

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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2

HOUSE BILL 399\*  
Committee Substitute Favorable 4/7/89

Short Title: North Carolina Highway Trust Fund.

(Public)

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Sponsors:

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Referred to:

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February 28, 1989

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE THE NORTH CAROLINA TRUST FUND AND TO  
3 DESIGNATE THE FUNDING SOURCES FOR THE FUNDS AND PURPOSES  
4 FOR THE FUND AND TO PROVIDE FOR INCREASED REVENUES FOR  
5 OTHER HIGHWAY PROGRAMS.

6 The General Assembly of North Carolina enacts:

7 Section 1. Chapter 136 of the General Statutes is amended by adding a new  
8 Article to read:

9 **“ARTICLE 14.**

10 **“NORTH CAROLINA HIGHWAY TRUST FUND.**

11 **“§ 136-175. North Carolina Highway Trust Fund; created.**

12 There is created a special account within the State Treasury to be known as the  
13 ‘North Carolina Highway Trust Fund’. The Trust Fund shall contain the proceeds from  
14 the sources designated by this Article and the Trust Fund is continuously appropriated  
15 for the purposes designated by this Article.

16 **“§ 136-176. North Carolina Highway Trust Fund; purposes.**

17 The Trust Fund shall be used:

- 18 (1) For the planning, design, and construction of the North Carolina  
19 Intrastate System specifically described in G.S. 136-178.  
20 (2) For the planning, design and construction of the Urban Loops  
21 described in G.S. 136-179.  
22 (3) For a supplement to secondary road construction as described in G.S.  
23 136-180.

1           (4) For a supplement to the Transportation Improvement Program.  
2 Funds from the North Carolina Highway Trust Fund may be substituted on a dollar-for-  
3 dollar basis with funds from the Federal Aid Construction Program.

4 **"§ 136-177. North Carolina Highway Trust Fund; sources.**

5 The Trust Fund shall receive all funds generated by:

- 6           (1) The three cents (3¢) per gallon tax on motor fuel collected pursuant to  
7 Articles 36, 36A, and 36B of Chapter 105 of the General Statutes.  
8           (2) The two percent (2%) fee on the transfer of motor vehicles collected  
9 pursuant to G.S. 20-72.1.  
10           (3) The nine percent (9%) of the net revenue of the Highway Fund  
11 transferred to the North Carolina Highway Trust Fund pursuant to G.S.  
12 136-182.

13 **"§ 136-178. North Carolina Intrastate System.**

14 Sixty and five one-hundredths percent (60.05%) of the Trust Fund shall be used to  
15 plan, design and construct the North Carolina Intrastate System, hereinafter referred to  
16 in this Article as the 'Intrastate System'. The Intrastate System is a network of major  
17 multi-lane arterial highways established to provide a high level of travel service (speed,  
18 safety and mobility) throughout the State, and serves to connect major population  
19 centers both inside and outside the State to provide safe, convenient, through travel for  
20 motorists. The Intrastate System is designed to support statewide growth and  
21 development objectives and connect to major highways of adjoining states. Designed  
22 for high speed travel, these corridors shall have access control determined by travel  
23 service and economic considerations.

24 The North Carolina Intrastate System shall consist of those routes on the State  
25 primary and urban system designated herein. All segments of these highways are to  
26 have four or more travel lanes, vertical separation or interchanges at crossings where  
27 warranted, including expansion of existing multi-lane segments where needed, and  
28 bypasses where determined necessary, and are to be under construction no later than the  
29 year 2001. The Department of Transportation shall develop, and update annually, a  
30 schedule for all Intrastate System improvements to be done over the twelve-year period  
31 FY 1989-90 through FY 2000-01.

32 The Department of Transportation may add additional multi-lane routes to the  
33 Intrastate System that have been designed and built to meet the construction criteria of  
34 the completed portions of the System; provided, no funds from the Highway Trust Fund  
35 may be expended on the portions of the Intrastate System added by the Department of  
36 Transportation.

37 The completion of the Intrastate System shall be a top priority of the Department of  
38 Transportation. If the funds allocated by this section are insufficient for the entire  
39 Intrastate System to be under construction by the year 2001, the funds shall be  
40 supplemented with funds that would be available from the supplement in G.S. 136-182  
41 and then with other funds available for the construction of the Transportation  
42 Improvement Program projects authorized by G.S. 143B-350(f)(4).

