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HOUSE BILL 1344*
Committee Substitute Favorable 6/24/04
Third Edition Engrossed 6/30/04

Short Title: Highway Trust Fund Changes.

(Public)

Sponsors:

Referred to:

May 10, 2004

A BILL TO BE ENTITLED

AN ACT TO AMEND THE HIGHWAY TRUST FUND TO DEFINE THE
INTRASTATE HIGHWAY SYSTEM OF THE STATE AND TO MAKE THE
INTRASTATE SYSTEM ELIGIBLE FOR HIGHWAY TRUST FUND FUNDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-175 reads as rewritten:

"§ 136-175. **Definitions.**

The following definitions apply in this Article:

- (1) Intrastate System. The network of major, multilane arterial highways composed of those ~~projects~~ routes, segments, or corridors listed in G.S. ~~136-179, 136-178, I-240, I-277, US 29 from I-85 to the Virginia line,~~ and any other route added by the Department of Transportation under G.S. 136-178.
- (2) Transportation Improvement Program. The schedule of major transportation improvement projects required by G.S. 143B-350(f)(4).
- (3) Trust Fund. The North Carolina Highway Trust Fund."

SECTION 2. G.S. 136-176(b) reads as rewritten:

"(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four percent (4%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section for the 2003-2004 fiscal year and three and eight-tenths percent (3.8%) thereafter, may be used each fiscal year by the Department for expenses to administer the Trust Fund. Operation and project development costs of the North Carolina Turnpike Authority are eligible administrative expenses under this subsection. Any funds allocated to the Authority pursuant to this subsection shall be repaid by the Authority from its toll revenue as soon as possible, subject to any restrictions included in the agreements entered into by the Authority in connection with the issuance of the Authority's revenue bonds. Beginning one year after

1 the Authority begins collecting tolls on a completed Turnpike Project, interest shall
2 accrue on any unpaid balance owed to the Highway Trust Fund at a rate equal to the
3 State Treasurer's average annual yield on its investment of Highway Trust Fund funds
4 pursuant to G.S. 147-6.1. Interest earned on the unpaid balance shall be deposited in the
5 Highway Trust Fund upon repayment. The sum up to the amount anticipated to be
6 necessary to meet the State matching funds requirements to receive federal-aid highway
7 trust funds for the next fiscal year may be set aside for that purpose. The rest of the
8 funds in the Trust Fund shall be allocated and used as follows:

- 9 (1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design,
10 and construct ~~the~~ projects on segments or corridors of the Intrastate
11 System as described in G.S. ~~136-179~~ 136-178 and to pay debt service
12 on highway bonds and notes that are issued under the State Highway
13 Bond Act of 1996 and whose proceeds are applied to these projects.
- 14 (2) Twenty-five and five hundredths percent (25.05%) to plan, design, and
15 construct the urban loops described in G.S. 136-180 and to pay debt
16 service on highway bonds and notes that are issued under the State
17 Highway Bond Act of 1996 and whose proceeds are applied to these
18 urban loops.
- 19 (3) Six and one-half percent (6.5%) to supplement the appropriation to
20 cities for city streets under G.S. 136-181.
- 21 (4) Six and one-half percent (6.5%) for secondary road construction as
22 provided in G.S. 136-182 and to pay debt service on highway bonds
23 and notes that are issued under the State Highway Bond Act of 1996
24 and whose proceeds are applied to secondary road construction.

25 The Department must administer funds allocated under subdivisions (1), (2), and (4)
26 of this subsection in a manner that ensures that sufficient funds are available to make
27 the debt service payments on bonds issued under the State Highway Bond Act of 1996
28 as they become due."

