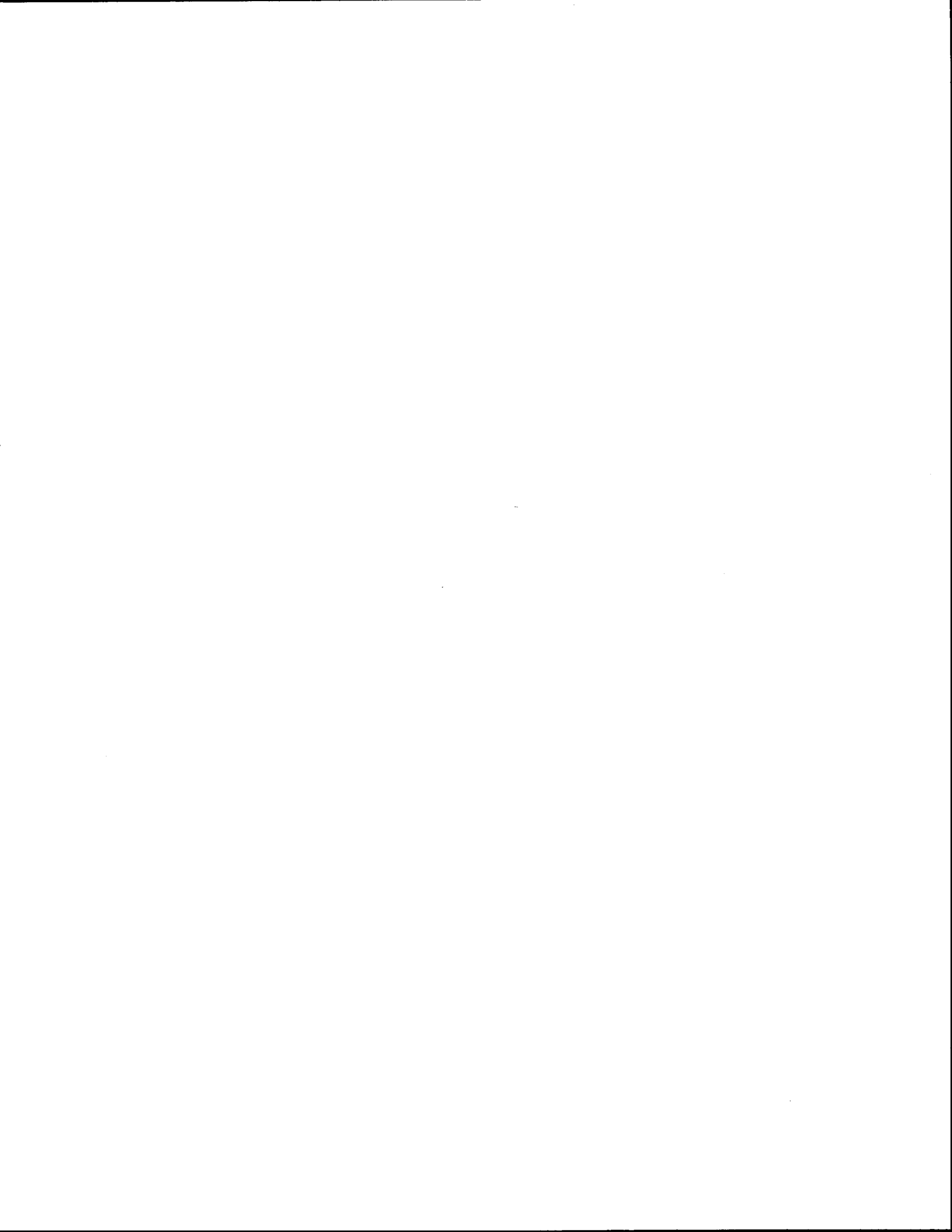


**LEGISLATOR'S GUIDE**  
**TO**  
**NORTH CAROLINA**  
**HIGHWAY FUND**  
**AND**  
**HIGHWAY TRUST FUND**

**NORTH CAROLINA GENERAL ASSEMBLY**  
**FISCAL RESEARCH DIVISION**  
**JANUARY, 1990**



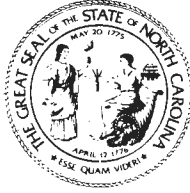
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January 29, 1990

TO: MEMBERS OF THE NORTH CAROLINA GENERAL ASSEMBLY

The Fiscal Research Division is pleased to provide you with this Guide to Highway Fund and Highway Trust Fund revenues, expenditures, appropriations, and special provisions enacted during the 1989 Session.

The Guide is organized into three parts: (1) A brief review of the total state budget, by source of fund; (2) Details of Highway Fund and Highway Trust Fund revenues; and, (3) Descriptions of Highway Fund appropriations to the Department of Transportation, other departments, and related special provisions.

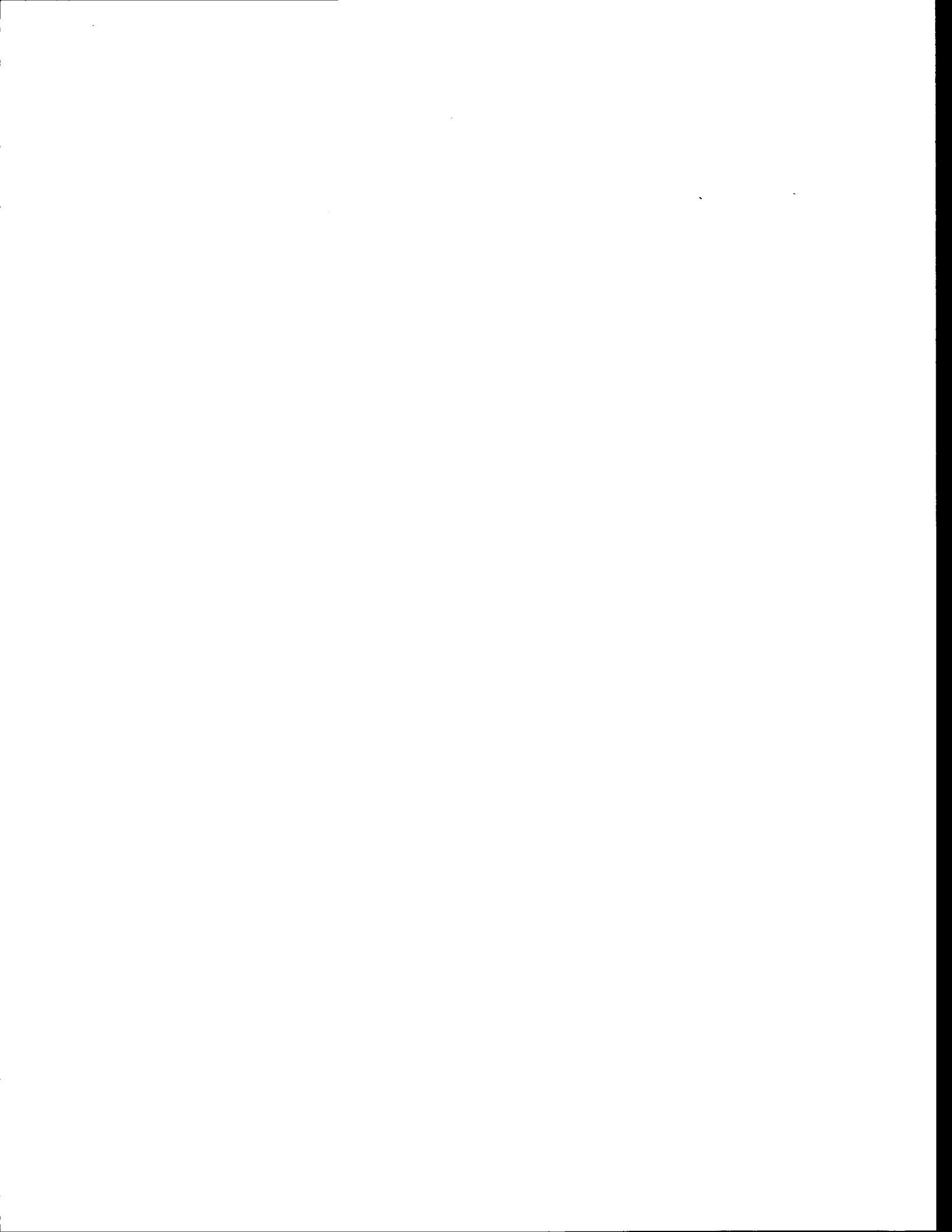
Sabra Faires, Doug Carter, and Ruth Sappie of our staff assumed responsibility for compiling the Guide.

If you would like further information about the Department of Transportation, the Highway Fund or Highway Trust Fund, please contact Fred Aikens or Richard Bostic at (919)733-4910.

