

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1344*
Committee Substitute Favorable 6/24/04

Short Title: Highway Trust Fund Changes.

(Public)

Sponsors:

Referred to:

May 10, 2004

A BILL TO BE ENTITLED

AN ACT TO AMEND THE HIGHWAY TRUST FUND TO DEFINE THE
INTRASTATE HIGHWAY SYSTEM OF THE STATE AND TO MAKE THE
INTRASTATE SYSTEM ELIGIBLE FOR HIGHWAY TRUST FUND FUNDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-175 reads as rewritten:

"§ 136-175. **Definitions.**

The following definitions apply in this Article:

- (1) Intrastate System. The network of major, multilane arterial highways composed of those ~~projects—routes, segments, or corridors~~ listed in G.S. ~~136-179, 136-178, I-240, I-277, US 29 from I-85 to the Virginia line,~~ and any other route added by the Department of Transportation under G.S. 136-178.
- (2) Transportation Improvement Program. The schedule of major transportation improvement projects required by G.S. 143B-350(f)(4).
- (3) Trust Fund. The North Carolina Highway Trust Fund."

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

"(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four percent (4%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section for the 2003-2004 fiscal year and three and eight-tenths percent (3.8%) thereafter, may be used each fiscal year by the Department for expenses to administer the Trust Fund. Operation and project development costs of the North Carolina Turnpike Authority are eligible administrative expenses under this subsection. Any funds allocated to the Authority pursuant to this subsection shall be repaid by the Authority from its toll revenue as soon as possible, subject to any restrictions included in the agreements entered into by the Authority in connection with the issuance of the Authority's revenue bonds. Beginning one year after the Authority begins collecting tolls on a completed Turnpike Project, interest shall

1 accrue on any unpaid balance owed to the Highway Trust Fund at a rate equal to the
2 State Treasurer's average annual yield on its investment of Highway Trust Fund funds
3 pursuant to G.S. 147-6.1. Interest earned on the unpaid balance shall be deposited in the
4 Highway Trust Fund upon repayment. The sum up to the amount anticipated to be
5 necessary to meet the State matching funds requirements to receive federal-aid highway
6 trust funds for the next fiscal year may be set aside for that purpose. The rest of the
7 funds in the Trust Fund shall be allocated and used as follows:

- 8 (1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design,
9 and construct ~~the~~ projects on segments or corridors of the Intrastate
10 System as described in G.S. ~~136-179~~ 136-178 and to pay debt service
11 on highway bonds and notes that are issued under the State Highway
12 Bond Act of 1996 and whose proceeds are applied to these projects.
- 13 (2) Twenty-five and five hundredths percent (25.05%) to plan, design, and
14 construct the urban loops described in G.S. 136-180 and to pay debt
15 service on highway bonds and notes that are issued under the State
16 Highway Bond Act of 1996 and whose proceeds are applied to these
17 urban loops.
- 18 (3) Six and one-half percent (6.5%) to supplement the appropriation to
19 cities for city streets under G.S. 136-181.
- 20 (4) Six and one-half percent (6.5%) for secondary road construction as
21 provided in G.S. 136-182 and to pay debt service on highway bonds
22 and notes that are issued under the State Highway Bond Act of 1996
23 and whose proceeds are applied to secondary road construction.

24 The Department must administer funds allocated under subdivisions (1), (2), and (4)
25 of this subsection in a manner that ensures that sufficient funds are available to make
26 the debt service payments on bonds issued under the State Highway Bond Act of 1996
27 as they become due."

28 **SECTION 3.** G.S. 136-178 reads as rewritten:

29 **"§ 136-178. Purpose and Description of Intrastate System.**

30 The Intrastate System is established to provide high-speed, safe travel service
31 throughout the State. It connects major population centers both inside and outside the
32 State and provides safe, convenient, through-travel for motorists. It is designed to
33 support statewide growth and development objectives and to connect to major highways
34 of adjoining states. All segments of the routes in the Intrastate System shall have at least
35 four travel lanes ~~and, when~~ except those for which projected traffic volumes and
36 environmental considerations dictate fewer lanes. When warranted, segments of the
37 Intrastate System shall have vertical separation or interchanges at crossings, more than
38 four travel lanes, or bypasses. Access to a route in the Intrastate System is determined
39 by travel service and economic considerations.

