GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2005

S SENATE BILL 1819

Short Title: NC Turnpike Encouragement and Assistance.

(Public)

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Sponsors: Senator Jenkins.

Referred to: Transportation.

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May 24, 2006

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A NORTH CAROLINA TURNPIKE ENCOURAGEMENT AND ASSISTANCE PROGRAM (N.C. TEA), AND TO ASSIST THE NORTH CAROLINA TURNPIKE AUTHORITY AND THE DEPARTMENT OF TRANSPORTATION FIND ADDITIONAL FUNDING AND SPEED NEEDED TRANSPORTATION IMPROVEMENTS.

Whereas, the North Carolina General Assembly has noted that toll funding is feasible in North Carolina and that a toll program can speed the implementation of needed transportation improvements; and

Whereas, traditional sources of revenue are proving to be insufficient to meet the mobility demands of our growing State; and

Whereas, turnpikes, which comprise both individual toll roads and ValuExpress lanes alongside nontoll lanes, exhibit the potential to provide the State with a significant new source of highway funding revenue; and

Whereas, tolls alone are rarely sufficient to provide 100% of the financial resources required for constructing a new turnpike corridor, and one or more external sources of additional funding are required; and

Whereas, the enabling legislation for the North Carolina Turnpike Authority authorizes but does not require that the Department of Transportation participate in the cost of construction of a Turnpike Project; and

Whereas, in order to complement the efforts of the North Carolina Turnpike Authority, this proposed legislation targets an existing, albeit limited, source of revenue to encourage toll construction in the largest and most congested urban regions of the state; and

Whereas, this proposed legislation is designed to encourage urban regions to share in the burden of investing in their mobility future and to relieve some of the transportation funding burden of the State; Now, therefore,

The General Assembly of North Carolina enacts:

1	;	SECT	TION 1. G.S. 136-176(a) is amended by adding a new subdivision to
2	read:		· · · · · · · · · · · · · · · · · · ·
3	,	" <u>(6)</u>	Revenue from the General Fund that may be provided to the Highway
4			Trust Fund from time to time."
5	;	SECT	TION 2. G.S. 136-176(b)(2) reads as rewritten:
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, and to fund the North Carolina Turnpike Encouragement
11			and Assistance Program (N.C. TEA) as described in subjection (e) of
12			this section."
13	;	SECT	TION 3. G.S. 136-176 is amended by adding a new subsection to read:
14	" <u>(e)</u>	A No	rth Carolina Turnpike Encouragement and Assistance Program (N.C.
15	TEA) is he	ereby e	established within the State Highway Trust Fund.
16	<u>.</u>	<u>(1)</u>	A minimum of twelve and one-half percent (12.5%) of annual
17			Highway Trust Fund loop funding or twelve million five hundred
18			thousand dollars (\$12,500,000) of annual Highway Trust Fund loop
19			funding, whichever is greater, shall be reserved for the N.C. TEA
20			Program to provide gap funding and/or gap financing for eligible
21			Turnpike Projects as defined in G.S. 136-89.181.
22	<u>(</u>	(2)	Turnpike Projects that are eligible for loop funding pursuant to
22 23 24 25			G.S. 136-180 will continue to remain eligible for additional loop
24			funding from those portions of the annual State Highway Trust Fund
25			loop allocation that are not reserved for Turnpike Projects under the
26			N.C. TEA Program.
27	<u>.</u>	<u>(3)</u>	Turnpike Projects that are not currently listed as loop-eligible
28			roadways pursuant to G.S. 136-180 are also eligible for gap funding
29			and/or gap financing from the N.C. TEA Program. No more than fifty
30			percent (50%) of the annual allocation for the N.C. TEA Program shall
31			be available for nonloop eligible roadways.
32	<u>.</u>	<u>(4)</u>	In order to ensure financial feasibility of potential Turnpike Projects
33			and in order to maximize the number of Turnpike Projects that can be
34			assisted across the State, total funding from the N.C. TEA Program
35			may be used to cover no more than twenty percent (20%) of any
36			loop-eligible Turnpike Project cost, or no more than thirty percent
37			(30%) of any nonloop-eligible Turnpike Project cost.
38	<u>.</u>	<u>(5)</u>	To hold all loop cities harmless and to assist in the development of the
39			N.C. TEA Program, twenty-five million dollars (\$25,000,000) in
40			General Fund revenues shall be provided to the Highway Trust Fund
41		(6)	Loop Fund in fiscal year 2006-2007.
12	<u>.</u>	<u>(6)</u>	Within 18 months after this act becomes law, the Department of
43			Transportation and the Turnpike Authority shall jointly provide a full
14			report to the Joint Transportation Legislative Oversight Committee as

to the progress of the N.C. Turnpike Encouragement and Assistance 1 2 Program and of the impact of the Program on both loop revenues and 3 loop expenses of the Highway Trust Fund. 4 While funds from the N.C. TEA Program may be used as one-time <u>(7)</u> 5 lump-sum gap funding payments, it is the intent of this legislation that 6 a series of annual gap funding streams for multiple turnpike projects be 7 pursued in order to minimize upfront costs, minimize effective interest 8 rates and overall payments, and maximize the number of Turnpike 9 Projects that can be assisted by this Program. 10 (8) It is the intent of this act that the twelve and one-half percent (12.5%) minimum funding level for the N.C. TEA Program shall be exceeded 11 12 in subsequent years as the number of eligible turnpike projects 13 increases. 14 (9) It is the intent of this act that the annual provision of twenty-five 15 million dollars (\$25,000,000) in General Fund revenues for the N.C. TEA Program be continued or expanded until at least four Turnpike 16 17 Projects are approved and under construction in at least three different 18 urban regions in North Carolina. If the amount of funding available under this program exceeds the 19 (10)20 number of eligible Turnpike Projects during any fiscal year, these 21 funds shall remain available to the Department for use in providing gap funding or financing for Turnpike Projects until expended. 22 23 It is the intent of this act that additional funding sources be pursued (11)24 and identified to assist with the development of the N.C. Turnpike Encouragement and Assistance Program. In addition to Highway Trust 25 Fund loop allocations, additional funding for this Program may come 26 from a surplus in the General Fund or from the reduction or 27 elimination in transfer payments from the Highway Trust Fund to the 28 29 General Fund." **SECTION 4.** This act becomes effective July 1, 2006. 30