Sincerely yours,

  
Thomas L. Covington  
Director

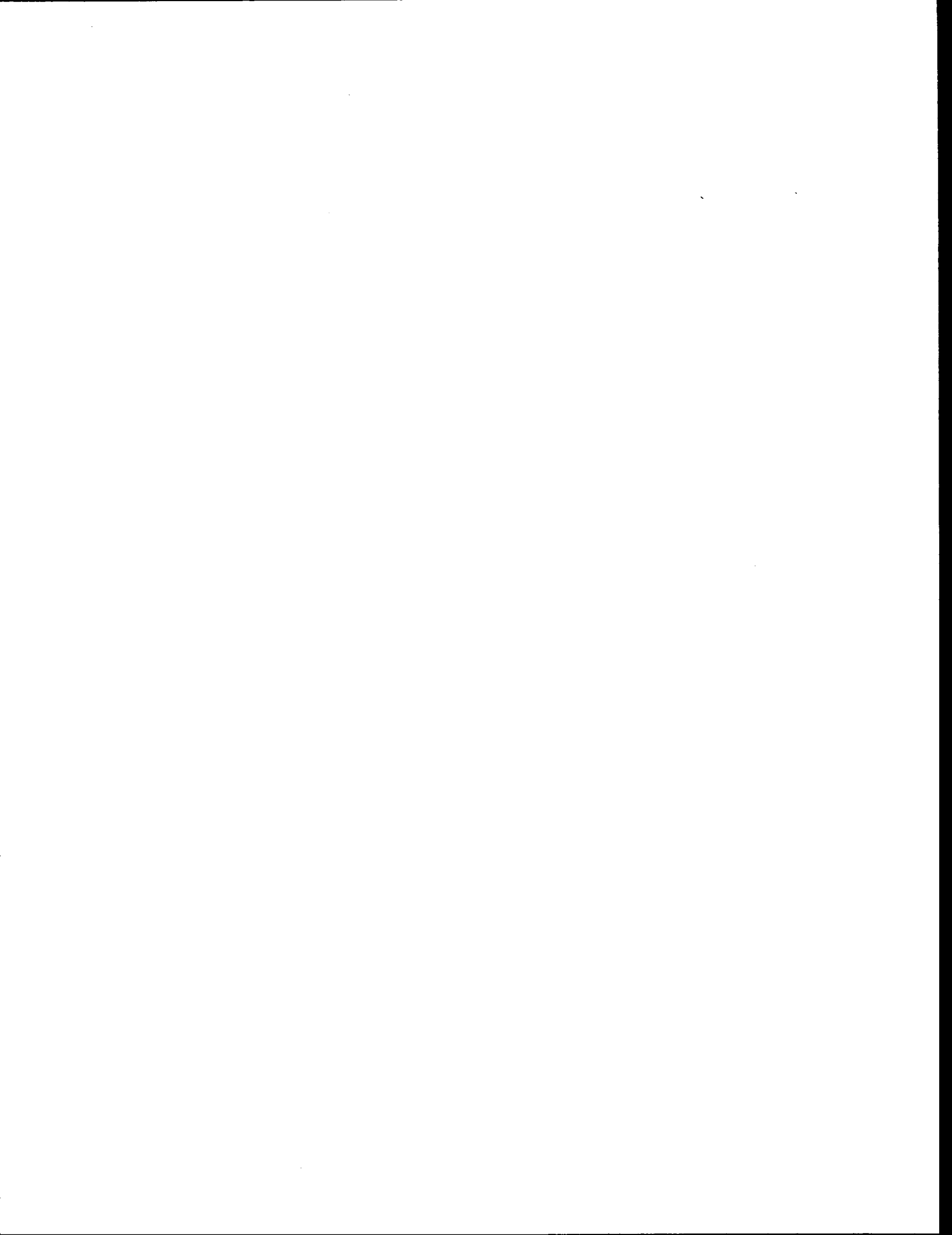
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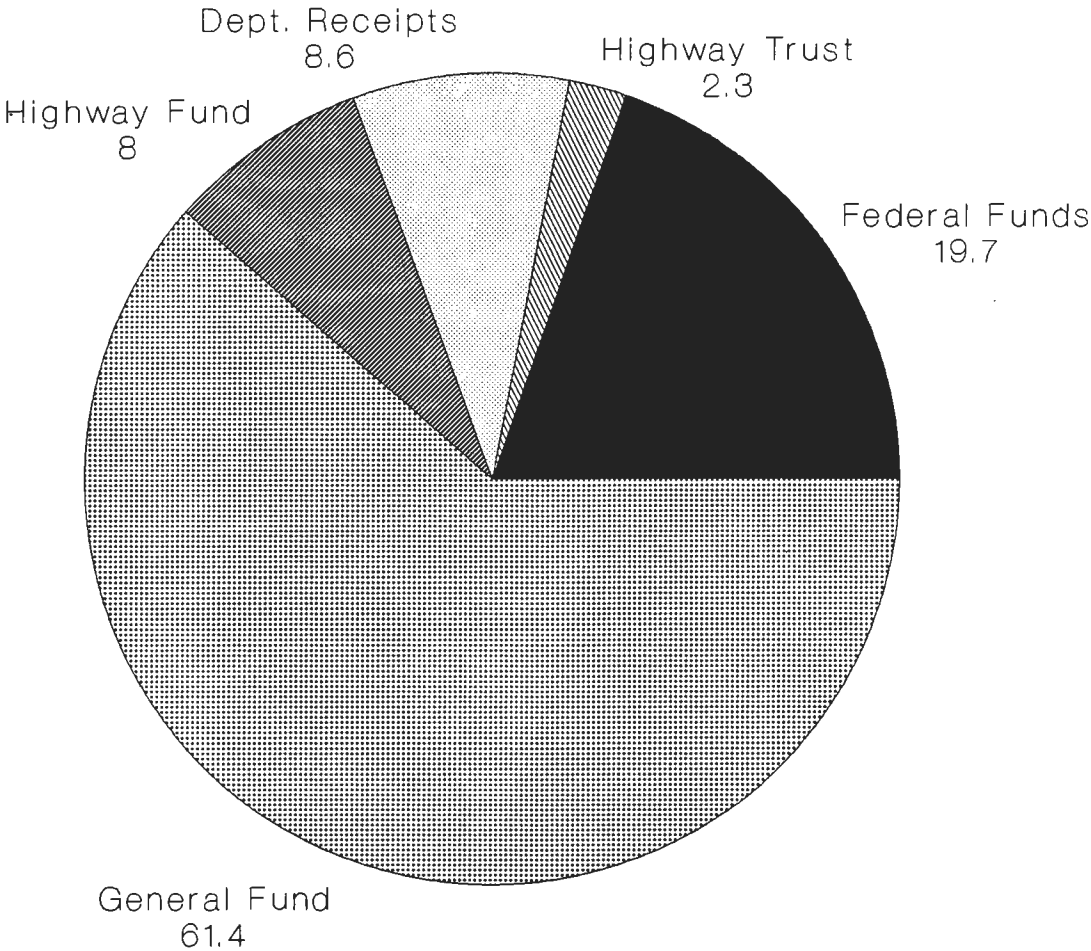


## SUMMARY OF 1989-90 AND 1990-91 BUDGETS

<i>TOTAL BUDGET</i>	\$11.996 billion in 1989-90 and \$12.584 billion in 1990-91 for both operations and capital improvements. For 1989-90, authorized capital improvements from the General Fund are \$245.3 million and authorized capital improvements from the Highway Fund are \$11.46 million. For 1990-91, authorized capital improvements from the General Fund are \$65.5 million; no capital improvements are authorized for 1990-91 from the Highway Fund. No capital improvements are authorized from the Highway Trust Fund for either fiscal year.
<i>GENERAL FUND</i>	\$7.360 billion in 1989-90 and \$7.752 billion in 1990-91.
<i>HIGHWAY FUND</i>	\$960.7 million in 1989-90 and \$968.7 million in 1990-91.
<i>HIGHWAY TRUST FUND</i>	\$275.9 million in 1989-90 and \$359.6 million in 1990-91.
<i>FEDERAL FUNDS</i>	\$2.367 billion in 1989-90 and \$2.579 billion in 1990-91.
<i>DEPARTMENTAL RECEIPTS</i>	\$1.033 billion in 1989-90 and \$924.2 million in 1990-91. Made up of tuition fees, patient fees, and other dedicated receipts.
<i>REVENUE PROJECTIONS</i>	General Fund tax revenues are projected to grow 8.3% in 1989-90 and 7.4% in 1990-91.* Highway Fund revenues are projected to grow 2% in 1989-90 and 3% during 1990-91.*

\*Actual collections adjusted for tax law changes and other special factors.