43 The Intrastate System Construction Program consists of improvements on the  
44 following routes:

<u>Route</u>	<u>Improvements</u>	<u>Affected Counties</u>
<u>I-26</u>	<u>None Anticipated</u>	
<u>I-40</u>	<u>Widening</u>	<u>Buncombe, Haywood, Guilford, Wake, Durham</u>
<u>I-77</u>	<u>Widening</u>	<u>Mecklenburg</u>
<u>I-85</u>	<u>Widening</u>	<u>Durham, Orange, Alamance Guilford, Cabarrus, Mecklenburg, Gaston</u>
<u>I-95</u>	<u>Widening</u>	<u>Halifax</u>
<u>I-240</u>	<u>None Anticipated</u>	
<u>I-277</u>	<u>None Anticipated</u>	
<u>US-29</u>	<u>None Anticipated</u>	
<u>US-64</u>	<u>Complete 4-laning from Raleigh to Coast (including freeway construction from I-95 to US-17)</u>	<u>Edgecombe, Pitt, Martin, Washington, Tyrrell, Dare</u>
<u>US-264</u>	<u>Complete 4-laning from US-64 to Washington (including Wilson and Greenville Bypasses) (including freeway construction from I-95 to Greenville)</u>	<u>Wilson, Greene, Pitt</u>
<u>US-70</u>	<u>Complete 4-laning from Raleigh to Morehead City (including Clayton, Goldsboro, Kinston, Smithfield-Selma, and Havelock Bypasses)</u>	<u>Wake, Johnston, Wayne, Lenoir, Craven</u>
<u>NC-24</u>	<u>Complete 4-laning from Charlotte to Morehead</u>	<u>Mecklenburg, Cabarrus, Stanly,</u>

1		<u>City</u>	<u>Montgomery, Moore,</u>
2			<u>Harnett, Cumberland,</u>
3			<u>Sampson, Duplin,</u>
4			<u>Onslow, Carteret</u>
5			
6	<u>US-74</u>	<u>Complete 4-laning from</u>	<u>Mecklenburg, Union,</u>
7		<u>Charlotte to US-17</u>	<u>Richmond, Robeson,</u>
8		<u>(including multi-laning</u>	<u>Columbus</u>
9		<u>of Independence Blvd. in</u>	
10		<u>Charlotte, and Bypasses</u>	
11		<u>of Monroe, Rockingham,</u>	
12		<u>and Hamlet)</u>	
13			
14	<u>US-74</u>	<u>Complete 4-laning from</u>	<u>Polk, Rutherford</u>
15		<u>I-26 to I-85</u>	
16			
17	<u>US-158</u>	<u>Complete 4-laning</u>	<u>Forsyth, Guilford,</u>
18		<u>from Winston-Salem</u>	<u>Rockingham, Caswell,</u>
19		<u>to Whalebone</u>	<u>Person, Granville,</u>
20			<u>Vance, Warren,</u>
21			<u>Halifax,</u>
22			<u>Northampton, Gates,</u>
23			<u>Hertford,</u>
24			<u>Pasquotank, Camden,</u>
25			<u>Currituck, Dare</u>
26			
27		<u>New bridge over</u>	<u>Currituck</u>
28		<u>Currituck Sound</u>	
29			
30	<u>US-64</u>	<u>Complete 4-laning from</u>	<u>Davidson, Randolph,</u>
31		<u>Lexington to Raleigh</u>	<u>Chatham, Wake</u>
32			
33	<u>US-421</u>	<u>Complete 4-laning from</u>	<u>Watauga, Wilkes,</u>
34		<u>Tennessee Line to I-40</u>	<u>Yadkin</u>
35			
36	<u>US-421</u>	<u>Complete 4-laning from</u>	<u>Chatham, Lee</u>
37		<u>Greensboro to Sanford</u>	
38		<u>(including Bypass of</u>	
39		<u>Sanford)</u>	
40			
41	<u>NC-87</u>	<u>Complete 4-laning from</u>	<u>Lee, Harnett,</u>
42		<u>Sanford to US-74</u>	<u>Cumberland, Bladen,</u>
43			<u>Columbus</u>
44			

1	<u>US-13</u>	<u>Connector from I-95</u>	<u>Cumberland</u>
2		<u>to NC-87</u>	
3			
4	<u>US-19/</u>	<u>Complete 4-laning from</u>	<u>Madison, Yancey,</u>
5	<u>US-19E</u>	<u>US-23 to NC 194 in</u>	<u>Mitchell, Avery</u>
6		<u>Ingalls</u>	
7			
8	<u>NC-194</u>	<u>Complete 4-laning from</u>	<u>Avery</u>
9		<u>US-19E to US-221</u>	
10			
11	<u>US-19</u>	<u>Complete 4-laning</u>	<u>Cherokee, Macon,</u>
12			<u>Swain</u>
13			
14	<u>US-23-441</u>	<u>Complete 4-laning from</u>	<u>Macon</u>
15		<u>US-19/US-74 to Georgia</u>	
16		<u>Line</u>	
17			
18	<u>US-23</u>	<u>Complete 4-laning and</u>	<u>Madison, Buncombe</u>
19		<u>upgrading existing</u>	
20		<u>4-lanes from Tennessee</u>	
21		<u>Line to I-240</u>	
22			
23	<u>NC-105</u>	<u>Complete 4-laning from</u>	<u>Watauga, Avery</u>
24		<u>Boone to Linville</u>	
25			
26	<u>US-221</u>	<u>Complete 4-laning from</u>	<u>Avery, McDowell,</u>
27		<u>Linville to South</u>	<u>Rutherford</u>
28		<u>Carolina</u>	
29			
30	<u>US-321</u>	<u>Complete 4-laning from</u>	<u>Caldwell, Catawba,</u>
31		<u>Boone to South Carolina</u>	<u>Lincoln, Gaston</u>
32		<u>Line</u>	
33			
34	<u>US-52</u>	<u>Complete 4-laning from</u>	<u>Surry, Davidson</u>
35		<u>I-77 to Lexington</u>	
36		<u>(including new I-77</u>	
37		<u>Connector)</u>	
38			
39	<u>US-220/NC-68</u>	<u>Complete 4-laning from</u>	<u>Rockingham, Guilford</u>
40		<u>Virginia Line to I-40</u>	
41			
42	<u>US-220</u>	<u>Complete 4-laning from</u>	<u>Guilford, Randolph,</u>
43		<u>I-40 to the inter-</u>	<u>Montgomery, Richmond</u>
44		<u>section with US-1</u>	