40 Funds allocated from the Trust Fund for the Intrastate System are primarily intended
41 to be used to complete the projects listed in G.S. 136-179. If Intrastate Trust Funds
42 assigned to a distribution region through the provisions of G.S. 136-17.2A cannot be
43 used for projects listed in G.S. 136-179, then they may be used for projects on the
44 following route segments or corridors:

1 I-26 from Tennessee to South Carolina.
2 I-40 from Tennessee to US 17 in New Hanover County.
3 I-73 from South Carolina to Virginia.
4 I-74 from South Carolina to Virginia.
5 I-77 from South Carolina to Virginia.
6 I-85 from South Carolina to Virginia.
7 I-95 from South Carolina to Virginia.
8 I-240 in Buncombe County.
9 I-277 in Mecklenburg County.
10 I-440 in Wake County.
11 US 1 from South Carolina to I-85 in Vance County.
12 US 13 from US 17 in Bertie County to Virginia.
13 US 17 from South Carolina to Virginia.
14 US 19/19E from I-26 in Madison County to NC 194 in Avery County.
15 US 23/441 from Georgia to US 74 in Jackson County.
16 US 29 from I-40 in Guilford County to Virginia.
17 US 52 from I-74 in Surry County to I-85 in Davidson County.
18 US 64 from US 52 in Davidson County to US 158 in Dare County.
19 US 70 from I-40 in Wake County to NC 24 in Carteret County.
20 US 74 from Tennessee to US 17 in Brunswick County, including Independence
21 Boulevard from I-277 to I-485 in Mecklenburg County.
22 US 158 from US 52 in Forsyth County to I-85 in Granville County, and from I-85 in
23 Warren County to US 64 in Dare County.
24 US 221 from South Carolina to NC 105 in Avery County.
25 US 264 from US 64 in Wake County to US 17 in Beaufort County.
26 US 321 From South Carolina to Tennessee.
27 US 421 from US 321 west of Boone in Watauga County to I-40 in Forsyth County,
28 and from I-85 in Guilford County to NC 87 in Lee County.
29 NC 24 from I-77 in Mecklenburg County to US 70 in Carteret County.
30 NC 87 from US 421 in Lee County to US 74/76 in Columbus County.
31 NC 105 from US 221 in Avery County to US 321 in Watauga County.
32 NC 168 from US 158 in Currituck County to Virginia.
33 NC 194 from US 19E to US 221 in Avery County.

34 Interstate routes or corridors designated by Congress or officially accepted onto the
35 Interstate System by the United States Department of Transportation.

36 Any portion of an urban loop project, as described in G.S. 136-180, that has been
37 certified by the Department as complete and is no longer eligible for funding from the
38 urban loop allocation specified in G.S. 136-176(b)(2).

39 The Department of Transportation may add a route to the Intrastate System if the
40 route is a multilane route and has been designed and built to meet the construction
41 criteria of the Intrastate System projects. No funds may be expended from the Trust
42 Fund on routes added by the Department."

43 **SECTION 4.** G.S. 136-179 reads as rewritten:

44 **"§ 136-179. Projects of Intrastate System funded from Trust Fund.**

~~Funds allocated from the Trust Fund for the Intrastate System may be used only for~~
In the allocation of funds as specified in G.S. 136-176(b)(1), first priority shall be given
to the following projects of on the Intrastate System:

Route	Improvements	Affected Counties
I-40	Widening	Buncombe, Haywood, Guilford, Wake, Durham
I-77	Widening	Mecklenburg
I-85	Widening	Durham, Orange, Alamance, Guilford, Cabarrus, Mecklenburg, Gaston
I-95	Widening	Halifax
US-1	Complete 4-laning from Henderson to South Carolina Line (including 6-laning of Raleigh Beltline)	Vance, Franklin, Wake, Chatham, Lee, Moore, Richmond
US-13	Complete 4-laning from Virginia Line to US-17	Gates, Hertford, Bertie
US-17	Complete 4-laning from Virginia Line to South Carolina Line (including Washington, New Bern, and Jacksonville Bypasses)	Camden, Pasquotank, Perquimans, Chowan, Bertie, Martin, Beaufort, Craven, Jones, Onslow, Pender, New Hanover, Brunswick
US-19/US-19E	Complete 4-laning from US-23 to NC 194 in Ingalls	Madison, Yancey, Mitchell, Avery
US-19	Complete 4-laning	Cherokee, Macon, Swain
US-23	Complete 4-laning and upgrading existing 4-lanes from Tennessee Line to I-240	Madison, Buncombe
US-23-441	Complete 4-laning from US-19/US-74 to Georgia Line	Macon
US-52	Complete 4-laning from I-77 to Lexington (including new I-77 Connector)	Surry, Davidson
US-64	Complete 4-laning from Raleigh to Coast (including freeway)	Edgecombe, Pitt, Martin, Washington, Tyrrell, Dare