# COMPOSITION OF STATE BUDGET 1989-90 Fiscal Year



Percent of Total



## HIGHWAY TRUST FUND

*Statutory Authority: G.S. 136, Article 14; G.S. 120, Article 12E*

The 1989 General Assembly created the North Carolina Highway Trust Fund, designated the sources of revenue for the Fund, and specified the purposes for which Trust Fund revenue may be used. The Trust Fund is administered by the Department of Transportation and monitored by the newly created Joint Legislative Highway Oversight Committee. The Trust Fund is separate from the Highway Fund. Like the Highway Fund, however, the Trust Fund is subject to the Executive Budget Act.

In general the Trust Fund is a \$9.1 billion, 13 1/2 year roads package that creates 3,600 miles of a four-lane Intrastate Highway System, builds 207 miles of urban loops around seven cities, paves 10,000 miles of unpaved secondary roads in the State, and provides additional funds for cities to improve city streets. The Trust Fund and the tax and fee increases that are sources of revenue for the Fund terminate when these goals are reached.

### I. REVENUE SOURCES

The Trust Fund consists primarily of motor fuel tax revenue and motor vehicle titling tax revenue. All revenue sources for the fund are described below. The amount of estimated revenue generated by these sources is shown on the table titled "Highway Trust Fund Revenue" on page 7.

*Sources of Trust Fund Revenue:*

- (1) Twenty-five percent (25%) of the excise taxes collected on motor fuels and twenty-five percent (25%) of the road tax levied on motor carriers for the privilege of using the roads in this State. The amount of 25% is designated because that is the increase in the motor fuels and road taxes. These taxes were increased effective August 1, 1989, from a flat rate of 14¢ a gallon plus 3% of the average wholesale price of the fuel to 17¢ a gallon plus either 3 1/2¢ a gallon or 7% of the average wholesale price of the fuel, whichever is greater. Before the increase the tax was 15.7¢ a gallon; after the increase the tax was 20.9¢ a gallon. The tax therefore increased by 5.2¢ a gallon.
- (2) Revenue from a highway use tax levied on the issuance of a certificate of title for a motor vehicle, other than certain vehicles that will be rented or leased. This tax is a titling tax and replaces the previous 2%, \$300 maximum sales tax on motor vehicles. The use tax is 3% of the retail value of the vehicle for which a title is issued. The tax cannot be less than \$40.00, cannot exceed \$1,000 until July 1, 1993, and cannot exceed \$1,500 after that date. The tax became effective October 1, 1989.

The retail value of a vehicle is determined as follows:

- a. New vehicle— value is the sales price, less the amount of any trade-in allowance.
- b. Used vehicle sold by a dealer— value is the sales price, less the amount of any trade-in allowance.

- c. Used vehicle sold by a person who is not a dealer— value is presumed to be the wholesale book value of the vehicle, less the amount of any trade-in allowance. A person who disagrees with the presumed value must pay the tax due based on the presumed value, but may appeal the value to the Commissioner of Motor Vehicles.
- d. Vehicle transferred for a reason other than a sale of the vehicle, such as a gift— value is presumed to be the wholesale book value of the vehicle. A person who disagrees with the presumed value must pay the tax due based on the presumed value, but may appeal the value to the Commissioner of Motor Vehicles.

Only a few transfers of title are exempt from the new use tax or are not taxed based on their full value. Titles for wrecked vehicles transferred to an insurance company and titles transferred to a motor vehicle dealer when the car is to be sold by the dealer are exempt from the tax. Several transfers are subject to only the \$40.00 minimum tax. These transfers are: gifts between spouses or a parent and child, transfers by will or intestacy, distributions of marital property, transfers to a person who has a lien on the transferred motor vehicle, transfers to a partnership or corporation upon the formation of the entity and transfers to a corporation upon the merger or consolidation of the corporation with another entity, and transfers to the same owner to reflect a change in the owner's name. Titles issued to motor vehicles that have previously been titled in another state for at least 90 days enjoy a ceiling of \$100.

Those who lease or rent motor vehicles are given an option of paying the use tax when they purchase a vehicle for lease or rent or paying a tax on the gross lease or rental receipts subsequently received when the vehicle is leased or rented. The optional tax on gross receipts is 8% on leases or rentals to the same person for no more than 90 days, and it is 8% for the first 90 days of a lease or rental to the same person for more than 90 days and 3% for the period in excess of 90 days. The maximum use tax applies to lease or rental receipts, but the maximum is computed anew on each lease or rental of the vehicle to a different person.

The option of paying a gross receipts tax applies to vehicles purchased on or after October 1, 1989, the effective date of the tax change; it does not apply to vehicles owned on that date. The lease or rental of vehicles owned as of October 1 is subject to the new 8% short-term and 3% long-term rates, and the lessor or renter does not have the option on October 1 of paying a use tax on the vehicles rather than charge the new rates. The change, however, applies only to leases or rentals made on or after October 1. Therefore, the change does not affect a long-term lease in effect on October 1, for example, until the lease is renewed.

Revenue from the optional gross receipts tax is placed in the Trust Fund if it is at the 3% rate and is placed in the General Fund if it is at the 8% rate. Generally, therefore, revenue from long-term leases or rentals is deposited in the Trust Fund, and revenue from short-term leases or rentals is deposited in the General Fund. The table of Trust Fund revenue on page 7 includes the 3% alternate gross receipts tax revenue as part of the highway use tax revenue, but does not include the 8% gross receipts tax revenue because that revenue is not deposited in the Trust Fund.

- (3) Revenue from the following fee increases related to titles for motor vehicles. These fees are in addition to the highway use tax imposed on the issuance of a certificate of title. The fee increases became effective August 15, 1989.

	<i>Type Fee</i>	<i>Former Fee</i>	<i>New Fee</i>
a.	certificate of title . . . . .	\$5	\$35
b.	duplicate or corrected title . . . . .	7	10
c.	repossessor of title. . . . .	5	10
d.	transfer of registration . . . . .	4	10
e.	replacement registration plates . . . . .	9	10
f.	duplicate registration certificate . . . . .	3	10
g.	recording supplementary lien. . . . .	3	10
h.	removing a lien . . . . .	4	10
i.	title transferred to a dealer when no use tax is due . . . . .	0	10

- (4) Revenue made available beginning in the 1994-95 fiscal year from the retirement of highway refunding bonds.
- (5) Interest on revenue in the Trust Fund.

**NORTH CAROLINA HIGHWAY TRUST FUND**  
**FISCAL YEARS 1989-90 AND 1990-91**

	<i>1989-90</i>	<i>1990-91</i>
<i>Revenues:</i>		
Motor Fuels Revenues	\$187,600,000	\$230,700,000
Motor Vehicle Use Tax	301,400,000	404,800,000
Title Fees (Highway Trust Fund Classification):		
Registration Fees	11,540,000	13,583,000
Miscellaneous Title Fees	2,630,000	3,095,000
Fees for Certificates of Title	40,530,000	49,122,000
Interest from Treasurer's Investments	11,600,000	14,300,000
Subtotal	\$555,300,000	\$715,600,000
Less Amount Required to be Transferred to the General Fund	279,400,000	356,000,000
Balance Available	\$275,900,000	\$359,600,000
Availability for Allotment to the Department of Transportation: Maximum allowable for addition to Administrative Budgets	\$11,000,000	\$16,037,000
Construction Allocation:		
Intrastate System	151,551,382	197,621,739
Urban Loop System	61,281,068	79,910,001
Supplement to Powell Bill for City State Aid	15,901,275	20,735,130
Secondary Road Construction: From Percentage Allocation	15,901,275	20,735,130
From Certificate of Title Revenue	20,265,000	24,561,000
Total	\$275,900,000	\$359,600,000

SOURCE: *Office of State Budget and Management*

**HIGHWAY TRUST FUND REVENUE**  
(\$ Millions)

<i>Fiscal Year</i>	<i>Gas Tax Increase (5.2¢)</i>	<i>Highway Use Tax Increase (to 3%, w/ \$1,000 max. until July 1, '93; then, \$1,500 max.)</i>	<i>Amount of Use Tax Increase Transferred to General Fund**</i>	<i>Title Fee Increase to \$35 or \$10.00</i>	<i>Interest</i>	<i>Debt Service Reduction</i>	<i>Total Trust Fund Revenue</i>
1989-90*	187.6	171.4	149.4	54.7	11.6		275.9
1990-91	230.7	234.8	186.0	65.8	14.3		359.6
1991-92	236.5	246.9		67.8	14.7		565.8
1992-93	242.4	259.4		69.8	15.1		586.7
1993-94	248.4	281.9		71.9	16.0		618.2
1994-95	254.6	295.4		74.1	16.7	9.6	650.4
1995-96	261.0	309.4		76.3	17.2	12.1	676.0
1996-97	267.5	323.8		78.6	18.1	32.3	720.3
1997-98	274.2	338.6		80.9	18.7	38.0	750.4
1998-99	281.1	353.8		83.4	19.2	38.0	775.5
1999-2000	288.1	369.6		85.9	19.7	38.0	801.3
2000-01	295.3	385.7		88.4	20.6	38.0	828.0
2001-02	302.7	402.4		91.1	21.2	38.0	855.4
2002-03*	208.0	354.4		62.6	15.8	25.3	666.1
<b>Total</b>	<b>3,578.2</b>	<b>3,992.1</b>		<b>1,051.1</b>	<b>239.0</b>	<b>269.3</b>	<b>9,129.6</b>

\* Partial year.