1			
2	<u>US-1</u>	<u>Complete 4-laning from</u>	<u>Vance, Franklin,</u>
3		<u>Henderson to South</u>	<u>Wake, Chatham, Lee,</u>
4		<u>Carolina Line</u>	<u>Moore, Richmond</u>
5		<u>(including 6-laning of</u>	
6		<u>Raleigh Beltline)</u>	
7			
8	<u>US-13</u>	<u>Complete 4-laning from</u>	<u>Gates, Hertford,</u>
9		<u>Virginia Line to US-17</u>	<u>Bertie</u>
10			
11	<u>US-17</u>	<u>Complete 4-laning from</u>	<u>Camden, Pasquotank,</u>
12		<u>Virginia Line to South</u>	<u>Perquimans, Chowan,</u>
13		<u>Carolina Line (including</u>	<u>Bertie, Martin,</u>
14		<u>Washington, New Bern,</u>	<u>Beaufort, Craven,</u>
15		<u>and Jacksonville</u>	<u>Jones, Onslow,</u>
16		<u>Bypasses)</u>	<u>Pender, New Hanover,</u>
17	<u>Brunswick</u>		
18			
19	<u>NC-168</u>	<u>Complete multi-laning</u>	<u>Currituck</u>
20		<u>from Virginia Line</u>	
21		<u>to US-158</u>	
22	<b><u>"§ 136-179. Urban loops.</u></b>		
23	<u>Twenty-four and six one-hundredths percent (24.06%) of the Trust Fund shall be</u>		
24	<u>used to plan, design and construct the following Urban Loops:</u>		
25			
26	<u>Loop</u>	<u>Description</u>	<u>County</u>
27	<u>Charlotte Outer Loop</u>	<u>Multi-lane facility on</u>	<u>Mecklenburg</u>
28	<u>new location encircling</u>		
29	<u>City of Charlotte.</u>		
30			
31	<u>Raleigh Outer Loop</u>	<u>Multi-lane facility on</u>	<u>Wake</u>
32	<u>new location from US-1</u>		
33	<u>southwest of Cary</u>		
34		<u>northerly to US-64 in</u>	
35		<u>eastern Wake County.</u>	
36			
37	<u>Greensboro Loop</u>	<u>Multi-lane facility on new</u>	<u>Guilford</u>
38	<u>location encircling City</u>		
39	<u>of Greensboro.</u>		
40			
41	<u>Winston-Salem</u>	<u>Multi-lane facility on</u>	<u>Forsyth</u>
42	<u>Northbelt</u>	<u>new location from I-40 west</u>	
43		<u>of Winston-Salem northerly</u>	
44		<u>to I-40 in eastern Forsyth</u>	

County.

1  
2  
3 Durham Northern Loop      Multi-lane facility on new      Durham, Orange  
4      location from I-85 west of  
5      Durham to US-70 east of  
6      Durham.

7  
8 Asheville Western      Multi-lane facility on new      Buncombe  
9 Loop      location from I-26 west of  
10      Asheville to US-19/23  
11      north of Asheville.

12  
13 Wilmington Bypass      Multi-lane facility on new      New Hanover  
14      location from US-17  
15      northeast of Wilmington  
16      to the US-17 southwest  
17      of Wilmington.

**"§ 136-180. Secondary roads.**

18  
19      (a) Six and one-half percent (6.5%) of the Trust Fund shall be used to  
20 supplement the regular secondary road appropriations to each county, on a pro rata  
21 basis, so as to pave by 1999 all secondary roads with a traffic vehicular equivalent of 50  
22 vehicles per day. All funds shall be allocated solely based upon the ratio of the number  
23 of miles of unpaved secondary road mileage with traffic vehicular equivalent of 50  
24 vehicles per day within a county as compared to the total number of State-maintained  
25 unpaved secondary road miles with traffic vehicular equivalent of 50 vehicles per day.  
26 This supplement shall be discontinued when the Department of Transportation certifies  
27 that with funds available, all remaining unpaved secondary roads can be paved during  
28 the following six years.

