

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 525*

Short Title: Limit Use of Highway Fund Credit Balance. (Public)

Sponsors: Senators Tarte, Rabon, Harrington (Primary Sponsors); and Meredith.

Referred to: Appropriations/Base Budget.

April 1, 2013

A BILL TO BE ENTITLED

AN ACT TO PROTECT THE TAXPAYERS OF NORTH CAROLINA FROM THE
DIVERSION OF FUEL TAX PROCEEDS FOR NONTRANSPORTATION USES BY
REQUIRING THAT THE UNRESERVED CREDIT BALANCE IN THE HIGHWAY
FUND BE USED FOR ROAD-RELATED USES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-44.2 reads as rewritten:

"§ 136-44.2. Budget and appropriations.

...

(f) If the unreserved credit balance in the Highway Fund on the last day of a fiscal year is greater than the amount estimated for that date in the Current Operations Appropriations Act for the following fiscal year, the excess shall be used in accordance with this subsection. The Director of the Budget shall allocate the excess to a reserve (i) for access and public roads or (ii) for other urgent road construction or road maintenance needs. The use of this reserve shall be subject to the following:

- (1) Restrictions on use. – No more than five million dollars (\$5,000,000) from this reserve may be spent on a single project. Funds from this reserve being used for an "other urgent road construction or road maintenance need" project cannot be used for ~~administrative costs, information technology costs, or economic development.~~ an economic development purpose.
- (2) Approval. – The Department of Transportation shall submit for approval to the Director of the Budget all expenditures from the reserve established under this subsection.
- (3) Reporting. – At least five days, not including State holidays or weekend days, prior to submitting an expenditure request to the Director of the Budget under subdivision (2) of this subsection, the Department of Transportation shall submit a report on the expenditure request to the Fiscal Research Division and to the members of the House Appropriations Subcommittee on Transportation and the Senate Appropriations Committee on Department of Transportation. Such report shall be certified by the chief financial officer of the Department of Transportation and shall include (i) a project description, (ii) whether the project is for access and public roads or for other urgent needs, (iii) a justification of the project, (iv) the total project cost, (v) the amount of funding for the project coming from the reserve, and (vi) other funding sources for the project.



1 (4) Carryforward. – If on the last day of the fiscal year the balance in the reserve
2 established by this subsection is greater than five million dollars
3 (\$5,000,000), then the Director of the Budget shall transfer the amount in
4 excess of that sum to the Reserve for General Maintenance in the Highway
5 Fund.

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7 **SECTION 2.** This act becomes effective July 1, 2014.