## GENERAL ASSEMBLY OF NORTH CAROLINA

## **SESSION 1993**

H 1

## HOUSE BILL 307

Short Title: GPAC-Highway Fund Policy. (Public)  Sponsors: (by request) Representatives Nesbitt, Blue, Barnes, Diamont, Hackney, Hensley, H. Hunter, G. Miller, and Robinson.		
		February 25, 1993
		A BILL TO BE ENTITLED
AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT		
PERI	FORM	ANCE AUDIT COMMITTEE REGARDING HIGHWAY FUND
POL	ICY.	
The General Assembly of North Carolina enacts:		
—-REASSESS HIGHWAY TRUST FUND PROGRAM.		
Section 1. (a) The General Assembly finds that financial conditions and highway		
		ties are constantly changing and there should be a mechanism for the
periodic reassessment for the financial feasibility of the Highway Trust Fund.		
` /	(b) G.S. 120-70.51(a) reads as rewritten:	
"(a)		
	(1)	Review reports prepared by the Department of Transportation under
		G.S. 136-184.
	(2)	Monitor the funds deposited in and expenditures from the North
	(0)	Carolina Highway Trust Fund and the Highway Fund.
	(3)	Determine whether funds in the Trust Fund are spent in accordance
		with G.S. 136-17.2A and Article 14 of Chapter 136.
	(4)	Determine whether any revisions are needed in the funding for a
		program for which funds in the Trust Fund may be used, including
	(5)	revisions needed to meet any statutory timetable for the program.
	(5)	Report to the General Assembly at the beginning of each regular
		session concerning its determinations of needed changes in the funding
		for programs funded from the Trust Fund.

- Report periodically, when changing fiscal conditions and highway priorities require, and at least every five years, on a reassessment of the justification for and the financial feasibility of construction projects funded from the Highway Trust Fund."
  - (c) This act is effective upon ratification. The first report required by subsection (b) of this section shall be filed prior to the first day of the 1994 Session of the General Assembly.
  - —-TRANSPORTATION FINANCING STUDY.

- Sec. 2. (a) The General Assembly finds that there is a highway maintenance backlog and that added funding may be necessary to meet future highway maintenance needs and other obligations associated with the Highway Trust Fund program. General Fund transfers, interagency transfers, and program allocations of highway fund revenues increasingly dilute the revenues available for needed roadway capital improvement, maintenance, and operations. With the passage of landmark federal surface transportation funding legislation by Congress in 1991 (The Intermodal Surface Transportation Efficiency Act of 1991 ISTEA), the level and allocation of federal transportation funding has significantly changed. The changes in national and State administrations are likely to generate further changes to the funding and program priorities for transportation at the federal and State level.
- (b) The Joint Legislative Highway Oversight Committee shall study comprehensive transportation funding, including:
  - (1) All modes of transportation receiving State funding;
  - (2) Short-term and long-term program needs and life-cycle costs;
  - (3) Currently available and alternative funding sources; and
  - (4) Possible legislation needed to ensure that designated revenue sources are properly used to support program priorities in a comprehensive and equitable fashion.
- (c) The Joint Legislative Highway Oversight Committee shall report the results of the study mandated by subsection (b) of this section to the General Assembly prior to the first day of the 1994 Session of the General Assembly.
  - (d) This section becomes effective July 1, 1993.
- —-MUNICIPAL AGREEMENTS INCREASED.
- Sec. 3. (a) The General Assembly finds that the Department of Transportation should expand efforts to turn over operations-related functions, such as signal maintenance, signal system operation, sign maintenance, and pavement marking maintenance, to local urbanized communities through municipal agreements. The effect of these agreements will be to place operational responsibility closer to the group most impacted by the function while potentially relieving the Department of Transportation of part of the associated costs.
- (b) The Department of Transportation shall report to the General Assembly, on or before December 1, 1993, a plan to increase the use of municipal agreements to turn over operations-related functions to local urbanized communities.
  - (c) This section is effective upon ratification.