29      (b) When a secondary road within a county is listed within the first ten secondary  
30 roads to be paved during a year on a priority list, issued by the Department of  
31 Transportation, of secondary roads to be paved in that county, it cannot be removed  
32 from top ten of that list or any subsequent lists and all secondary roads within a county  
33 shall be paved, insofar as possible, in the priority order of the list. A secondary road in  
34 the first ten secondary roads to be paved on a list issued by the Department of  
35 Transportation shall not be replaced with a secondary road below it on that list or any  
36 subsequent list.

**"§ 136-181. Transportation Improvement Program.**

37  
38      Nine and thirty-nine one-hundredths percent (9.39%) of the Trust Fund shall be  
39 used to supplement the Transportation Improvement Program and the planning, design,  
40 and construction of the Intrastate System.

**"§ 136-182. Continuation funding of Trust Fund.**

41  
42      Except to the extent needed to satisfy any current obligation of all outstanding  
43 bonded indebtedness pursuant to any pertinent Bond Act, within 30 days after the end of  
44 each calendar quarter, beginning with the calendar quarter ending September 30, 1989,

1 the State Treasurer shall transfer from the Highway Fund and deposit to the credit of the  
2 North Carolina Highway Trust Fund, a sum equal to nine percent (9%) of net revenue  
3 credited to the Highway Fund during the immediately preceding quarter including the  
4 net proceeds of revenues from taxes on motor fuels collected pursuant to Articles 36,  
5 36A, and 36B of Chapter 105 of the General Statutes, and the motor vehicle registration  
6 fees and other revenues collected pursuant to Chapter 20 of the General Statutes,  
7 including interest or income received and accruing on the State Highway Fund by  
8 reason of these revenues. These transfers shall be made from the Highway Fund prior  
9 to the availability of these funds for any other appropriation. The sums transferred  
10 pursuant to this section shall constitute recurring annual appropriations.

11 **"§ 136-183. Legislative Highway Oversight Committee.**

12 (a) There is created the Legislative Highway Oversight Committee. The  
13 members of this Committee shall be:

- 14 (1) Eight Senators appointed by the President Pro Tempore of the Senate.  
15 (2) Eight members of the House of Representatives appointed by the  
16 Speaker of the House of Representatives.

17 Members shall serve two-year terms beginning and ending on January 15 of the odd-  
18 numbered years, except that initial appointments shall begin thirty (30) days after  
19 the effective date of this act. Members shall not be disqualified from completing a term  
20 of service on the Committee because they fail to run or are defeated for reelection.  
21 Resignation or removal from the General Assembly shall constitute resignation or  
22 removal from service on the Committee.

23 The President Pro Tempore of the Senate and the Speaker of the House of  
24 Representatives shall each appoint a member to serve as a Cochairman of the  
25 Committee.

26 (b) The Committee shall meet at least quarterly to review reports prepared by  
27 the Department of Transportation relating to the matters contained in this Article.

28 The Committee shall:

- 29 (1) Monitor the funds deposited in and expenditures from the North  
30 Carolina Highway Trust Fund and the Highway Fund.  
31 (2) Determine that the funds are spent in accordance with the provisions of  
32 this Article.  
33 (3) Recommend to the General Assembly any revisions needed in the  
34 programs established by this Article based on funds available to the  
35 North Carolina Highway Trust Fund.

36 (c) The Committee shall prepare reports to be submitted to the General  
37 Assembly at the beginning of the regular session in odd-numbered years beginning in  
38 1991 and made interim reports as necessary, containing any legislation needed to  
39 facilitate the construction of the projects authorized by this Article.

40 (d) The Committee, while in the discharge of official duties, may exercise all  
41 the powers provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through  
42 G.S. 120-19.4. The Committee may meet at any time upon the joint call of the  
43 Chairman. The Committee may meet in the Legislative Building or the Legislative  
44 Office Building.



1           (e) Members of the Committee shall receive subsistence and travel expenses at  
2 the rates set forth in G.S. 120-3.1.

3           (f) The Committee may contract for professional, clerical, or consultant services  
4 as provided by G.S. 120-32.02. The Legislative Services Commission, through the  
5 Legislative Administrative Officer, shall assign professional staff to assist in the work  
6 of the Committee. The House of Representatives' and the Senate's Supervisor of Clerks  
7 shall assign clerical staff to the Committee, upon the direction of the Legislative  
8 Services Commission. The expenses relating to clerical employees shall be borne by  
9 the Committee.

10          (g) All State departments and agencies and local governments and their  
11 subdivisions shall furnish the Committee with any information in their possession or  
12 available to them.

13          (h) The Committee shall be funded from funds available to the Legislative  
14 Services Commission.

15          (i) Vacancies on the Committee shall be filled by the appropriate appointing  
16 authority."

