

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Proposed Committee Substitute for Senate Bill 233

SHORT TITLE: Loop Funds - TACs may redirect

SPONSOR(S): Senators Hamilton Horton, Jr., J. Mark McDaniel, Jr., etc.

FISCAL IMPACT: Expenditures: Increase () Decrease ()
Revenues: Increase () Decrease ()
No Impact ()
No Estimate Available (x)

FUND AFFECTED: General Fund () Highway Fund () Local Govt. ()
Other Funds (x) (Highway Trust Fund & Federal Funds)

BILL SUMMARY: The act permits local Transportation Advisory Committees to redirect funds designated for urban loops to other projects in their metropolitan area.

EFFECTIVE DATE: The act is effective upon ratification

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

FISCAL IMPACT

FY FY FY FY
FY

REVENUES:

GENERAL FUND

HIGHWAY FUND

HIGHWAY TRUST FUND

LOCAL

EXPENDITURES

POSITIONS:

ASSUMPTIONS AND METHODOLOGY: The act permits local governments to substitute projects for the loops intended for their area. The act does not increase the amount of money going to a region. As of December, 1994, DOT projected the following construction costs for the urban loops, excluding preliminary engineering expenses:

	<u>Loop Amount</u>	<u>% Project Authorized</u>
Asheville	\$ 99,300,000	0%
Charlotte	825,927,704	29.3
Durham	90,350,000	0
Greensboro	529,164,322	0
Raleigh	566,621,008	13.4
Wilmington	158,975,000	0
Winston-Salem	307,050,000	0

The local governments must stay within the estimated project cost of their loop when petitioning DOT to redirect funds to other projects. Only Raleigh and Charlotte have received construction funds to date.

While the total spending from the Trust Fund is capped by the DOT project estimates shown above, there is one potential cost of the bill. DOT could, unintentionally, waste project funds if it commits funds for design and right-of-way acquisition on a loop, then the local government decides against loop construction. The bill does not address when a loop can be stopped and another project substituted. On the Durham, Wilmington, and Winston-Salem loops, \$4.2 million had been spent on preliminary engineering as of December, 1994. The local governments would have to act immediately after passage of this bill to decide whether to proceed with the loops or go to alternative projects in order to prevent DOT from investing further into project planning and design. This potential expense could be avoided if a deadline were imposed on local governments to act on whether or not to build a loop.

SOURCES OF DATA: Department of Transportation

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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