond Funds to be issued for the I-69 Ohio River Crossing Project *subject to the provision that funds shall be released contingent on the incorporation of bridge tolling and GARVEE Bond debt service in future financial plans to cover the costs of the project. Reconsideration of this tolling provision may only occur if a federal grant is received to cover the cost of this project*~~[and the completion of the Mountain Parkway Widening Project]~~.

➔Section 9. 2024 Kentucky Acts ch. 180, Part I, A., 4., (16) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service, at page 1972, is amended to read as follows:

(16) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service: Included in the above appropriations is \$7,584,400 in Federal Funds and \$1,896,100 in Road Fund in fiscal year 2025-2026 to support GARVEE Bonds debt service payments relating to the I-69 Ohio River Crossing Project *subject to the provision that funds shall be released contingent on the incorporation of bridge and GARVEE Bond debt service in future financial plans to cover the costs of the project. Reconsideration of this tolling provision may only occur if a federal grant is received to cover the cost of this project*~~[and the completion of the Mountain Parkway Widening Project]~~.

➔Section 10. 2024 Ky. Acts ch. 180, Part I, A., 4., (17) County Priority Projects Program, at page 1972, is amended to read as follows:

(17) County Priority Projects Program: Included in the State Supported Construction Program is \$20,000,000 in~~[each]~~ fiscal year **2024-2025 and \$21,147,000 in fiscal year 2025-2026** from the Road Fund to establish the County Priority Projects Program to assist with county and city roads. This funding will be contingent on the Transportation Cabinet's submission of projects and approval by the General Assembly. The submission of projects shall include a detailed listing of qualified projects that were ranked either an 8, 9, or 10 to be completed using funds from the Highway Construction Contingency Account by November 1 of each fiscal year. Projects received after December 1 of each fiscal year may not be included in the following year's County Priority Projects Program.

The County Priority Projects for fiscal year 2024-2025 are the projects approved and itemized in 2024 Regular Session HJR 92. Notwithstanding KRS 48.710, any unexpended funds in fiscal year 2024-2025 shall not lapse and shall carry forward to fiscal year 2025-2026.

The Transportation Cabinet shall provide an additional report to the Legislative Research Commission and the Interim Joint Committee on Appropriations and Revenue detailing any project submitted to be completed using funds from the Highway Construction Contingency Account within 30 days after it has been ranked and shall detail the work requested, the county that requested the project, and the date the request was received.

When a County Priority Project is completed, the Transportation Cabinet shall notify the Legislative Research Commission and the Interim Joint Committee on Appropriations and Revenue in writing.

➔Section 11. 2024 Kentucky Acts ch. 180, Part I, A., 4., (27) Funding for Mega Projects, at page 1973, is amended to read as follows:

(27) Funding for Mega Projects: It is the intent of the General Assembly that no funds for any projects involving the Mountain Parkway~~[, the I-69 Ohio River Crossing,]~~ or the Hal Rogers Parkway shall be expended unless those projects first acquire a federal grant.

➔Section 12. Because portions of this Act amend the current Transportation Cabinet budget, an emergency is declared to exist, and Sections 7 to 11 of this Act take effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Vetoed in Part and Overridden March 27, 2025.