17           Sec. 2. G.S. 105-434(a) reads as rewritten:

18          "(a) Tax. – An excise tax is levied on motor fuel sold, distributed, or used by a  
19 distributor within this State at the rate of ~~fourteen cents (14¢)~~ seventeen cents (17¢) per  
20 gallon plus ~~three percent (3%)~~ seven percent (7%) of the average wholesale price of  
21 motor fuel, but no less than the equivalent of three and one-half cents (3 1/2¢) per  
22 gallon of the average wholesale price of motor fuel, as determined semiannually by the  
23 Secretary of Revenue from information on refiner and gas plant operator sales prices of  
24 finished motor gasoline and No. 2 diesel fuel for resale, published by the United States  
25 Department of Energy in the 'Monthly Energy Review,' or on equivalent data. The  
26 Secretary shall determine the average wholesale price of motor fuel by computing the  
27 average sales price of finished motor gasoline for the base period, computing the  
28 average sales price for No. 2 diesel fuel for the base period, and then computing a  
29 weighted average of the results of the first two computations based on the proportion of  
30 tax collected under this Article on motor fuel and Article 36A on fuel for the base  
31 period. The Secretary shall notify affected taxpayers of the tax rate to be in effect for  
32 each six-month period.

33          To facilitate collection of the motor fuel tax, the Secretary shall convert the  
34 percentage rate to a cents-per-gallon rate to be in effect during the six-month period  
35 beginning each January 1 and July 1. The rate to be in effect during the six-month  
36 period beginning January 1 shall be computed from data published for the six-month  
37 base period ending on the preceding September 30, and the rate to be in effect during  
38 the six-month period beginning July 1 shall be computed from data published for the  
39 six-month base period ending on the preceding March 31. The cents-per-gallon rate  
40 computed by the Secretary shall be rounded to the nearest one-tenth of a cent (1/10¢). If  
41 the cents-per-gallon rate computed by the Secretary is exactly between two tenths of a  
42 cent, the rate shall be rounded up to the higher of the two."

43           Sec. 3. G.S. 105-446 reads as rewritten:

44          "**§ 105-446. Refund of motor fuel used other than to propel a motor vehicle.**

1 A person who purchases and uses motor fuel for a purpose other than to operate a  
2 licensed motor vehicle may receive an annual refund, for the tax paid during the  
3 preceding calendar year, at a rate equal to ~~fourteen cents (14¢)~~ seventeen cents (17¢) per  
4 gallon plus the average of the two wholesale cents-per-gallon rates of tax in effect  
5 during the year for which refund is claimed, less one cent (1¢) per gallon. An  
6 application for a refund allowed under this section shall be made in accordance with  
7 G.S. 105-440."

8 Sec. 4. G.S. 105-446.1 reads as rewritten:

9 **"§ 105-446.1. Refunds of taxes paid by counties and municipalities.**

10 The following entities shall be entitled to reimbursement for the tax levied by G.S.  
11 105-434 upon filing a statement in writing with the Secretary of Revenue, which  
12 statement shall be made upon the oath or affirmation of the chief executive officer of  
13 said entity, showing the number of gallons of fuel purchased and used by said entity on  
14 which the tax levied by G.S. 105-434 has been paid: the ~~Board of~~  
15 Transportation ~~Department of Transportation~~, counties, municipal corporations, volunteer  
16 fire departments, county fire departments, volunteer rescue squads, and 'sheltered  
17 workshop' organizations recognized and approved by the Department of Human  
18 Resources. 'Chief executive officer' shall mean the ~~Director of Highways~~ Secretary of the  
19 North Carolina Department of Transportation, the mayor, city manager or other  
20 municipal officer designated by the governing body of the municipality, the chairman of  
21 the board of county commissioners or other county officer designated by the board of  
22 county commissioners, or the president or other duly designated officer or agent of a  
23 volunteer fire department, county fire department, volunteer rescue squad or 'sheltered  
24 workshop' organization. Reimbursement shall be at a rate equal to ~~fourteen cents (14¢)~~  
25 seventeen cents (17¢) per gallon plus the wholesale cents-per-gallon rate of tax in effect  
26 during the quarter for which the refund is claimed, less one cent (1¢) per gallon. An  
27 application for a refund under this section shall be made in accordance with G.S. 105-  
28 440."

29 Sec. 5. G.S. 105-446.3(a) reads as rewritten:

30 "(a) Any person, association, firm or corporation, who shall purchase any motor  
31 fuels, as defined in this Article, for the purpose of use, and the same is actually used, in  
32 the operation of motor buses transporting fare-paying passengers, in connection with a  
33 city transit system or in the operation of a taxicab transporting fare-paying passengers,  
34 both as hereinafter defined in subsection (b) of this section, or in the operation, by  
35 private nonprofit organizations, of motor vehicles transporting passengers under  
36 contract with or at the express designation of units of local government (such  
37 transportation above and hereinafter referred to as private nonprofit transportation  
38 services) shall be entitled to reimbursement for the tax levied by this Article upon filing  
39 with the Secretary of Revenue an application upon the oath or affirmation of the  
40 applicant or his agent showing the number of gallons of motor fuel so purchased and  
41 used. Reimbursement shall be at a rate equal to ~~fourteen cents (14¢)~~ seventeen cents  
42 (17¢) per gallon plus the wholesale cents-per-gallon rate of tax in effect during the  
43 quarter for which the refund is claimed, less one cent (1¢) per gallon. An application for  
44 a refund allowed under this section shall be made in accordance with G.S. 105-440."