29 **SECTION 3.** G.S. 136-178 reads as rewritten:

30 "**§ 136-178. Purpose and Description of Intrastate System.**

31 (a) The Intrastate System is established to provide high-speed, safe travel service
32 throughout the State. It connects major population centers both inside and outside the
33 State and provides safe, convenient, through-travel for motorists. It is designed to
34 support statewide growth and development objectives and to connect to major highways
35 of adjoining states. All segments of the routes in the Intrastate System shall have at least
36 four travel lanes ~~and, when~~ except those for which projected traffic volumes and
37 environmental considerations dictate fewer lanes. When warranted, segments of the
38 Intrastate System shall have vertical separation or interchanges at crossings, more than
39 four travel lanes, or bypasses. Access to a route in the Intrastate System is determined
40 by travel service and economic considerations.

41 Funds allocated from the Trust Fund for the Intrastate System are primarily intended
42 to be used to complete the projects listed in G.S. 136-179. If Intrastate Trust Funds
43 assigned to a distribution region through the provisions of G.S. 136-17.2A cannot be

1 used for projects listed in G.S. 136-179, then they may be used for projects on the
2 following route segments or corridors:

3 I-26 from Tennessee to South Carolina.

4 I-40 from Tennessee to US 17 in New Hanover County.

5 I-73 from South Carolina to Virginia.

6 I-74 from South Carolina to Virginia.

7 I-77 from South Carolina to Virginia.

8 I-85 from South Carolina to Virginia.

9 I-95 from South Carolina to Virginia.

10 I-240 in Buncombe County.

11 I-277 in Mecklenburg County.

12 I-440 in Wake County.

13 US 1 from South Carolina to I-85 in Vance County.

14 US 13 from US 17 in Bertie County to Virginia.

15 US 17 from South Carolina to Virginia.

16 US 19/19E from I-26 in Madison County to NC 194 in Avery County.

17 US 23/441 from Georgia to US 74 in Jackson County.

18 US 29 from I-40 in Guilford County to Virginia.

19 US 52 from I-74 in Surry County to I-85 in Davidson County.

20 US 64 from US 52 in Davidson County to US 158 in Dare County.

21 US 70 from I-40 in Wake County to NC 24 in Carteret County.

22 US 74 from Tennessee to US 17 in Brunswick County, including Independence
23 Boulevard from I-277 to I-485 in Mecklenburg County.

24 US 158 from US 52 in Forsyth County to I-85 in Granville County, and from I-85 in
25 Warren County to US 64 in Dare County.

26 US 221 from South Carolina to NC 105 in Avery County.

27 US 264 from US 64 in Wake County to US 17 in Beaufort County.

28 US 321 From South Carolina to Tennessee.

29 US 421 from US 321 west of Boone in Watauga County to I-40 in Forsyth County,
30 and from I-85 in Guilford County to NC 87 in Lee County.

31 NC 24 from I-77 in Mecklenburg County to US 70 in Carteret County.

32 NC 87 from US 421 in Lee County to US 74/76 in Columbus County.

33 NC 105 from US 221 in Avery County to US 321 in Watauga County.

34 NC 168 from US 158 in Currituck County to Virginia.

35 NC 194 from US 19E to US 221 in Avery County.

36 New route from US 158 to NC 12 including a new toll bridge over the Currituck
37 Sound in Currituck County.

38 Interstate routes or corridors designated by Congress or officially accepted onto the
39 Interstate System by the United States Department of Transportation.

40 Any portion of an urban loop project, as described in G.S. 136-180, that has been
41 certified by the Department as complete and is no longer eligible for funding from the
42 urban loop allocation specified in G.S. 136-176(b)(2).

43 The Department of Transportation may add a route to the Intrastate System if the
44 route is a multilane route and has been designed and built to meet the construction

1 criteria of the Intrastate System projects. No funds may be expended from the Trust
 2 Fund on routes added by the Department.

3 (b) Before encumbering or spending any funds on projects added to the Intrastate
 4 System by this section, in addition to those projects required to receive first priority
 5 pursuant to G.S. 136-179, the Department shall submit a report to the legislators
 6 representing the counties in which the priority projects that have not been completed are
 7 located on the current status of the project, the projected date for completion of the
 8 project, and the reasons for the delay in completing the project."

