

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE DRH60750-MA-174 (5/10)

Short Title: N.C. Turnpike Encouragement and Assistance.

(Public)

Sponsors: Representative L. Allen.

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO ESTABLISH A NORTH CAROLINA TURNPIKE ENCOURAGEMENT
3 AND ASSISTANCE PROGRAM (N.C. TEA), AND TO ASSIST THE NORTH
4 CAROLINA TURNPIKE AUTHORITY AND THE DEPARTMENT OF
5 TRANSPORTATION FIND ADDITIONAL FUNDING AND SPEED NEEDED
6 TRANSPORTATION IMPROVEMENTS.

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

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

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

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

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

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

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

1 The General Assembly of North Carolina enacts:

2 **SECTION 1.** G.S. 136-176(a) is amended by adding a new subdivision to
3 read:

4 "(6) Revenue from the General Fund that may be provided to the Highway
5 Trust Fund from time to time."

6 **SECTION 2.** G.S. 136-176(b)(2) reads as rewritten:

7 "(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and
8 construct the urban loops described in G.S. 136-180, and to pay debt
9 service on highway bonds and notes that are issued under the State
10 Highway Bond Act of 1996 and whose proceeds are applied to these
11 urban loops, and to fund the North Carolina Turnpike Encouragement
12 and Assistance Program (N.C. TEA) as described in subsection (e) of
13 this section."

14 **SECTION 3.** G.S. 136-176 is amended by adding a new subsection to read:

15 "(e) A North Carolina Turnpike Encouragement and Assistance Program (N.C.
16 TEA) is hereby established within the State Highway Trust Fund.

17 (1) A minimum of twelve and one-half percent (12.5%) of annual
18 Highway Trust Fund loop funding or twelve million five hundred
19 thousand dollars (\$12,500,000) of annual Highway Trust Fund loop
20 funding, whichever is greater, shall be reserved for the N.C. TEA
21 Program to provide gap funding and/or gap financing for eligible
22 Turnpike Projects as defined in G.S. 136-89.181.

23 (2) Turnpike Projects that are eligible for loop funding pursuant to
24 G.S. 136-180 will continue to remain eligible for additional loop
25 funding from those portions of the annual State Highway Trust Fund
26 loop allocation that are not reserved for Turnpike Projects under the
27 N.C. TEA Program.

28 (3) Turnpike Projects that are not currently listed as loop-eligible
29 roadways pursuant to G.S. 136-180 are also eligible for gap funding
30 and/or gap financing from the N.C. TEA Program. No more than fifty
31 percent (50%) of the annual allocation for the N.C. TEA Program shall
32 be available for nonloop eligible roadways.

33 (4) In order to ensure financial feasibility of potential Turnpike Projects
34 and in order to maximize the number of Turnpike Projects that can be
35 assisted across the State, total funding from the N.C. TEA Program
36 may be used to cover no more than twenty percent (20%) of any
37 loop-eligible Turnpike Project cost, or no more than thirty percent
38 (30%) of any nonloop-eligible Turnpike Project cost.

39 (5) To hold all loop cities harmless and to assist in the development of the
40 N.C. TEA Program, twenty-five million dollars (\$25,000,000) in
41 General Fund revenues shall be provided to the Highway Trust Fund
42 Loop Fund in fiscal year 2006-2007.

43 (6) Within 18 months after this act becomes law, the Department of
44 Transportation and the Turnpike Authority shall jointly provide a full

1 report to the Joint Transportation Legislative Oversight Committee as
2 to the progress of the N.C. Turnpike Encouragement and Assistance
3 Program and of the impact of the Program on both loop revenues and
4 loop expenses of the Highway Trust Fund.

5 (7) While funds from the N.C. TEA Program may be used as one-time
6 lump-sum gap funding payments, it is the intent of this legislation that
7 a series of annual gap funding streams for multiple turnpike projects be
8 pursued in order to minimize upfront costs, minimize effective interest
9 rates and overall payments, and maximize the number of Turnpike
10 Projects that can be assisted by this Program.

11 (8) It is the intent of this act that the twelve and one-half percent (12.5%)
12 minimum funding level for the N.C. TEA Program shall be exceeded
13 in subsequent years as the number of eligible turnpike projects
14 increases.

15 (9) It is the intent of this act that the annual provision of twenty-five
16 million dollars (\$25,000,000) in General Fund revenues for the N.C.
17 TEA Program be continued or expanded until at least four Turnpike
18 Projects are approved and under construction in at least three different
19 urban regions in North Carolina.

20 (10) If the amount of funding available under this program exceeds the
21 number of eligible Turnpike Projects during any fiscal year, these
22 funds shall remain available to the Department for use in providing
23 gap funding or financing for Turnpike Projects until expended.

24 (11) It is the intent of this act that additional funding sources be pursued
25 and identified to assist with the development of the N.C. Turnpike
26 Encouragement and Assistance Program. In addition to Highway Trust
27 Fund loop allocations, additional funding for this Program may come
28 from a surplus in the General Fund or from the reduction or
29 elimination in transfer payments from the Highway Trust Fund to the
30 General Fund."

31 **SECTION 4.** This act becomes effective July 1, 2006.