\*\* The amount shown as a transfer to the General Fund does not include \$130 million of highway use tax revenue transferred to the General Fund in fiscal year 1989-90, \$170 million transferred each full fiscal year thereafter, and \$113.3 million transferred in fiscal year 2002-03 because this revenue is not "new money" and is therefore not included in the amount of increased revenue from the highway use tax that is listed in the table. These amounts would have been generated by the 2%, \$300 maximum sales tax on motor vehicles had that tax not been repealed and replaced by the highway use tax.

## II. EXPENDITURES

Revenue in the Trust Fund is allocated for four main purposes and two incidental purposes. These purposes and the percentage of Trust Fund revenue that is to be used on each purpose are listed below. The estimated amount of revenue that will be allocated to each purpose during the life of the Trust Fund is shown on the table titled "Highway Trust Fund Allocations" on page 9.

### *Allocations of Trust Fund Revenue:*

- (1) **Intrastate System Projects — 61.95%.** The 32 projects are listed on the chart that begins on page 15. The same chart appears in G.S. 136-179. The projects primarily consist of widening and improving existing Interstate, U.S., and N.C. routes.
- (2) **Urban Loop Projects — 25.05%.** The 7 projects are for the cities of Asheville, Charlotte, Durham, Greensboro, Raleigh, Wilmington, and Winston-Salem. The projects are listed on the chart on page 18. The same chart appears in G.S. 136-180.
- (3) **Supplement to cities for city streets — 6.5%.** This supplement is in addition to that annual appropriation of the equivalent of a 1 3/4¢ per gallon tax on motor fuels and is to be distributed in the same manner as the current appropriation. The supplemental distribution is made on or before October 1 of each year but is based on revenue collected during the preceding fiscal year. Therefore, no Trust Fund revenue will be distributed to cities until fiscal year 1990-91.
- (4) **Supplement for secondary roads — 6.5% plus \$15.00 of the \$30.00 increase in the fee for issuing a certificate of title.** This supplement is in addition to the annual appropriation of the equivalent of a 1 3/4¢ per gallon tax on motor fuels and is to be used by the Department of Transportation to pave unpaved secondary roads that are traveled by at least 50 vehicles a day. The Department does not distribute this supplement to counties because counties have no authority to pave roads. The Department is responsible for secondary roads and thus applies the amount of the supplement to secondary road construction.
- (5) **Expenses of the Department of Transportation in administering the Trust Fund — an amount not to exceed 5% of the taxes and fees deposited in the Fund.** This amount is deducted before the percentage allocations are determined. For the 1989-90 fiscal year, the sum of \$11,000,000 is appropriated from the Trust Fund to the Department for administrative expenses of the Trust Fund in lieu of applying the 5% formula.
- (6) **Expenses of the Joint Legislative Highway Oversight Committee — actual expenses of the Committee.** These expenses are deducted from the amount allocated to the Intrastate System projects. The Committee has 16 members who are all legislators and meets at least quarterly. The Committee's budget for fiscal year 1989-90 is \$100,000.

**HIGHWAY TRUST FUND ALLOCATIONS**  
(\$ Stated in Millions)

<i>Fiscal Year</i>	<i>Intrastate System Projects (61.95%)**</i>	<i>Urban Loop Projects (25.05%)</i>	<i>Supplement to Cities (6.5%)</i>	<i>Supplement for Secondary Roads (6.5%) Plus \$15 of \$30 Fee Increase</i>	<i>Expenses of Dept. of Trans. (5%)</i>	<i>Total Expenditures</i>
1989-90*	151.55	61.28	15.9 ***	36.17	11.0	275.9
1990-91	196.86	79.59	20.66	45.22	17.27	359.6
1991-92	317.69	128.46	33.33	58.76	27.56	565.8
1992-93	329.53	133.25	34.58	60.76	28.58	586.7
1993-94	347.61	140.56	36.47	63.45	30.11	618.2
1994-95	366.37	148.15	38.44	66.23	31.21	650.4
1995-96	381.02	154.07	39.98	68.59	32.34	676.0
1996-97	407.21	164.65	42.73	72.21	33.50	720.3
1997-98	424.59	171.68	44.55	74.89	34.69	750.4
1998-99	438.79	177.43	46.04	77.32	35.92	775.5
1999-2000	453.43	183.34	47.57	79.78	37.18	801.3
2000-2001	468.58	189.48	49.16	82.31	38.47	828.0
2001-2002	484.10	195.75	50.79	84.95	39.81	855.4
2002-2003*	378.74	153.15	39.74	63.22	31.25	666.1
<b>Total</b>	<b>5,146.07</b>	<b>2,080.84</b>	<b>539.94</b>	<b>933.86</b>	<b>428.89</b>	<b>9,129.6</b>

\* Partial year

\*\* Expenses of the Joint Legislative Highway Oversight Committee will be deducted from amounts allocated for the Intrastate System.

\*\*\* The amounts listed are collected during the year indicated but are not distributed until the following fiscal year.

**NOTE: Expenses of the Trust Fund are subtracted before the percentage allocations are computed, and one-half of the increased fee for issuing a certificate of title is applied to secondary roads before the percentage allocations are computed.**

### III. RESTRICTIONS ON EXPENDITURES FROM TRUST FUND

The act creating the Highway Trust Fund contains three restrictions on the expenditure of Trust Fund revenue and sets a ten percent (10%) goal for minority participation in construction contracts let for Trust Fund projects as well as for projects in the Transportation Improvement Program. The ten percent (10%) goal is not a quota, but a desired level of minority participation. It parallels the ten percent (10%) minority participation goal established by the federal government for highway contracts. The three restrictions are a five-year limitation on construction spending, a requirement that highway construction funds be spent evenly throughout the State, and a two-year limitation on letting contracts in anticipation of revenue.

#### *Five-Year Construction Expenditure Limitation*

The act restricts the amount of Trust Fund Revenue, other than revenue allocated for city streets or secondary roads, that can be used to construct or improve highways during the first five years of the Trust Fund programs. During those years, no more than the maximum amounts listed in the table below can be obligated for construction. Trust Fund revenues in excess of the maximum amounts may be used only for preliminary planning and design and the acquisition of rights-of-way for scheduled highways and highway improvements to be funded from the Trust Fund.

<i>Fiscal Year</i>	<i>Maximum Expenditure</i>
1989-90	\$200,000,000
1990-91	250,000,000
1991-92	300,000,000
1992-93	400,000,000
1993-94	500,000,000

#### *Distribution Formula*

In G.S. 136-17.2A, the act establishes a distribution formula for Trust Fund revenue expended on the Intrastate System and for Department of Transportation appropriations and federal revenue expended on the Transportation Improvement Program. The formula does not apply to revenue expended on the urban loops. It also does not apply to the following because they are not part of the Transportation Improvement Program: secondary roads, contract resurfacing, and small urban projects.

The formula is designed to ensure that every county in the State receives its fair share of the transportation improvements. To apply the formula, the State is divided into seven regions by grouping two of the existing 14 highway engineering divisions into a region. The distribution regions are as follows:

- (1) *Distribution Region A* consists of the following counties: Bertie, Camden, Chowan, Currituck, Dare, Edgecombe, Gates, Halifax, Hertford, Hyde, Johnston, Martin, Nash, Northampton, Pasquotank, Perquimans, Tyrrell, Washington, Wayne, and Wilson (Divisions 1 and 4).