9 **SECTION 4.** G.S. 136-179 reads as rewritten:

10 **"§ 136-179. Projects of Intrastate System funded from Trust Fund.**

11 ~~Funds allocated from the Trust Fund for the Intrastate System may be used only for~~
 12 In the allocation of funds as specified in G.S. 136-176(b)(1), first priority shall be given
 13 to the following projects ~~of~~ on the Intrastate System:

14 Route	Improvements	Affected Counties
15 I-40	Widening	Buncombe, Haywood, 16 Guilford, Wake, Durham
17 I-77	Widening	Mecklenburg
18 I-85	Widening	Durham, Orange, Alamance, 19 Guilford, Cabarrus, 20 Mecklenburg, Gaston
21 I-95	Widening	Halifax
22 US-1	Complete 4-laning from 23 Henderson to South 24 Carolina Line 25 (including 6-laning of 26 Raleigh Beltline)	Vance, Franklin, Wake, Chatham, Lee, Moore, Richmond
27 US-13	Complete 4-laning from 28 Virginia Line to US-17	Gates, Hertford, Bertie
29 US-17	Complete 4-laning from 30 Virginia Line to South 31 Carolina Line (including 32 Washington, New Bern, 33 and Jacksonville 34 Bypasses)	Camden, Pasquotank, Perquimans, Chowan, Bertie, Martin, Beaufort, Craven, Jones, Onslow, Pender, New Hanover, Brunswick
36 US-19/US-19E	Complete 4-laning from 37 US-23 to NC 194 in 38 Ingalls	Madison, Yancey, Mitchell, Avery
39 US-19	Complete 4-laning	Cherokee, Macon, 40 Swain
41 US-23	Complete 4-laning and 42 upgrading existing 43 4-lanes from Tennessee 44 Line to I-240	Madison, Buncombe

1	US-23-441	Complete 4-laning from	Macon
2		US-19/US-74 to Georgia	
3		Line	
4	US-52	Complete 4-laning from	Surry, Davidson
5		I-77 to Lexington	
6		(including new I-77	
7		Connector)	
8	US-64	Complete 4-laning from	Edgecombe, Pitt,
9		Raleigh to Coast	Martin, Washington,
10		(including freeway	Tyrrell, Dare
11		construction from I-95	
12		to US-17)	
13	US-64	Complete 4-laning from	Davidson, Randolph,
14		Lexington to Raleigh	Chatham, Wake
15	US-70	Complete 4-laning from	Wake, Johnston,
16		Raleigh to Morehead City	Wayne, Lenoir,
17		(including Clayton,	Craven
18		Goldsboro, Kinston,	
19		Smithfield-Selma, and	
20		Havelock Bypasses	
21		predominately freeways	
22		on predominately new	
23		locations)	
24	US-74	Complete 4-laning from	Mecklenburg, Union,
25		Charlotte to US-17	Richmond, Robeson,
26		(including multilaning	Columbus
27		of Independence Blvd. in	
28		Charlotte, and Bypasses	
29		of Monroe, Rockingham,	
30		and Hamlet)	
31	US-74	Complete 4-laning from	Polk, Rutherford
32		I-26 to I-85	
33	US-158	Complete 4-laning	Forsyth, Guilford,
34		from Winston-Salem	Rockingham, Caswell,
35		to Whalebone	Person, Granville,
36			Vance, Warren,
37			Halifax,
38			Northampton, Gates,
39			Hertford,
40			Pasquotank, Camden,
41			Currituck, Dare
42		New <u>toll</u> bridge over	Currituck
43		Currituck Sound	
44	US-221	Complete 4-laning from	Avery, McDowell,