1		construction from I-95	
2		to US-17)	
3	US-64	Complete 4-laning from	Davidson, Randolph,
4		Lexington to Raleigh	Chatham, Wake
5	US-70	Complete 4-laning from	Wake, Johnston,
6		Raleigh to Morehead City	Wayne, Lenoir,
7		(including Clayton,	Craven
8		Goldsboro, Kinston,	
9		Smithfield-Selma, and	
10		Havelock Bypasses	
11		predominately freeways	
12		on predominately new	
13		locations)	
14	US-74	Complete 4-laning from	Mecklenburg, Union,
15		Charlotte to US-17	Richmond, Robeson,
16		(including multilaning	Columbus
17		of Independence Blvd. in	
18		Charlotte, and Bypasses	
19		of Monroe, Rockingham,	
20		and Hamlet)	
21	US-74	Complete 4-laning from	Polk, Rutherford
22		I-26 to I-85	
23	US-158	Complete 4-laning	Forsyth, Guilford,
24		from Winston-Salem	Rockingham, Caswell,
25		to Whalebone	Person, Granville,
26			Vance, Warren,
27			Halifax,
28			Northampton, Gates,
29			Hertford,
30			Pasquotank, Camden,
31			Currituck, Dare
32		New bridge over	Currituck
33		Currituck Sound	
34	US-221	Complete 4-laning from	Avery, McDowell,
35		Linville to South	Rutherford
36		Carolina	
37	US-220	Complete 4-laning from	Guilford, Randolph,
38		I-40 to US-1	Montgomery, Richmond
39	US-220/NC-68	Complete 4-laning from	Rockingham, Guilford
40		Virginia Line to I-40	
41	US-264	Complete 4-laning from	Wilson, Greene,
42		US-64 to Washington	Pitt
43		(including Wilson and	
44		Greenville Bypasses)	

1		(including freeway	
2		construction from I-95	
3		to Greenville)	
4	US-321	Complete 4-laning from Boone	<u>Avery</u> , Caldwell, Catawba,
5		<u>Tennessee Line</u> to South	Lincoln, Gaston <u>Gaston</u> ,
6		Carolina Line	<u>Watauga</u>
7	US-421	Complete 4-laning from	Watauga, Wilkes, Yadkin
8		Tennessee Line <u>US 321 west</u>	
9		<u>of Boone</u> to I-40	
10	US-421	Complete 4-laning from	Chatham, Lee
11		Greensboro to Sanford	
12		(including Bypass of	
13		Sanford)	
14	NC-24	Complete 4-laning from	Mecklenburg,
15		Charlotte to Morehead	Cabarrus, Stanly,
16		City	Montgomery, Moore,
17			Harnett, Cumberland,
18			Sampson, Duplin,
19			Onslow, Carteret
20	NC-87	Complete 4-laning from	Lee, Harnett,
21		Sanford to US-74	Cumberland, Bladen,
22			Columbus
23	NC-105	Complete 4-laning from	Watauga, Avery
24		Boone to Linville	
25	NC-168	Complete multilaning	Currituck
26		from Virginia Line	
27		to US-158	
28	NC-194	Complete 4-laning from	Avery"
29		US-19E to US-221	

SECTION 5. G.S. 136-182 reads as rewritten:

"§ 136-182. Supplement for secondary road construction.

Funds are allocated from the Trust Fund to increase allocations for secondary road construction made under G.S. 136-44.2A so that all State-maintained unpaved secondary roads with a traffic vehicular equivalent of at least 50 vehicles a day can be paved by the 2009-2010 fiscal year. ~~This supplement shall be discontinued when the Department of Transportation certifies that, with funds available from sources other than the Trust Fund, all State-maintained unpaved secondary roads, regardless of their traffic vehicular equivalent, can be paved during the following six years. If all the State-maintained roads in a county have been paved under G.S. 136-44.7, except those that have unavailable rights-of-way or for which environmental permits cannot be approved to allow for paving, then the funds may be used for safety improvements on the paved or unpaved secondary roads in that county. If the supplement is discontinued before the Trust Fund terminates, the funds that would otherwise be allocated under this~~

1 ~~section shall be added to the allocation from the Trust Fund for projects of the Intrastate~~
2 ~~System."~~

3 **SECTION 6.** G.S. 136-185 reads as rewritten:

4 **"§ 136-185. Maintenance reserve created in certain circumstances.**

5 If the Highway Trust Fund has not terminated but all contracts for the projects of the
6 Intrastate System described in G.S. 136-179 have been let and the amount collected and
7 allocated for the Intrastate System is enough to pay the contracts and retire any bonds
8 issued under the State Highway Bond Act of 1996 for projects of the Intrastate System,
9 all subsequent allocations of revenue for the Intrastate System shall be credited to a
10 reserve account within the Trust Fund. Revenue in this reserve may be used only to
11 maintain the projects of the Intrastate System.

12 If the Highway Trust Fund has not terminated but all contracts for the urban loops
13 described in G.S. 136-180 have been let and the amount collected and allocated for the
14 urban loops is enough to pay the contracts and retire any bonds issued under the State
15 Highway Bond Act of 1996 for the urban loops, then all urban loops shall be considered
16 a part of the Intrastate System, and all subsequent allocations of revenue for the urban
17 loops shall be credited to ~~a reserve~~ the Intrastate account within the Trust Fund.
18 ~~Revenue in this reserve may be used only to maintain the urban loops."~~

19 **SECTION 7.** This act is effective when it becomes law.