

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 1356

Short Title: Highway Trust Fund-Need Based Projects. (Public)

Sponsors: Representatives McMahan; Blust, Capps, Culp, Current, Dockham,
Dollar, Gulley, Lewis, McGee, Rayfield, Rhodes, Vinson, and Wiley.

Referred to: Transportation.

April 21, 2005

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT FUNDS FROM THE HIGHWAY TRUST FUND
2 SHALL BE USED FOR PROJECTS BASED ON CONGESTION REDUCTION
3 NEEDS.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 136-176(b) reads as rewritten:

7 "(b) Funds in the Trust Fund are annually appropriated to the Department of
8 Transportation to be allocated and used as provided in this subsection. A sum, not to
9 exceed four percent (4%) of the amount of revenue deposited in the Trust Fund under
10 subdivisions (a)(1), (2), and (3) of this section for the 2003-2004 fiscal year and three
11 and eight-tenths percent (3.8%) thereafter, may be used each fiscal year by the
12 Department for expenses to administer the Trust Fund.

13 Operation and project development costs of the North Carolina Turnpike Authority
14 are eligible administrative expenses under this subsection. Any funds allocated to the
15 Authority pursuant to this subsection shall be repaid by the Authority from its toll
16 revenue as soon as possible, subject to any restrictions included in the agreements
17 entered into by the Authority in connection with the issuance of the Authority's revenue
18 bonds. Beginning one year after the Authority begins collecting tolls on a completed
19 Turnpike Project, interest shall accrue on any unpaid balance owed to the Highway
20 Trust Fund at a rate equal to the State Treasurer's average annual yield on its investment
21 of Highway Trust Fund funds pursuant to G.S. 147-6.1. Interest earned on the unpaid
22 balance shall be deposited in the Highway Trust Fund upon repayment. The sum up to
23 the amount anticipated to be necessary to meet the State matching funds requirements to
24 receive federal-aid highway trust funds for the next fiscal year may be set aside for that
25 purpose.

26 Five percent (5%) of the amount of revenue deposited in the Trust Fund under
27 subdivisions (a)(1), (2), and (3) of this section shall be used for projects to reduce

1 congestion on existing highways or projects that will reduce congestion. These funds
2 shall be distributed, to provide the maximum funds, on the basis of either:

3 (1) The ratio that the population the county or counties in which the
4 project is located bears to the total State population.

5 (2) The need for reducing congestion on a roadway based on statewide
6 ranking of projects determined by taking the average daily volume of
7 vehicles divided by the design capacity and then multiplied by the
8 accident rate of the facility divided by the statewide average accident
9 rate for facilities of this type [(Volume/Capacity) x (Accident rate of
10 facility/statewide average accident rates for facilities of this type)].

11 These funds shall not be subject to the allocation formulas in G.S. 136-17.2A,
12 G.S. 136-44.5, or G.S. 136-44.7.

13 The rest of the funds in the Trust Fund shall be allocated and used as follows:

14 (1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design,
15 and construct projects on segments or corridors of the Intrastate
16 System as described in G.S. 136-178 and to pay debt service on
17 highway bonds and notes that are issued under the State Highway
18 Bond Act of 1996 and whose proceeds are applied to these projects.

19 (2) Twenty-five and five hundredths percent (25.05%) to plan, design, and
20 construct the urban loops described in G.S. 136-180 and to pay debt
21 service on highway bonds and notes that are issued under the State
22 Highway Bond Act of 1996 and whose proceeds are applied to these
23 urban loops.

24 (3) Six and one-half percent (6.5%) to supplement the appropriation to
25 cities for city streets under G.S. 136-181.

26 (4) Six and one-half percent (6.5%) for secondary road construction as
27 provided in G.S. 136-182 and to pay debt service on highway bonds
28 and notes that are issued under the State Highway Bond Act of 1996
29 and whose proceeds are applied to secondary road construction.

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

34 **SECTION 2.** This act is effective when it becomes law.