

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**HOUSE BILL 2829**

Short Title: Turnpike Revenue Retention. (Public)

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Sponsors: Representatives L. Allen, Martin, Stam, Cole (Primary Sponsors); Gibson and Wray.

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Referred to: Rules, Calendar, and Operations of the House.

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May 30, 2006

A BILL TO BE ENTITLED  
AN ACT TO ENSURE NORTH CAROLINA TURNPIKE AUTHORITY REVENUE  
RETENTION.

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 transportation revenue sources, including Highway Use and Motor Fuel taxes, are indirect user fees; and

Whereas, these indirect fees limit the ability to efficiently target revenues to specific corridors and hamper congestion mitigation efforts; and

Whereas, by contrast, turnpike revenues are direct user fees, paid for by the user at the time and location of actual usage, turnpikes carry the clear potential to provide the State with a new and efficient source of highway funding revenue; and

Whereas, the North Carolina General Assembly's Blue Ribbon Commission to Study Solutions to North Carolina's Urban Transportation needs recommended that new revenues from turnpikes be allocated fairly to urban congestion relief efforts; and

Whereas, most of the current language in the General Statutes refers to Turnpike Project revenues and expenses as a whole across the State rather than establishing a direct user fee relationship, and the language permitting interstate tolling does establish a direct user fee relationship; and

Whereas, Turnpikes will be successful in North Carolina, that is, accepted and used by the public at large but only if turnpikes meet, to the greatest extent feasible, the direct user fee standard of a transportation service received for a transportation fee paid at the time and place of service; and

Whereas, this act is designed to provide a direct user fee assurance to the public and to help coordinate toll revenue generation with corresponding mobility needs, particularly in the increasingly congested regions of the State, by reserving the

1 vast majority of Turnpike revenues for the Turnpike Section where the revenue was  
2 generated; and

3 Whereas, this act provides the NC Turnpike Authority with sufficient  
4 flexibility to develop a statewide Turnpike System by authorizing up to 25% of  
5 Turnpike revenues generated annually on a given Turnpike Section to be spent on other  
6 Turnpike Sections along the same toll corridor or a nearby intersecting toll corridor with  
7 the approval of the affected metropolitan and rural transportation planning agencies;  
8 Now, therefore,

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** G.S. 136-89.181 is amended by adding new subdivisions to  
11 read:

12 "(6) "Turnpike" means any road, bridge, or tunnel containing one or more  
13 travel lanes where toll user fees are collected in one or both directions  
14 of travel on the facility. A facility operated as a Turnpike may or may  
15 not contain non-tolled travel lanes.

16 (7) "Turnpike Section" means a continuous length of Turnpike with the  
17 same route number and designation. A Turnpike Section terminates at  
18 any point where a route number changes, a route designation changes,  
19 a traffic signal that interrupts free-flow is found, or the collection of  
20 tolls ceases in both directions of travel.

21 (8) "Turnpike Corridor" means a continuous length of road, bridge, or  
22 tunnel with the same route number and designation that together form  
23 part or all of a continuous freeway or expressway route with at least  
24 one Turnpike Section. A Turnpike Corridor may or may not contain  
25 non-tolled sections. The same route number and designation must be  
26 continuously and logically maintained along the entire length of  
27 Turnpike Sections and any non-tolled sections along the route. A  
28 Turnpike Corridor terminates at any point where a route number  
29 changes, a route designation changes, or a traffic signal that interrupts  
30 free-flow is found.

31 (9) "Intersecting Turnpike Corridor" shall mean a Turnpike Corridor that  
32 interchanges with another Turnpike Corridor.

33 (10) "Alternate, Comparable, Non-toll route" as described in  
34 G.S. 136-89.197 may include one or more non-toll travel lanes of the  
35 Turnpike facility itself in addition to a separate roadway or roadways.

36 (11) "Net toll revenues" means toll revenues after Turnpike Authority  
37 administration costs. Turnpike Authority administration costs related  
38 and charged to a Turnpike Project or Turnpike Section shall not exceed  
39 five percent (5%) of the total revenue derived from the Turnpike  
40 Project or from a Turnpike Section."

41 **SECTION 2.** G.S. 136-89.188 is repealed.

42 **SECTION 3.** Chapter 136 of the General Statutes is amended by adding a  
43 new section to read:

44 **"§ 136-89.188A. Use of revenues.**

1        "(a) Revenues derived from a Turnpike Section or Turnpike Project authorized  
2 under this Article shall be used only for Authority administration costs; operation and  
3 maintenance costs for the Turnpike Section from which the revenues were generated;  
4 debt service on the Authority's revenue bonds associated with the Turnpike Project; and  
5 related purposes such as the establishment of debt service reserve funds as required by  
6 bond covenants. In addition, revenues derived from a Turnpike Section or Turnpike  
7 Project may be used for the design, development, analysis, right-of-way acquisition, and  
8 construction for a future Turnpike Project along all or a portion of the same Turnpike  
9 Section from which the revenues were generated.

10        (b) The Authority may use up to one hundred percent (100%) of the revenue  
11 derived from a Turnpike Section or Turnpike Project for debt service on the Authority's  
12 revenue bonds associated with the Turnpike Section or Turnpike Project or for a  
13 combination of debt service and operation and maintenance expenses for the Turnpike  
14 Section from which the revenues were generated.

15        (c) Notwithstanding the provisions in subsections (a) and (b) of this section, upon  
16 approval by all affected Metropolitan Planning Organizations and Rural Planning  
17 Organizations, up to twenty-five percent (25%) of toll revenues generated along a  
18 Turnpike Section may be spent on an existing or potential Turnpike Section of an  
19 Intersecting Turnpike Corridor within the same or an adjacent county.

20        (d) Notwithstanding the provisions in subsections (a) and (b) of this section, upon  
21 approval by all affected Metropolitan Planning Organizations and Rural Planning  
22 Organizations, up to twenty-five percent (25%) of toll revenues generated along a  
23 Turnpike Section may be spent on another existing or potential Turnpike Section of the  
24 same Turnpike Corridor.

25        (e) In no case shall toll revenues be used to design, develop, analyze, purchase  
26 right-of-way for, construct, expand, reconstruct, operate, or maintain a roadway that is  
27 not operated as a Turnpike Section or approved for consideration as a Turnpike Section  
28 by the Authority board.

29        (f) The Authority shall use not more than five percent (5%) of total revenue  
30 derived from any Turnpike Section or Turnpike Project for Authority administration  
31 costs."

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