1           Sec. 5.1. G.S. 105-446.5(a) reads as rewritten:

2           "(a) Refund. – A person who purchases and uses motor fuel in one of the vehicles  
3 listed below may receive a refund for the amount of fuel consumed by the vehicle:

- 4           (1) A concrete mixing vehicle;  
5           (2) A solid waste compacting vehicle;  
6           (3) A bulk feed vehicle that delivers feed to poultry or livestock and uses a  
7 power take-off to unload the feed; and  
8           (4) A vehicle that delivers lime or fertilizer in bulk to farms and uses a  
9 power take-off to unload the lime or fertilizer.

10 The refund rate shall be computed by subtracting one cent (1¢) from ~~fourteen cents (14¢)~~  
11 seventeen cents (17¢) per gallon plus the average of the two wholesale cents-per-gallon  
12 rates of tax in effect during the year for which the refund is claimed, and multiplying the  
13 difference by thirty-three and one-third percent (33 1/3%). An application for a refund  
14 allowed under this section shall be made in accordance with G.S. 105-440. This refund  
15 is allowed for the amount of fuel consumed by the vehicle in its mixing, compacting, or  
16 unloading operations, as distinguished from propelling the vehicle, which amount is  
17 considered to be one third of the amount of fuel consumed by the vehicle."

18           Sec. 5.2. G.S. 105-446.6 reads as rewritten:

19 **"§ 105-446.6. Refund on taxpaid motor fuel transported to another state.**

20           Upon application to the Secretary, any person, association or corporation who  
21 purchases motor fuel upon which the tax imposed by this Article has been paid, and  
22 who transports the fuel to another state for sale or use in that state may be reimbursed at  
23 a rate equal to ~~fourteen cents (14¢)~~ seventeen cents (17¢) per gallon plus the wholesale  
24 cents-per-gallon rate of tax paid on the fuel, less one cent (1¢) per gallon. The refund  
25 application shall require the claimant to furnish evidence satisfactory to the Secretary  
26 that the motor fuel for which the refund is claimed has been reported for taxation in the  
27 state to which it was transported. As used in this section, to 'transport' means to carry  
28 motor fuel in a cargo tank, tank car, barge or barrel and does not include carrying fuel in  
29 a tank connected with or attached to the engine of a motor vehicle."

30           Sec. 6. G.S. 136-41.1(a) reads as rewritten:

31           "(a) There is hereby annually appropriated out of the State Highway Fund a sum  
32 equal to ~~the net amount after refunds that was produced during the fiscal year by a one~~  
33 ~~and three-fourths cents (1 3/4¢) tax on each gallon of motor fuel as taxed by G.S. 105-~~  
34 ~~434 and 105-435, nine percent (9%) of the annual net revenues paid into the State~~  
35 Highway Fund to be allocated in cash on or before October 1 of each year to the cities  
36 and towns of the State in accordance with the following formula:

37           Seventy-five percent (75%) of said funds shall be distributed among the several  
38 eligible municipalities of the State in the percentage proportion that the population of  
39 each eligible municipality bears to the total population of all eligible municipalities  
40 according to the most recent annual estimates of population as certified to the Secretary  
41 of Revenue by the State Budget Officer. This annual estimation of population shall  
42 include increases in the population within the municipalities caused by annexations  
43 accomplished through July 1 of the calendar year in which these funds are distributed.  
44 Twenty-five percent (25%) of said fund shall be distributed among the several eligible

1 municipalities of the State in the percentage proportion that the mileage of public streets  
2 in each eligible municipality which does not form a part of the State highway system  
3 bears to the total mileage of the public streets in all eligible municipalities which do not  
4 constitute a part of the State highway system.

5 It shall be the duty of the mayor of each municipality to report to the Department of  
6 Transportation such information as it may request for its guidance in determining the  
7 eligibility of each municipality to receive funds by virtue of G.S. 136-41.1 and 136-41.2  
8 and in determining the amount of allocation to which each is entitled. Upon failure of  
9 any municipality to make such report within the time prescribed by the Department of  
10 Transportation, the Department of Transportation may disregard such defaulting unit in  
11 making said allotment.

12 The funds to be allocated under this section shall be paid in cash to the various  
13 eligible municipalities on or before October 1 each year after March 15, 1951. Provided  
14 that eligible municipalities are authorized within the discretion of their governing bodies  
15 to enter into contracts for the purpose of maintenance, repair, construction,  
16 reconstruction, widening, or improving streets of such municipalities at any time after  
17 January 1 of any calendar year in total amounts not to exceed ninety percent (90%) of  
18 the amount received by such municipality during the preceding fiscal year, in  
19 anticipation of the receipt of funds under this section during the next fiscal year, to be  
20 paid for out of such funds when received.