- (2) *Distribution Region B* consists of the following counties: Beaufort, Brunswick, Carteret, Craven, Duplin, Greene, Jones, Lenoir, New Hanover, Onslow, Pamlico, Pender, Pitt, and Sampson (Divisions 2 and 3).
- (3) *Distribution Region C* consists of the following counties: Bladen, Columbus, Cumberland, Durham, Franklin, Granville, Harnett, Person, Robeson, Vance, Wake, and Warren (Divisions 5 and 6).
- (4) *Distribution Region D* consists of the following counties: Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Orange, Rockingham, Rowan, and Stokes (Divisions 7 and 9).
- (5) *Distribution Region E* consists of the following counties: Anson, Cabarrus, Chatham, Hoke, Lee, Mecklenburg, Montgomery, Moore, Randolph, Richmond, Scotland, Stanly, and Union (Divisions 8 and 10).
- (6) *Distribution Region F* consists of the following counties: Alexander, Alleghany, Ashe, Avery, Caldwell, Catawba, Cleveland, Gaston, Iredell, Lincoln, Surry, Watauga, Wilkes, and Yadkin (Divisions 11 and 12).
- (7) *Distribution Region G* consists of the following counties: Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, and Yancey (Divisions 13 and 14).

In any consecutive seven-year period, each region must receive between 90% and 110% of the sum of the dollar amounts calculated as the region's dollar share for each of the seven years. Because the law sets seven years as the period in which expenditures for the regions must comply with the formula, each region is likely to receive less than its dollar share for some of the years in any seven-year period and more than its dollar share in others.

Calculating a region's dollar share for a year is a multiple-step process. To do so, the Secretary of Transportation first determines each region's tentative percentage share of highway funds that will be available for the seven-year period beginning October 1. To make this determination, the Secretary estimates the amount of funds for the seven-year period. For the seven years beginning October 1, 1989, this amount is \$4.6 billion.

The Secretary then determines each region's percentage of total State population as well as each region's percentage of uncompleted Intrastate miles in the State as of that October 1. By using the population and Intrastate mileage data, the Secretary computes each region's tentative percentage share for the seven-year period.

Each region's share is the sum of the following numbers divided by 4: its percentage share of uncompleted Intrastate miles, twice its population percentage share, and 14.29%

(which is 1/7). A region's population percentage share is counted twice because that factor is double-weighted. The fraction 1/7 is used because it gives each of the 7 regions an equal share.

For example, Region A's percentage share is determined as follows:

Percentage of uncompleted Intrastate miles:	21.5%
Population percentage of 10.2% times 2:	20.4%
The fraction 1/7 expressed as a percentage:	14.19%
	<hr/>
Total	56.09%

Region A's share = 56.09% divided by 4, which is 14.02%.

Each region's tentative percentage share for the seven-year period beginning October 1, 1989 is shown in the table below. Also shown is the mileage and population data used to make the share calculations.

Region	Uncompleted Intrastate Miles In Region	% of Total Uncompleted Intrastate Miles	Population of Region (000's)	% Of Total Population	Percentage Share of Highway Funds
A	392.4	21.5%	658.7	10.2%	14.0%
B	256.4	14.0	788.1	12.1	13.2
C	297.4	16.3	1,234.1	19.0	17.2
D	177.6	9.7	1,201.4	18.5	15.3
E	332.7	18.2	1,102.7	17.0	16.6
F	174.2	9.5	854.9	13.2	12.5
G	196.2	10.7	647.5	10.0	11.2
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,826.9	100%	6,487.4	100%	100%

Once a region's tentative share for a seven-year period is determined, the Secretary can determine the region's dollar share for the current fiscal year. To do so, the Secretary multiplies the amount of highway funds available for the fiscal year by the region's tentative share, calculated using the seven-year estimate. The sum of \$481.4 million is available for fiscal year 1989-90. Each region's target amount for 1989-90 is as follows:

Region	Percentage Share	Target Dollar Share for 1989-90 In Millions
A	14.0%	\$67.4
B	13.2	63.5
C	17.2	82.8
D	15.3	73.7
E	16.6	79.9
F	12.5	60.2
G	11.2	53.9
	<hr/>	<hr/>
Total	100.0%	\$481.4

This same process is repeated for each year of each consecutive seven-year period. The tentative percentage share and the targeted dollar share for each region change every year because another year's data is added to the seven-year formula and differing amounts of funds are available each year. As noted above, however, for any seven-year period, each region must receive between 90% and 110% of the sum of the amounts calculated as its targeted dollar share for those years.

Although each distribution region receives its statutory share over time, each county within a distribution region may not necessarily receive the same amount as all other counties in the distribution region. The act, however, directs the Department of Transportation to consider the highway needs of every county in a distribution region.

*Limit on Contracts Let in Anticipation of Revenue*

G.S. 136-176(d) allows Trust Fund projects to be let in anticipation of revenue but limits the period for which revenue may be anticipated to the two-year period following the year in which the contract is let. Without this limitation, contracts for Trust Fund projects could be let in anticipation of Trust Fund revenue for an indefinite period, subject to the limitations in G.S. 143-28.1(4) on the amount of revenue that can be anticipated. The certified, anticipated revenue of the Trust Fund for fiscal year 1991-92 is \$734.8 million. For fiscal year 1992-93, it is \$756.7 million.

**HIGHWAY TRUST FUND  
INTRASTATE SYSTEM PROJECTS**

Listed below are the projects of the Intrastate System that are to be funded from the Highway Trust Fund. This same list appears in G.S. 136-179. The projects are listed in numerical order by type of road.

<i>Route</i>	<i>Improvements</i>	<i>Affected Counties</i>
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	Connector from I-95 to NC-87	Cumberland
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 construction from I-95 to US-17)	Edgecombe, Pitt, Martin, Washington, Tyrrell, Dare
US-64	Complete 4-laning from Lexington to Raleigh	Davidson, Randolph, Chatham, Wake
US-70	Complete 4-laning from Raleigh to Morehead City (including Clayton, Goldsboro, Kinston, Smithfield-Selma, and Havelock Bypasses predominately freeways on predominately new locations)	Wake, Johnston, Wayne, Lenoir, Craven
US-74	Complete 4-laning from Charlotte to US-17 (including multilaning of Independence Blvd. in Charlotte, and Bypasses of Monroe, Rockingham, and Hamlet)	Mecklenburg, Union, Richmond, Robeson, Columbus
US-74	Complete 4-laning from I-26 to I-85	Polk, Rutherford
US-158	Complete 4-laning from Winston-Salem to Whalebone	Forsyth, Guilford, Rockingham, Caswell, Person, Granville, Vance, Warren, Halifax, Northampton, Gates, Hertford, Pasquotank, Camden, Currituck, Dare
	New bridge over Currituck Sound	Currituck
US-221	Complete 4-laning from Linville to South Carolina	Avery, McDowell, Rutherford
US-220	Complete 4-laning from I-40 to US-1	Guilford, Randolph, Montgomery, Richmond
US-220/ NC-68	Complete 4-laning from Virginia Line to I-40	Rockingham, Guilford

US-264	Complete 4-laning from US-64 to Washington (including Wilson and Greenville Bypasses) (including freeway construction from I-95 to Greenville)	Wilson, Greene, Pitt
US-321	Complete 4-laning from Boone to South Carolina Line	Caldwell, Catawba, Lincoln, Gaston
US-421	Complete 4-laning from Tennessee Line to I-40	Watauga, Wilkes, Yadkin
US-421	Complete 4-laning from Greensboro to Sanford (including Bypass of Sanford)	Chatham, Lee
NC-24	Complete 4-laning from Charlotte to Morehead City	Mecklenburg, Cabarrus, Stanly, Montgomery, Moore, Harnett, Cumberland, Sampson, Duplin, Onslow, Carteret
NC-87	Complete 4-laning from Sanford to US-74 Columbus	Lee, Harnett, Cumberland, Bladen,
NC-105	Complete 4-laning from Boone to Linville	Watauga, Avery
NC-168	Complete multilaning from Virginia Line to US-158	Currituck
NC-194	Complete 4-laning from US-19E to US-221	Avery

## HIGHWAY TRUST FUND URBAN LOOP PROJECTS

Listed below are the urban loop projects that are to be funded from the Highway Trust Fund. This same list appears in G.S. 136-180.

<i>Loop</i>	<i>Description</i>	<i>Affected Counties</i>
Asheville Western Loop	Multilane facility on new location from I-26 west of Asheville to US-19/23 north of Asheville for the purpose of connecting these roads. The funds may be used to improve existing corridors.	Buncombe
Charlotte Outer Loop	Multilane facility on new location encircling City of Charlotte	Mecklenburg
Durham Northern Loop	Multilane facility on new location from I-85 west of Durham to US-70 east of Durham	Durham, Orange
Greensboro Loop	Multilane facility on new location encircling City of Greensboro	Guilford
Raleigh Outer Loop	Multilane facility on new location from US-1 southwest of Cary northerly to US-64 in eastern Wake County	Wake
Wilmington Bypass	Multilane facility on new location from US-17 northeast of Wilmington to US-17 southwest of Wilmington	New Hanover
Winston- Salem North- belt	Multilane facility on new location from I-40 west of Winston-Salem northerly to I-40 in eastern Forsyth County	Forsyth

## SPECIAL HIGHWAY TRUST FUND PROVISIONS INCLUDED IN 1989 APPROPRIATION ACTS

Senate Bill 1309 (Chapter 799):

*Section 10*      **REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
FUNDING**

Permits a regional public transportation authority created pursuant to newly enacted G. S. 160A, Article 26, to apply to the Department of Transportation for a grant from public transportation funds "received from the North Carolina Highway Trust Fund" and allows the Department to allocate to a regional public transportation authority any funds appropriated for public transportation.

