

AMENDMENT

OFFERED BY MR. LANKFORD OF OKLAHOMA

At the end of the bill, add the following:

1 **TITLE III—PILOT PROGRAMS**

2 **SECTION 3001. PILOT PROGRAM FOR STATES TO OPT OUT**
3 **OF FEDERAL TRANSPORTATION FUNDING**
4 **AND FEDERAL MOTOR FUEL TAXES.**

5 (a) ESTABLISHMENT OF PILOT PROGRAM.—Not
6 later than 1 year after the date of the enactment of this
7 Act, the Administrator of the Federal Highway Adminis-
8 tration, after consultation with the Secretary of the Treas-
9 ury, shall establish a pilot program that, subject to the
10 requirements of this section, allows one or more States
11 to opt out of Federal transportation funding and Federal
12 motor fuels taxes.

13 (b) GENERAL REQUIREMENTS OF PILOT PRO-
14 GRAM.—Notwithstanding any other provision of law (but
15 subject to such regulations as may be prescribed by the
16 Administrator of the Federal Highway Administration to
17 carry out the pilot program), the pilot program shall pro-
18 vide for the following:

19 (1) FEDERAL TRANSPORTATION FUNDING.—A
20 State participating in the pilot program shall not re-

1 ceive, directly or indirectly, any Federal transpor-
2 tation funding which is expended from the Highway
3 Trust Fund.

4 (2) FEDERAL MOTOR FUELS TAXES.—Not later
5 than 1 year after the date of the enactment of this
6 Act, the Secretary of the Treasury, after consulta-
7 tion with the Administrator of the Federal Highway
8 Administration, shall prescribe regulations under
9 which no tax which would otherwise result in an ap-
10 propriation to the Highway Trust Fund shall be im-
11 posed under section 4041 or 4081 of the Internal
12 Revenue Code of 1986 with respect to any motor
13 fuel which is used (or which is likely to be used) in
14 a State participating in the pilot program, or if such
15 a tax is imposed, such tax shall be refunded.

16 (3) INCREASE IN STATE FUEL TAXES.—A State
17 shall not be eligible to participate in the pilot pro-
18 gram unless such State increases the amount of tax
19 imposed by the State on each motor fuel used in
20 such State by an amount equivalent to the amount
21 of the reduction in taxes imposed on such motor fuel
22 under paragraph (2).

23 (c) SELECTION OF STATES.—The Administrator of
24 the Federal Highway Administration, after consultation
25 with the Secretary of the Treasury, shall select one or

1 more States to participate in the pilot program from
2 among the States that file an application to participate
3 on the basis of such criteria as the Administrator pub-
4 lishes in advance of the application process.

5 (d) STATE RESPONSIBILITY.—

6 (1) IN GENERAL.—The Governor or chief execu-
7 tive officer of a State making an election under
8 subsection (b) shall—

9 (A) agree to maintain the Interstate Sys-
10 tem in accordance with its current Interstate
11 System program;

12 (B) submit a plan to the Secretary describ-
13 ing—

14 (i) the purposes, projects, and uses to
15 which amounts received under the direct
16 Federal-aid highway program will be put;
17 and

18 (ii) which programmatic requirements
19 of this title the State elects to continue;

20 (C) agree to obligate or expend amounts
21 received under the direct Federal-aid highway
22 program exclusively for projects that would be
23 eligible for funding under section 133(b) if the
24 State was not participating in the program; and

1 (D) agree to report annually to the Sec-
2 retary on the use of amounts received under the
3 direct Federal-aid highway program and to
4 make the report available to the public in an
5 easily accessible format.

6 (2) NO LIMITATION ON USE OF FUNDS.—Ex-
7 cept as provided in paragraph (1), the expenditure
8 or obligation of funds received by a State under the
9 direct Federal-aid highway program shall not be
10 subject to regulation under this title (except for this
11 section), title 49, or any other Federal law.

12 **SEC. 3002. PILOT PROGRAM TO ALLOW STATES TO ELECT**
13 **TO RECEIVE CONTRIBUTIONS TO THE HIGH-**
14 **WAY TRUST FUND IN LIEU OF PARTICIPATING**
15 **IN THE FEDERAL-AID HIGHWAY PROGRAM OR**
16 **CERTAIN PUBLIC TRANSPORTATION PRO-**
17 **GRAMS.**

18 (a) ESTABLISHMENT OF PILOT PROGRAM.—Not
19 later than 1 year after the date of the enactment of this
20 Act, the Administrator of the Federal Highway Adminis-
21 tration, after consultation with the Secretary of the Treas-
22 ury, shall establish a pilot program that, subject to the
23 requirements of this section, allows one or more States
24 to receive the amount equal to that of the States' contribu-
25 tions to the Federal-aid highway program and public

1 transportation programs in lieu of amounts apportioned
2 or allocated to it under the Federal-aid highway program
3 and public transportation programs.

4 (b) GENERAL REQUIREMENTS OF PILOT PRO-
5 GRAM.—Notwithstanding any other provision of law (but
6 subject to such regulations as may be prescribed by the
7 Administrator of the Federal Highway Administration to
8 carry out the pilot program), the pilot program shall pro-
9 vide for the following:

10 (1) Not later than 1 year after the date of the
11 enactment of this Act, the Secretary of the Treas-
12 ury, after consultation with the Administrator of the
13 Federal Highway Administration and the Adminis-
14 trator of the Federal Transit Administration, shall
15 prescribe regulations under which—

16 (A) the amount to be transferred to a
17 State under the direct Federal-aid highway pro-
18 gram for a fiscal year shall be the portion of
19 the taxes appropriated to the Highway Trust
20 Fund under section 9503 of the Internal Rev-
21 enue Code of 1986, other than for the Alter-
22 native Transportation Account, for that fiscal
23 year that is attributable to highway users in
24 that State during that fiscal year, reduced by a
25 pro rata share withheld by the Secretary to

1 fund contract authority for programs of the Na-
2 tional Highway Traffic Safety Administration
3 and the Federal Motor Carrier Safety Adminis-
4 tration; and

5 (B) the amount to be transferred to a
6 State shall be the portion of the taxes trans-
7 ferred to the Alternative Transportation Ac-
8 count of the Highway Trust Fund under sec-
9 tion 9503(e) of the Internal Revenue Code of
10 1986 that is attributable to highway users in
11 that State during that fiscal year.

12 (2) Public transportation programs covered by
13 this section are the programs authorized under
14 chapter 53 of title 49, United States Code, and sec-
15 tion 3038 of the Federal Transit Act of 1998 (49
16 U.S.C. 5310 note).

17 (c) SELECTION OF STATES.—The Administrator of
18 the Federal Highway Administration, after consultation
19 with the Secretary of the Treasury, shall select one or
20 more States to participate in the pilot program from
21 among the States that file an application to participate
22 on the basis of such criteria as the Administrator pub-
23 lishes in advance of the application process.