21 No allocation to cities and towns shall be made under the provisions of this section  
22 from the one cent (1¢) per gallon additional tax on gasoline imposed by Chapter 46 of  
23 the Session Laws of 1965, unless and until said additional one cent (1¢) per gallon tax  
24 produces funds which are not needed for or committed by said Chapter 46 of the  
25 Session Laws of 1965, to the payment of the principal of or the interest on the  
26 secondary road bonds issued pursuant to the provisions of said Chapter 46 of the  
27 Session Laws of 1965. The Department of Transportation is hereby authorized to  
28 withhold each year an amount not to exceed one percent (1%) of the total amount  
29 appropriated in G.S. 136-41.1 for the purpose of correcting errors in allocations:  
30 Provided, that the amount so withheld and not used for correcting errors will be carried  
31 over and added to the amount to be allocated for the following year.

32 The word 'street' as used in this section is hereby defined as any public road  
33 maintained by a municipality and open to use by the general public, and having an  
34 average width of not less than 16 feet. In order to obtain the necessary information to  
35 distribute the funds herein allocated, the Department of Transportation may require that  
36 each municipality eligible to receive funds under G.S. 136-41.1 and 136-41.2 submit to  
37 it a statement, certified by a registered engineer or surveyor of the total number of miles  
38 of streets in such municipality. The Department of Transportation may in its discretion  
39 require the certification of mileage on a biennial basis."

40 Sec. 7. G.S. 136-44.2A reads as rewritten:

41 "**§ 136-44.2A. Secondary road construction.**

42 There shall be annually allocated out of the State Highway Fund to the Department  
43 of Transportation for secondary road construction programs developed pursuant to G.S.  
44 136-44.7 and 136-44.8, a sum equal to that allocation made under G.S. 136-41.1(a).

1 ~~Such secondary roads allocation shall be made in accordance with the provisions of G.S. 136-~~  
2 ~~44.5. The sum of sixty-eight million six hundred seventy thousand dollars (\$68,670,000)~~  
3 ~~allocated to secondary road construction shall be distributed in accordance with the~~  
4 ~~provisions of G.S. 136-44.5. All funds for secondary road construction in excess of~~  
5 ~~sixty-eight million six hundred seventy thousand dollars (\$68,670,000) shall be~~  
6 ~~allocated solely based upon the ratio of the number of miles of unpaved secondary road~~  
7 ~~mileage with traffic vehicular equivalent of 50 vehicles per day within a county as~~  
8 ~~compared to the total number of State-maintained unpaved secondary road miles with~~  
9 ~~traffic vehicular equivalent of 50 vehicles per day.~~

10 The Department of Transportation shall report, on or before April 1 of each year, to  
11 the General Assembly, and to the Fiscal Research Division of the Legislative Services  
12 Commission, the number of secondary road miles with a traffic vehicular equivalent of  
13 50 vehicles per day statewide, the number of secondary road miles with a traffic  
14 vehicular equivalent of 50 vehicles per day in each county, and the number of secondary  
15 road miles with a traffic vehicular equivalent of 50 vehicles per day paved pursuant to  
16 this section."

17 Sec. 8. Chapter 20 of the General Statutes is amended by adding a new  
18 section to read:

19 **"§ 20-72.1. Transfer fee.**

20 (a) The Division shall collect a fee for the issuance of a vehicle title in the  
21 following manner:

- 22 (1) On new and used vehicles sold by registered dealers, those dealers  
23 shall collect a fee equal to two percent (2%) of the 'sale price' of the  
24 vehicle as defined and determined in Article 5, Schedule E of Chapter  
25 105 of the General Statutes and remit the fee along with the  
26 registration fees to the Division.
- 27 (2) On transfers of title after sales between persons other than registered  
28 dealers, the Division shall collect a fee equal to two percent (2%) of  
29 the average fair market value of each vehicle, as determined by the  
30 Division, for which an application for certificate of title is filed.
- 31 (3) There shall be a minimum title transfer fee of twenty-five dollars  
32 (\$25.00).
- 33 (4) The provisions of this section shall not apply to transfers of  
34 manufactured or mobile homes as defined in G.S. 143-143.9.

35 (b) The fee imposed by this section shall be in addition to any other fees  
36 imposed by law. The fees imposed by this section shall be collected before a certificate  
37 of title is issued. The funds derived from this fee shall be deposited in the North  
38 Carolina Highway Trust Fund for the exclusive use of the purposes set out in G.S. 136-  
39 176, and disbursed on vouchers drawn by the Board of Transportation in accordance  
40 with the acts of the General Assembly dealing with the subject matter herein referred to.

41 (c) The Division may issue rules concerning the collection of the fees  
42 described in subsection (a) of this section including procedures covering the methods by  
43 which the fees may be paid and the collection of uncollectable checks and drafts issued  
44 to the Division or contractors with the Division for the title transfer fee.

1 (d) The Division shall begin collecting the transfer fee no later than 60 days  
2 following ratification of this act."

3 Sec. 9. Chapter 136 of the General Statutes is amended by adding a new  
4 section to read:

5 **"§ 136-184. Distribution formula.**

6 The funds, for the construction of the program authorized in G.S. 136-178 and all  
7 funds allocated for construction under the Transportation Improvement Program, and  
8 exempting G.S. 136-179, shall be distributed in the following manner:

9 (1) For purposes of this formula, the State shall be divided into seven  
10 Distribution Regions:

11 a. Highway Divisions 1 and 4 shall be Distribution Region A.