G.S. 136-44.20 allows the Department of Transportation to use up to \$5,000,000 of the amount appropriated for State construction under the Transportation Improvement Program each year for public transportation. No Trust Fund revenue, however, is designated for public transportation.

*Section 17*      **DEPARTMENT OF TRANSPORTATION EXEMPTION  
FROM LIMITATION ON NUMBER OF STATE  
EMPLOYEES**

Excludes employees of the Department of Transportation who are engaged in planning, designing, or constructing Trust Fund projects from the limit, imposed by newly enacted G. S. 143-10.2, on the yearly increase in the number of permanent State employees. Also requires the Department of Transportation to report the number of employees hired for Trust Fund projects.

G.S. 143-10.2, enacted by Section 46 of Chapter 752 of the 1989 Session Laws, restricts the annual percentage increase in the number of permanent state employees to the same percentage increase of the population of the State. Percentage increases are computed on the basis of a 10-year average.

*Section 18*      **NORTH CAROLINA HIGHWAY TRUST FUND CASH  
BALANCES**

Permits the Department of Transportation to advance Trust Fund revenue to the Equipment Fund, which is part of the Highway Fund, to acquire equipment needed for Department employees to construct secondary roads in accordance with the Trust Fund project schedule. Revenue advanced from the Trust Fund will be repaid as the purchased equipment is used. Requires the Department to report a proposed advance to the Joint Legislative Highway Oversight Committee and to the Joint Legislative Commission on Governmental Operations.



*Section 19*      **DEPARTMENT OF TRANSPORTATION FUND CODE  
STRUCTURE REORGANIZATION**

Permits the Department of Transportation to reorganize its Fund Code Structure during the 1989-90 fiscal year to accommodate the Trust Fund, requires the changes and any accompanying staffing changes to be approved by the Director of the Budget, and requires the Department to report the changes to the Joint Legislative Highway Oversight Committee and to the Joint Legislative Commission on Governmental Operations.

*Section 21*      **EXECUTIVE BUDGET ACT APPLIES TO NORTH  
CAROLINA HIGHWAY TRUST FUND**

Makes the Highway Trust Fund subject to the Executive Budget Act.

*Section 22*      **CASH FLOW - HIGHWAY TRUST FUND  
APPROPRIATION**

Certifies anticipated revenues of the Highway Trust Fund so that the Department of Transportation will be able to let contracts in anticipation of revenues under G.S. 143-28.1(4). The certified amounts are:

<i>Fiscal Year</i>	<i>Revenue</i>
1991-92	\$734,800,000
1992-93	\$756,700,000

## HIGHWAY FUND

*Statutory Authority: G.S. 20 (Motor Vehicles), G.S. 63 (Aviation), G.S. 136 (Roads and Highways), and G.S. 143B, Article 8 (Department of Transportation and Board of Transportation)*

*The Highway Fund is one of the three major funds in the State; the General Fund and the Highway Trust Fund are the other two. The Highway Fund consists primarily of annual motor vehicle registration taxes, driver license fees, and 75% of the taxes on motor fuels. Total collections for the Highway Fund for FY 1988-89 were \$913.7 million, a 1.9% increase over the previous fiscal year of 1987-88. Revenues by broad category and their proportionate share of total Highway Fund revenues are shown below:*

<i>Revenue</i>	<i>(\$Millions) Collected</i>	<i>Share</i>
Motor fuel taxes and fees	\$625.8	68.5%
Vehicle license fees	198.7	21.7
Driver license fee	39.0	4.3
Penalty and inspection fees	17.5	1.9
Other revenue (investments, refunds, etc.)	32.7	3.6
	\$913.7	100.0%

The Highway Fund primarily supports the Department of Transportation. Not all activities of the Department of Transportation are funded from the Highway Fund, however. Part of aid to railroads and aeronautics provided by the Department of Transportation comes from the General Fund, and a significant part of highway planning and construction is funded from the Highway Trust Fund.

The Department of Transportation is responsible for all modes of transportation, including highways, aviation, railroads, and bikeways. The Department is headed by the Secretary of the Department, who is appointed by the Governor. Many activities of the Department must be approved by the Board of Transportation, which is an appointed Board consisting of the Secretary of Transportation, 21 members appointed by the Governor, and 2 members appointed by the General assembly. The Board, for example, adopts rules for the Department of Transportation, adopts the seven-year Transportation Improvement Program, and approves all highway maintenance and construction projects.

The two principal divisions of the Department of Transportation are the Division of Highways and the Division of Motor Vehicles. The Highway Division maintains 12,091 miles of primary roads, 59,231 miles of secondary roads, 5,225 miles of urban roads, and 16,864 bridges. It also plans and constructs new roads and widens existing roads as needed and operates the State's ferries.

The Division of Motor Vehicles administers the laws concerning the licensing of motor vehicles, the issuance of driver licenses, and the weight limits for trucks. It also collects the new titling tax on motor vehicles.

The second largest appropriation from the Highway Fund is for the support of the Highway Patrol in the Department of Crime Control and Public Safety. The activities of the Department of Crime Control and Public Safety that are not highway-related, as is the Highway Patrol, are funded from the General Fund.

Several departments receive small appropriations from the Highway Fund for various purposes. For 1989-90, the General Assembly appropriated revenue from the Highway Fund to the Departments of Agriculture, Revenue, Human Resources, and Correction.

**NORTH CAROLINA HIGHWAY FUND**  
**FISCAL YEARS 1989-90 AND 1990-91**

	<i>1989-90</i>	<i>1990-91</i>
	<i>Authorized</i>	<i>Authorized</i>
<i>MOTOR FUELS TAX:</i>		
Gasoline Tax	\$633,200,000	\$661,850,000
Gasoline Inspection Fee	10,300,000	10,500,000
Motor Carrier "Decal" Fee	400,000	0
Total Motor Fuels Tax	\$643,900,000	\$672,350,000
 <i>LICENSES AND FEES:</i>		
Motor Vehicle Registration	\$155,100,000	\$158,500,000
International Reg. Plan	33,800,000	34,800,000
Title Fees	10,900,000	11,300,000
Lien Recording Fees	100,000	0
Driver Licenses	40,500,000	41,700,000
Revocation and Restoration	7,300,000	7,500,000
Equipment Inspection Fees	5,200,000	5,400,000
Dealer's and Manufacturer's Licenses	700,000	800,000
Overweight/Size Permits	500,000	600,000
Motor Carrier Safety	600,000	600,000
Total Licenses and Fees	\$254,700,000	\$261,200,000
 <i>OTHER STATE REVENUE:</i>		
Penalties	\$6,800,000	\$7,000,000
Refunds to DOT for fuel purchased by DOT	1,000,000	1,100,000
Miscellaneous	1,500,000	1,700,000
Total Other State Revenue	\$9,300,000	\$9,800,000
<i>INVESTMENT INCOME</i>	\$26,000,000	\$23,000,000
Total Highway Fund Revenue	\$933,900,000	\$966,350,000

*SOURCE: OFFICE OF STATE BUDGET AND MANAGEMENT*

**HIGHWAY FUND APPROPRIATIONS  
TO DEPARTMENT OF TRANSPORTATION  
FOR OPERATING EXPENSES**

	<i>1989-90</i>	<i>1990-91</i>
<b>BASE BUDGET</b>	<b>\$902,034,504</b>	<b>\$911,682,063</b>

**EXPANSION BUDGET**

1. Transportation Administration

(a) Transportation Computing Center	\$698,586	\$1,500,000
	(26)	(43)

Reorganize and expand the information processing services for all of the various activities within DOT.

(b) Aeronautics	\$170,456	\$157,154
	(4)	(4)

These funds bring this program into full compliance with the State's environmental law requiring airspace evaluations and provide positions with flying responsibilities to reduce current overtime required of the program's pilots.

(c) Public Transportation	60,533	72,480
	(2)	(2)

These funds will provide 2 new positions to deal with increased demands for planning and marketing: to work with county governments to complete and implement transportation development plans.

2. Transportation Operations

(a) Division Seven	96,093	24,555
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Provides administrative support for construction and maintenance activities within Highway Division Seven (relocation of division office to new location).

