GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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HOUSE BILL 21*

Short Title:	Highway Trust Fund Federal-Aid Match.	(Public)		
Sponsors: Representatives Crawford; Coates and Col				
Referred to: Transportation.				
February 17, 2003				

A BILL TO BE ENTITLED

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2	AN ACT TO AMEND THE HIGHWAY TRUST FUND TO AUTHORIZE THE USE				
3	OF HIGHWAY TRUST FUND FUNDS TO MATCH FEDERAL-AID HIGHWAY				
4	FUNDS, AS RECOMMENDED BY THE JOINT LEGISLATIVE				
5	TRANSPORTATION OVERSIGHT COMMITTEE.				
6	6 The General Assembly of North Carolina enacts:				
7	SECTION 1. G.S. 136-176 reads as rewritten:				
8	8 "§ 136-176. Creation, revenue sources, and purpose of North Carolina Highway				
9	Trust Fund.				
10	(a) A special account, designated the North Carolina Highway Trust Fund, is				
11	created within the State treasury. The Trust Fund consists of the following revenue:				
12	(1) Motor fuel, alternative fuel, and road tax revenue deposited in the				
13	Fund under G.S. 105-449.125, 105-449.134, and 105-449.43,				
14	respectively.				
15	(2) Motor vehicle use tax deposited in the Fund under G.S. 105-187.9.				
16	(3) Revenue from the certificate of title fee and other fees payable under				
17	G.S. 20-85.				
18	(4) Repealed by Session Laws 2001, c. 424, s. 27.1.				
19	(5) Interest and income earned by the Fund.				
20	(a1) The Department may use two hundred twenty million dollars (\$220,000,000)				
21	in fiscal year 2001-2002, two hundred twelve million dollars (\$212,000,000) in fiscal				
22	year 2002-2003, and two hundred fifty-five million dollars (\$255,000,000) in fiscal year				
23	2003-2004 of the cash balance of the Highway Trust Fund for the following purposes:				
24	(1) For primary route pavement preservation. – One hundred seventy				
25	million dollars (\$170,000,000) in fiscal year 2001-2002, and one				
26	hundred fifty million dollars (\$150,000,000) in each of the fiscal years				
27	2002-2003 and 2003-2004. Up to ten percent (10%) of the amount for				
28	each of the fiscal years 2001-2002, 2002-2003, and 2003-2004 is				

1	available in that fiscal year, at the discretion of the Secretary of
2	Transportation, for:
3	a. Highway improvement projects that further economic growth
4	and development in small urban and rural areas, that are in the
5	Transportation Improvement Program, and that are individually
6	approved by the Board of Transportation; or
7	b. Highway improvements that further economic development in
8	the State and that are individually approved by the Board of
9	Transportation.
10	(2) For preliminary engineering costs not included in the current year
11	Transportation Improvement Program. – Fifteen million dollars
12	(\$15,000,000) in each of the fiscal years 2001-2002, 2002-2003, and
13	2003-2004.
14	(3) For computerized traffic signal systems and signal optimization
15	projects. – Fifteen million dollars (\$15,000,000) in each of the fiscal
16	years 2001-2002, 2002-2003, and 2003-2004.
17	(4) For public transportation twenty million dollars (\$20,000,000) in fiscal
18	year 2001-2002, twenty-five million dollars (\$25,000,000) in fiscal
19	year 2002-2003, and seventy-five million dollars (\$75,000,000) in
20	fiscal year 2003-2004.
21	(5) For small urban construction projects. – Seven million dollars
22	(\$7,000,000) in fiscal year 2002-2003.
23	(a2) The Department shall certify to the Joint Legislative Transportation Oversight
24	Committee each year, on or before November 1, that use of the Highway Trust Fund
25	cash balances for these purposes will not adversely affect the delivery schedule of
26	Highway Trust Fund projects in the 2002-2008 Transportation Improvement Program.
27	(b) Funds in the Trust Fund are annually appropriated to the Department of
28	Transportation to be allocated and used as provided in this subsection. A sum, not to
29	exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust
30	Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year
31	by the Department for expenses to administer the Trust Fund. Operation and project
32	development costs of the North Carolina Turnpike Authority are eligible administrative
33	expenses under this subsection. Any funds allocated to the Authority pursuant to this
34	subsection shall be repaid by the Authority from its toll revenue as soon as possible,
35	subject to any restrictions included in the agreements entered into by the Authority in
36	connection with the issuance of the Authority's revenue bonds. Beginning one year after
37	the Authority begins collecting tolls on a completed Turnpike Project, interest shall
38	accrue on any unpaid balance owed to the Highway Trust Fund at a rate equal to the
39	State Treasurer's average annual yield on its investment of Highway Trust Fund funds
40	pursuant to G.S. 147-6.1. Interest earned on the unpaid balance shall be deposited in the
41	Highway Trust Fund upon repayment. The sum up to the amount anticipated to be
42	necessary to meet the State matching funds requirements to receive Federal-Aid
43	Highway trust funds for the next fiscal year may be set aside for that purpose. The rest
44	of the funds in the Trust Fund shall be allocated and used as follows:

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1	(1)	Sixty-one and ninety-five hundredths percent (61.95%) to plan, design,		
2		and construct the projects on segments or corridors of the Intrastate		
3		System as described in G.S. 136-179 and to pay debt service on		
4		highway bonds and notes that are issued under the State Highway		
5		Bond Act of 1996 and whose proceeds are applied to these projects.		
6	(2)	Twenty-five and five hundredths percent (25.05%) to plan, design, and		
7		construct the urban loops described in G.S. 136-180 and to pay debt		
8		service on highway bonds and notes that are issued under the State		
9		Highway Bond Act of 1996 and whose proceeds are applied to these		
10		urban loops.		
11	(3)	Six and one-half percent (6.5%) to supplement the appropriation to		
12		cities for city streets under G.S. 136-181.		
13	(4)	Six and one-half percent (6.5%) for secondary road construction as		
14		provided in G.S. 136-182 and to pay debt service on highway bonds		
15		and notes that are issued under the State Highway Bond Act of 1996		
16		and whose proceeds are applied to secondary road construction.		
17	The Departr	nent must administer funds allocated under subdivisions (1), (2), and (4)		
18	of this subsecti	on in a manner that ensures that sufficient funds are available to make		
19	the debt service	e payments on bonds issued under the State Highway Bond Act of 1996		
20	as they become	due.		
21	(b1) The	Secretary may authorize the transfer of funds allocated under		
22	subdivisions (1) through (4) of subsection (b) of this section to other projects that are			
23	ready to be let	t and were to be funded from allocations to those subdivisions. The		
24	Secretary shall	ensure that any funds transferred pursuant to this subsection are repaid		
25	promptly and in	n any event in no more than four years. The Secretary shall certify, prior		
26	to making any	transfer pursuant to this subsection, that the transfer will not affect the		
27	delivery sched	ule of Highway Trust Fund projects in the current Transportation		
28	Improvement I	Program. No transfers shall be allowed that do not conform to the		
29	applicable provisions of the equity formula for distribution of funds, G.S. 136-17.2A. If			
30	the Secretary au	uthorizes a transfer pursuant to this subsection, the Secretary shall report		
31	that decision	to the next regularly scheduled meetings of the Joint Legislative		
32		on Governmental Operations, the Joint Legislative Transportation		
33	Oversight Committee, and to the Fiscal Research Division.			
34	(c) If fur	nds are received under 23 U.S.C. Chapter 1. Federal-Aid Highways, for a		

(c) If funds are received under 23 U.S.C. Chapter 1, Federal-Aid Highways, for a
project for which funds in the Trust Fund may be used, the amount of federal funds
received plus the amount of any funds from the Highway Fund that were used to match
the federal funds may be transferred by the Secretary of Transportation from the Trust
Fund to the Highway Fund and used for projects in the Transportation Improvement
Program.

40 (d) A contract may be let for projects funded from the Trust Fund in anticipation
41 of revenues pursuant to the cash-flow provisions of G.S. 143-28.1 only for the two
42 bienniums following the year in which the contract is let."

SECTION 2. This act becomes effective July 1, 2003.

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