12 b. Highway Divisions 2 and 3 shall be Distribution Region B.

13 c. Highway Divisions 5 and 6 shall be Distribution Region C.

14 d. Highway Divisions 7 and 9 shall be Distribution Region D.

15 e. Highway Divisions 8 and 10 shall be Distribution Region E.

16 f. Highway Divisions 11 and 12 shall be Distribution Region F.

17 g. Highway Divisions 13 and 14 shall be Highway Distribution  
18 Region G.

19 (2) The amount of funds available during each seven-year period for the  
20 construction of Intrastate System Construction Program authorized in  
21 G.S. 136-178, G.S. 136-181, and exempting G.S. 136-179, and all  
22 funds allocated for construction of projects under the Transportation  
23 Improvement Program in each Distribution Region shall be determined  
24 by multiplying the total amount of the funds available for that seven-  
25 year period for the construction of these projects by a factor based:  
26 twenty-five percent (25%) on the miles to complete the Intrastate  
27 System within the Distribution Region as compared to the miles of the  
28 entire Intrastate System; fifty percent (50%) on the population of the  
29 Distribution Region compared to the total population of the State; and  
30 twenty-five percent (25%) on an equal share based on the number of  
31 Distribution Regions (one-seventh).

32 (3) These funds shall be distributed on a seven-year construction program,  
33 which shall be updated annually.

34 (4) When ninety percent (90%) of the Intrastate System Construction  
35 Program is completed, as certified by the Department of  
36 Transportation the distribution formula shall change to be determined  
37 by multiplying the total amount of funds available in that fiscal year  
38 for the construction of the projects authorized by G.S. 136-178, G.S.  
39 136-181, exempting G.S. 136-179, and all funds allocated for  
40 construction of projects under the Transportation Improvement  
41 Program by a factor based: sixty-six percent (66%) on the population  
42 of the Distribution Region as compared to the total population of the  
43 State and thirty-four percent (34%) on an equal share based on the  
44 number of Distribution Regions (14.28%).

1           (5) Each Distribution Region shall receive, in each consecutive seven-year  
2           period, within ten percent (10%), more or less, of the funds determined  
3           using the formulae set forth in subdivisions (3) and (4) of this section.

4           (6) The miles of the Intrastate System completed, the VMT, and the  
5           population figures for the State and each Distribution Region shall be  
6           adjusted on July 1, or each year."

7           Sec. 10. Chapter 136 of the General Statutes is amended by adding a new  
8 section to read:

9 **"§ 136-44.16. Toll road study authorized.**

10           The Department of Transportation shall determine on which highways and  
11 bridges it is legally and economically feasible to collect tolls and shall report to the  
12 1991 General Assembly along with the necessary legislation to implement the collection  
13 of the tolls including the creation of a North Carolina Toll Roads Authority to collect  
14 the tolls."

15           Sec. 11. Chapter 136 of the General Statutes is amended by adding a new  
16 section to read:

17 **"§ 136-12A. Transportation Improvement Program submitted to General**  
18 **Assembly before approval.**

19           (a) The Department shall submit the Transportation Improvement Program,  
20 including any interim changes, to the persons and agencies listed in subsection (c) of  
21 this section at least thirty (30) days prior to its approval by the Board of Transportation,  
22 pursuant to G.S. 143B-350(f)(4).

23           (b) The Transportation Improvement Program shall contain:

24           (1) A copy of the proposed Transportation Improvement Program; and

25           (2) A list of changes, and the reasons for each change made from the last  
26 Transportation Improvement Program, including additions, deletions,  
27 postponements, and accelerated projects.

28           (c) Copies of the report required by subsection (a) of this section shall be  
29 delivered to:

30           (1) The Chairmen of the House Appropriations Committee, the Highway  
31 Subcommittee of the House Appropriations Committee, the Senate  
32 Appropriations Committee and the Senate Budget Committee;

33           (2) The Chairmen of the Senate Transportation Committee and the  
34 Highway Subcommittee of the Infrastructure Committee of the House;

35           (3) The Speaker of the House of Representatives, the President Pro  
36 Tempore of the Senate, the Lieutenant Governor, and the Speaker Pro  
37 Tempore of the House of Representatives;

38           (4) The Fiscal Research Division of the Legislative Services Commission;  
39 and

40           (5) Members of the Legislative Highway Oversight Committee."

41           Sec. 12. Should any portion of G.S. 136-178, 136-179, 136-183, or 136-184  
42 be finally declared unconstitutional by any court of competent jurisdiction, then there  
43 shall be no further allocations of funds from the North Carolina Highway Trust Fund,

1 except for the expenditure of previously encumbered funds, until the General Assembly  
2 acts to authorize further allocations.

3           Sec. 13. Notwithstanding any provision of this act, nothing in this act  
4 authorizes the appropriation, allocation, or expenditure of any funds.

5           Sec. 14. This act is effective upon ratification and the taxes imposed by  
6 Sections 2 and 3 of this act and the fee imposed by Section 8 of this act shall be  
7 collected beginning no later than 60 days after the ratification date of this act.