	1989-90	1990-91
(b) Operations Support Division	\$647,486	\$704,588
	(5)	(5)

These funds provide 5 new positions related to hazardous waste management, asbestos control, and hazardous materials handling and control.

(c) Chief Engineer	190,997	180,746
	(1)	(1)

These funds provide 1 position relating to the Keep N.C. Clean and Beautiful program and other operating costs.

(d) Ferry Division	70,019	14,327
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These funds provide for the administrative needs associated with the newly completed Mann's Harbour Marine Maintenance Facility.

### 3. Transportation Construction and Maintenance

(a) Ferry Division	1,040,381	1,410,397
Less: Direct Charges to Work Orders	1,040,381	1,410,397
Highway Fund Appropriation	-	-
	(57)	(57)

These funds will provide the positions needed to fully activate the new Mann's Harbour Marine Maintenance Facility. (Maintenance Operations.)

(b) Special Appropriation for Highways	6,000,000	6,000,000
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These funds will provide a 10% increase for this program and will include the Ferry Replacement Schedule in the Transportation Improvement Program.

(c) Construction - Spot Safety	\$2,900,000	\$2,900,000
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These funds will deal with the backlog of small-scale safety related projects (traffic signals, turn lanes, etc.).

	1989-90	1990-91
(d) Contract Resurfacing		
Reduces appropriations in Base Budget to reflect projected revenue availability.	-	(11,000,000)
(e) Ferry Operations	1,711,200	2,235,654
Provides for the increased funding for the Ferry Division.		
(f) Governor's Highway Safety Program Planning and Administration	6,000	6,000
Provides funds for the development of a Highway Safety program of a comprehensive nature that involves all elements of the Safety Community.		
(g) OSHA	200,000	150,000
Provides funds to correct deficiencies in operations supported by the Highway Fund to meet OSHA standards.		
4. Transportation Regulation		
(a) Commissioner's Office	767,321	812,841
Provides funds to establish a Consumer Information, Education and Relations Program.	(3)	(3)
(b) Vehicle Registration		
(1) Branch Agency Commission	\$680,000	\$1,400,000
Provides for an increase of 10 cents per transaction in each year of the biennium for contract agents (1989-90 - 82 cents, 1990-91 - 92 cents).		
(2) Replace and repair microfilm equipment	803,289	77,815
Provides funds to replace and repair dated microfilm equipment.		

	1989-90	1990-91
(c) Driver Licensing	896,390 (22)	560,577 (22)
Provides funds to establish and staff additional driver license offices and provides additional clerical personnel.		
(d) Traffic Safety Education Services	57,625	49,500
Provides funds to standardize the Driver Improvement Course so that it will correspond to the course offered nationwide for traffic offenders.		
(e) Traffic Records	22,948 (1)	(32,504) (1)
Provides funds for one additional position to meet the requirements of coding and processing the increased number of citations and depositions issued.		
(f) International Registration Plan	37,735	-
Provides funds to replace old computer equipment.		
(g) Enforcement and Vehicle Registration	\$735,663 (12)	\$332,000 (12)
Provides funds for 10 additional positions at weigh stations to operate with a full complement seven days a week to enforce weight laws, and for 2 positions because of the increased number of stolen vehicles.		
5. Transportation Reserves		
(a) Department of Crime Control and Public Safety -		
Provides funds for increased activities in this department.	1,372,095	2,378,827



	<i>1989-90</i>	<i>1990-91</i>
(b) Reserve for Hospital/ Medical Benefits	3,000,000	3,500,000
Provides funds for estimated additional need for Hospital/ Medical Benefits costs.		
(c) Reserve for Compensation Increase	17,300,000	36,200,000
Provides funds for Legislative salary increase granted all State employees.		
(d) Department of Revenue	160,000	160,000
Provides funds for computer programming related to the adoption of a uniform form for gasoline reporting requirements for interstate motor carriers.		
(e) Department of Revenue		
Provides reserve to be allocated for necessary costs associated with improvements in state tax enforcement and compliance.		
	117,950	149,690
6. For erection of hurricane emergency evacuation signs for coastal areas subject to hurricane damage.	100,000	-
7. State Aid for Public Transportation, Elderly and Handicapped Transportation assistance program.	2,000,000 State Aid	2,000,000 State Aid

	<i>1989-90</i>	<i>1990-91</i>
8. Underground Storage Tank Cleanup Funds		
(a) Appropriates the gasoline inspection taxes for this purpose except for the amount required to administer and enforce the provisions of Chapter 119 and funds retained by the Department of Revenue for the cost of collection of taxes under Subchapter V of Chapter 105 of the General Statutes.	6,433,000	6,533,000
<b>TOTAL EXPANSION BUDGET</b>	<b>\$47,235,386</b>	<b>\$57,067,250</b>
<b>TOTAL POSITIONS</b>	<b>(133)</b>	<b>(150)</b>
 <b>TOTAL OPERATING APPROPRIATIONS</b>	 <b>\$949,269,890</b>	 <b>\$968,749,313</b>

**HIGHWAY FUND APPROPRIATIONS TO DEPARTMENTS,  
OTHER THAN DEPARTMENT OF TRANSPORTATION,  
FOR OPERATING EXPENSES**

<i>DEPARTMENT</i>	<i>1989-90</i>	<i>1990-91</i>
Crime Control and Public Safety	\$80,753,078	\$83,953,714
Agriculture	2,371,675	2,470,577
Correction	1,750,000	1,750,000
Revenue	1,654,890	1,655,746
Human Resources	344,820	344,988
<b>TOTAL</b>	<b>\$86,874,463</b>	<b>\$90,175,025</b>

## HIGHWAY FUND APPROPRIATIONS FOR CAPITAL IMPROVEMENTS

### DEPARTMENT OF TRANSPORTATION

#### DIVISION OF HIGHWAYS

	1989-90	1990-91
1. Bridge Maintenance Office and Warehouse - Boone	\$200,900	\$-
2. Equipment Shop - Burnsville	566,600	-
3. Equipment Shop - Shallotte	438,000	-
4. Maintenance Office - Monroe	217,800	-
5. Repair Shop - Williamston	492,900	-
6. Materials and Test Lab - Statesville	283,800	-
7. Maintenance Yard Security Fence - Albemarle	40,900	-
8. Maintenance Yard Security Fence - Mt. Pleasant	18,900	-
9. Roof Replacement - Shelby	15,000	-
10. Maintenance Yard Security Fence - Lincolnton	22,700	-
11. Maintenance Yard Security Fence - Shelby	29,600	-
12. Maintenance Facility - Ocracoke	124,600	-
13. Roof Replacements - Statewide	226,150	-
14. Landscape/Sign Shop Renovation and Addition - Boone	43,400	-
15. Rest Area - U.S. 264 - Beaufort County	335,100	-
15.1 Ferry Office and Restroom - Pamlico River	125,000	-
16. Salt Storage Shed - Hudson	69,100	-
17. Landscape/Sign Shop Renovation - Elkin	9,900	-
18. Maintenance Building Addition - North Wilkesboro	38,000	-
19. Maintenance Building Addition - Southport	35,600	-
20. Sign Shop - Union	100,000	-
21. Storage Warehouse - Warrensville	53,900	-

	<i>1989-90</i>	<i>1990-91</i>
22. Foreman and Inspector Office Addition - Graham	19,400	-
23. Bridge Maintenance Office Addition - Hudson	11,800	-
24. Bridge Maintenance Office Addition - Monroe	24,700	-
25. Bridge Maintenance Office Addition - Burgaw	24,700	-
26. Roof Replacement - Central Equipment Office - Raleigh	164,100	-
27. Bridge Maintenance Office Building - Hendersonville	87,600	-
28. Blacksmith/Warehouse/Lumber Shed - Hendersonville	181,000	-
29. Equipment Shop - Mocksville	100,000	-
30. Repair Shop - Creswell	50,000	-
31. Landscape Office and Warehouse - Graham	111,900	-
32. Office, Assembly Room and Office Addition - Maury	462,600	-
33. Office, Assembly Room and Office Addition - Kinston	25,100	-
34. Roof Replacement - Storage Warehouse - Raleigh	10,400	-
35. Division Equipment Shop - Carthage	200,000	-
36. Equipment Shop - Sandy Ridge	60,000	-
37. Landscape Warehouse - Wentworth	77,200	-
38. Bridge Maintenance Office Building - Franklin	88,300	-
39. Paint Warehouse and Truck Shed - Camp Burton	70,200	-
40. Bridge Maintenance Office Renovation - Lexington	23,100	-
41. District Equipment Shop - Asheboro	100,000	-
42. Equipment Shop - Marion	90,000	-
43. Maintenance Warehouse - Hillsborough	86,300	-
44. Bridge Maintenance Office Building - Union	88,700	-
45. New Division Complex - Fayetteville	500,000	-
46. Maintenance Facility - Cherry Branch	250,000	-