1		Linville to South	Rutherford
2		Carolina	
3	US-220	Complete 4-laning from	Guilford, Randolph,
4		I-40 to US-1	Montgomery, Richmond
5	US-220/NC-68	Complete 4-laning from	Rockingham, Guilford
6		Virginia Line to I-40	
7	US-264	Complete 4-laning from	Wilson, Greene,
8		US-64 to Washington	Pitt
9		(including Wilson and	
10		Greenville Bypasses)	
11		(including freeway	
12		construction from I-95	
13		to Greenville)	
14	US-321	Complete 4-laning from Boone	<u>Avery</u> , Caldwell, Catawba,
15		<u>Tennessee Line</u> to South	Lincoln, Gaston <u>Gaston</u> ,
16		Carolina Line	<u>Watauga</u>
17	US-421	Complete 4-laning from	Watauga, Wilkes, Yadkin
18		Tennessee Line <u>US 321 west</u>	
19		<u>of Boone</u> to I-40	
20	US-421	Complete 4-laning from	Chatham, Lee
21		Greensboro to Sanford	
22		(including Bypass of	
23		Sanford)	
24	NC-24	Complete 4-laning from	Mecklenburg,
25		Charlotte to Morehead	Cabarrus, Stanly,
26		City	Montgomery, Moore,
27			Harnett, Cumberland,
28			Sampson, Duplin,
29			Onslow, Carteret
30	NC-87	Complete 4-laning from	Lee, Harnett,
31		Sanford to US-74	Cumberland, Bladen,
32			Columbus
33	NC-105	Complete 4-laning from	Watauga, Avery
34		Boone to Linville	
35	NC-168	Complete multilaning	Currituck
36		from Virginia Line	
37		to US-158	
38	NC-194	Complete 4-laning from	Avery"
39		US-19E to US-221	

SECTION 5. G.S. 136-182 reads as rewritten:

"§ 136-182. Supplement for secondary road construction.

Funds are allocated from the Trust Fund to increase allocations for secondary road construction made under G.S. 136-44.2A so that all State-maintained unpaved secondary roads with a traffic vehicular equivalent of at least 50 vehicles a day can be

1 paved by the 2009-2010 fiscal year. ~~This supplement shall be discontinued when the~~
2 ~~Department of Transportation certifies that, with funds available from sources other~~
3 ~~than the Trust Fund, all State-maintained unpaved secondary roads, regardless of their~~
4 ~~traffic vehicular equivalent, can be paved during the following six years. If all the~~
5 State-maintained roads in a county have been paved under G.S. 136-44.7, except those
6 that have unavailable rights-of-way or for which environmental permits cannot be
7 approved to allow for paving, then the funds may be used for safety improvements on
8 the paved or unpaved secondary roads in that county. ~~If the supplement is discontinued~~
9 ~~before the Trust Fund terminates, the funds that would otherwise be allocated under this~~
10 ~~section shall be added to the allocation from the Trust Fund for projects of the Intrastate~~
11 ~~System."~~

12 **SECTION 6.** G.S. 136-185 reads as rewritten:

13 **"§ 136-185. Maintenance reserve created in certain circumstances.**

14 If the Highway Trust Fund has not terminated but all contracts for the projects of the
15 Intrastate System described in G.S. 136-179 have been let and the amount collected and
16 allocated for the Intrastate System is enough to pay the contracts and retire any bonds
17 issued under the State Highway Bond Act of 1996 for projects of the Intrastate System,
18 all subsequent allocations of revenue for the Intrastate System shall be credited to a
19 reserve account within the Trust Fund. Revenue in this reserve may be used only to
20 maintain the projects of the Intrastate System.

21 If the Highway Trust Fund has not terminated but all contracts for the urban loops
22 described in G.S. 136-180 have been let and the amount collected and allocated for the
23 urban loops is enough to pay the contracts and retire any bonds issued under the State
24 Highway Bond Act of 1996 for the urban loops, then all urban loops shall be considered
25 a part of the Intrastate System, and all subsequent allocations of revenue for the urban
26 loops shall be credited to a reserve—the Intrastate account within the Trust Fund.
27 ~~Revenue in this reserve may be used only to maintain the urban loops."~~

28 **SECTION 7.** This act is effective when it becomes law.