	1989-90	1990-91
47. Maintenance Facility - Cedar Island	250,000	-
48. Division Office Addition - Durham	655,000	-
49. Manns Harbor - Cost Overrun on Marine Maintenance Facility	1,000,000	-
<b>TOTAL DIVISION OF HIGHWAYS</b>	<b>\$8,299,950</b>	<b>\$-</b>

**DIVISION OF MOTOR VEHICLES**

1. Building Additions (5 Locations)	892,500	-
2. Resurface Parking Lots (6 Locations)	91,800	-
3. Roof Replacements (7 Locations)	89,300	-
4. Warehouse and Office Building - Raleigh	1,681,300	-
<b>TOTAL DIVISION OF MOTOR VEHICLES</b>	<b>\$2,754,900</b>	<b>\$-</b>

**CRIME CONTROL AND PUBLIC SAFETY**

1. Highway Patrol - upgrade and replace Underground Gas Storage Tanks	212,350	-
2. Highway Patrol-Training Center (a) Helicopter Hangar	82,800	-
(b) Air Condition Dining Facility	51,700	-
3. Highway Patrol - Design fee for Troop H, Headquarters Building Charlotte/Monroe Area	42,380	-
4. Highway Patrol - Additional Parts Storage for State Agency Vehicles	16,200	-
<b>TOTAL CRIME CONTROL AND PUBLIC SAFETY</b>	<b>\$405,430</b>	<b>\$-</b>

<b>GRAND TOTAL - HIGHWAY FUND CAPITAL IMPROVEMENTS</b>	<b>\$11,460,280</b>	<b>\$-</b>
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**SPECIAL HIGHWAY FUND PROVISIONS  
INCLUDED IN 1989 APPROPRIATION ACTS**

**Senate Bill 43 (Chapter 500)**

*Section 46*    **Eliminate Overdrafts** - Requires the Controller of the Department of Transportation to eliminate all overdrafts at the beginning of each fiscal year on State maintenance and construction projects.

*Section 47*    **Limitations on Over-Expenditures** - Requires that over-expenditures have corresponding under-expenditures in the following titles:

State Construction/Primary  
State Construction/Urban  
State Construction/Access & Public Service Roads  
State Funds to Match Federal Highway Aid  
State Maintenance  
Ferry Operations

Over-expenditures or under-expenditures may not vary more than 10% without prior consultation with the Advisory Budget Commission.

Over-expenditures in any of the above titles for the purpose of providing additional positions shall be approved by the Director of the Budget.

*Section 48*    **Cash Flow** - Authorizes and certifies anticipated revenues of the Highway Fund for the 1991-93 biennium.

*Section 49*    **Highway Fund Appropriations** - Allows an amount not to exceed 15% of the Board of Transportation's allocation for Contract Maintenance Resurfacing Programs to be used for widening existing narrow pavements that are scheduled for resurfacing. Requires the Department of Transportation to report to the General Assembly by May 15, 1990 concerning this program and the expenditures of funds for widening existing narrow pavements.

*Section 50*    **Use of Sales Taxes** - Allows the Department of Transportation to deduct and retain from the sales tax collected on motor vehicles an amount equal to the cost of collecting the sales tax; however, the annual amount may not exceed \$475,000.

*Section 51*    **Urban Construction Funds** - Provides \$1.0 million for each of the 14 Highway Divisions for small urban construction projects and \$6.0 million to be used statewide for rural or small urban highway improvement projects. The Department of Transportation must report to members of the General Assembly on projects in each member's district prior to Board action. Comprehensive reports are to be filed quarterly with the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

- Section 52*     **Adjustments to Reflect Actual Revenue** - Requires any unreserved credit balance in the Highway Fund on June 30 of each fiscal year to be used to support appropriations in the succeeding fiscal year. Requires Board of Transportation to report monthly to the Joint Legislative Commission on Governmental Operations on the use of these funds.
- Section 53*     **Continuing Aviation, Rail, and Public Transportation Appropriations** - Removes the sunset provision which was to have taken effect June 30, 1990.
- Section 54*     **Ferry Captain III, Shift Premium Pay** - Allows shift premium pay for ferry captains in pay grade 70.
- Senate Bill 44 (Chapter 725)**
- Section 98*     **Special Appropriations** - Provides \$66.0 million each year of the biennium for highway construction, planning, design and engineering of highways, acquisition of rights-of-way, matching funds for unanticipated Federal aid, payment of interest and principal on highway bonded indebtedness, and scheduled ferry replacement.
- Section 99*     **Commission Paid to Branch Agents** - Provides a 10 cents per transaction increase for DMV Contract Branch Agents each year of the biennium. This increase brings the fee up to 82 cents per transaction in 1989-90 and 92 cents in 1990-91.
- Section 100*    **Commissioner of Motor Vehicles to Report on Printing and Binding Funds** - Requires a report to the General Assembly on the amount of funds spent on printing and binding by May 15, 1990.
- Section 101*    **Concessions on Ferries and at Ferry Facilities** - Allows the Department of Transportation to operate concessions on ferries and at ferry facilities to provide food, drink, and personal comfort items.
- Section 102*    **Bridge Maintenance** - Requires DOT personnel to dispose of debris taken from around bridges to an appropriate disposal site for solid waste.
- Section 103*    **Currituck/Dare Bridge Maintenance Yard Consolidation** - Allows the Department of Transportation to dispose of property in Currituck and Dare Counties and allows the use of the proceeds for the consolidation of the Currituck and Dare Counties bridge maintenance yards.
- Section 104*    **NC 400 Under Voyages Commission** - Requires the Department of Transportation to maintain highway NC 400.
- Section 105*    **Elderly and Handicapped Transportation Assistance Program** - Provides \$2.0 million in highway funds each year of the biennium for the Elderly and Handicapped Transportation Assistance Program.
- Section 153*    **Visitor and Welcome Centers** - Requires the Secretary of Transportation, before making any other transfers pursuant to G.S. 20-81.3(c) or (g), to allocate and reserve \$50,000 in 1989-90 and 1990-91 for U.S. Highway 17 Center in



Camden County; \$50,000 in 1990-91 for the U.S. Highway 441 Center in Macon County; and \$50,000 in 1990-91 for the U.S. Highway 17 South Center in Brunswick County. Section expires on June 30, 1991.

**Senate Bill 1042 (Chapter 754)**

**Section 41 Highway Funds/Adjustment to Reflect Actual Revenue** - Allows the Department of Transportation to establish a "Reserve for Purchase of Rights-of-Way" from the unreserved credit balance in the Highway Fund.

**Senate Bill 1309 (Chapter 799)**

**Section 9 Rules on Trucks** - Requires the Department of Transportation to adopt rules regarding limitations on tandem trailers and semi-trailers by December 1, 1989.

**Section 12 Department of Transportation to Repair and Maintain the State Parks Road System** - Requires the Department of Transportation to maintain all roads in the Park system beginning *July 1, 1990*.

**Section 14 P. B. Raiford Regional Airport in Duplin County** - Reallocates the funds appropriated in 1988-89 from providing for *drainage* at the airport to *capital improvement* needs at the airport.

**Section 23 Anson County Airport Funds Reallocation** - Reallocates funds appropriated for 1988-89 to include airport capital improvement needs.

**Section 25 Civil Air Patrol Headquarters Building Funds** - Of the funds appropriated for aviation purposes, \$100,000 shall be used for the construction of a new headquarters and training facility by the North Carolina Wing of the Civil Air Patrol, Inc. Funds to be matched by CAP on a dollar-for-dollar basis.

**Section 31 Motor Fuels Tax Collection Costs** - Diverts the 1/4 cent gasoline inspection fee from the Highway Fund to the Leaking Underground Storage Tanks program. The cost of collection of taxes and the cost of administration of the gasoline inspection program shall continue to be paid from funds generated from the inspection fees.

**Senate Bill 913 (Chapter 774)**

**Section 1 Increase Personalized License Plate Fee** - Additional fee increased from \$10 to \$20 for personalized registration plates. The \$10 increase is to be deposited in the Recreation and Natural Heritage Trust Fund established under G.S. 113-77.7.

**Senate Bill 1336 (Chapter 788)**

Effective July 1, 1990, increases the percentage from 1/8 of 1% to 1/6 of 1% of net proceeds of the taxes on gasoline levied under G.S. 105-434 designated for use by the Wildlife Resources Commission. Percentage reflects amount of gasoline taxes collected related to boating versus total gasoline taxes collected.

