

1 available in that fiscal year, at the discretion of the Secretary of
2 Transportation, for:

- 3 a. Highway improvement projects that further economic growth
4 and development in small urban and rural areas, that are in the
5 Transportation Improvement Program, and that are individually
6 approved by the Board of Transportation; or
7 b. Highway improvements that further economic development in
8 the State and that are individually approved by the Board of
9 Transportation.

10 (2) For preliminary engineering costs not included in the current year
11 Transportation Improvement Program. – Fifteen million dollars
12 (\$15,000,000) in each of the fiscal years 2001-2002, 2002-2003, and
13 2003-2004.

14 (3) For computerized traffic signal systems and signal optimization
15 projects. – Fifteen million dollars (\$15,000,000) in each of the fiscal
16 years 2001-2002, 2002-2003, and 2003-2004.

17 (4) For public transportation twenty million dollars (\$20,000,000) in fiscal
18 year 2001-2002, twenty-five million dollars (\$25,000,000) in fiscal
19 year 2002-2003, and seventy-five million dollars (\$75,000,000) in
20 fiscal year 2003-2004.

21 (5) For small urban construction projects. – Seven million dollars
22 (\$7,000,000) in fiscal year 2002-2003.

23 (a2) The Department shall certify to the Joint Legislative Transportation Oversight
24 Committee each year, on or before November 1, that use of the Highway Trust Fund
25 cash balances for these purposes will not adversely affect the delivery schedule of
26 Highway Trust Fund projects in the 2002-2008 Transportation Improvement Program.

27 (b) Funds in the Trust Fund are annually appropriated to the Department of
28 Transportation to be allocated and used as provided in this subsection. A sum, not to
29 exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust
30 Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year
31 by the Department for expenses to administer the Trust Fund. Operation and project
32 development costs of the North Carolina Turnpike Authority are eligible administrative
33 expenses under this subsection. Any funds allocated to the Authority pursuant to this
34 subsection shall be repaid by the Authority from its toll revenue as soon as possible,
35 subject to any restrictions included in the agreements entered into by the Authority in
36 connection with the issuance of the Authority's revenue bonds. Beginning one year after
37 the Authority begins collecting tolls on a completed Turnpike Project, interest shall
38 accrue on any unpaid balance owed to the Highway Trust Fund at a rate equal to the
39 State Treasurer's average annual yield on its investment of Highway Trust Fund funds
40 pursuant to G.S. 147-6.1. Interest earned on the unpaid balance shall be deposited in the
41 Highway Trust Fund upon repayment. The sum up to the amount anticipated to be
42 necessary to meet the State matching funds requirements to receive Federal-Aid
43 Highway trust funds for the next fiscal year may be set aside for that purpose. The rest
44 of the funds in the Trust Fund shall be allocated and used as follows:

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

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

21 (b1) The Secretary may authorize the transfer of funds allocated under
22 subdivisions (1) through (4) of subsection (b) of this section to other projects that are
23 ready to be let and were to be funded from allocations to those subdivisions. The
24 Secretary shall ensure that any funds transferred pursuant to this subsection are repaid
25 promptly and in any event in no more than four years. The Secretary shall certify, prior
26 to making any transfer pursuant to this subsection, that the transfer will not affect the
27 delivery schedule of Highway Trust Fund projects in the current Transportation
28 Improvement Program. No transfers shall be allowed that do not conform to the
29 applicable provisions of the equity formula for distribution of funds, G.S. 136-17.2A. If
30 the Secretary authorizes a transfer pursuant to this subsection, the Secretary shall report
31 that decision to the next regularly scheduled meetings of the Joint Legislative
32 Commission on Governmental Operations, the Joint Legislative Transportation
33 Oversight Committee, and to the Fiscal Research Division.

34 (c) If funds are received under 23 U.S.C. Chapter 1, Federal-Aid Highways, for a
35 project for which funds in the Trust Fund may be used, the amount of federal funds
36 received plus the amount of any funds from the Highway Fund that were used to match
37 the federal funds may be transferred by the Secretary of Transportation from the Trust
38 Fund to the Highway Fund and used for projects in the Transportation Improvement
39 Program.

40 (d) A contract may be let for projects funded from the Trust Fund in anticipation
41 of revenues pursuant to the cash-flow provisions of G.S. 143-28.1 only for the two
42 bienniums following the year in which the contract is let."

43 **SECTION 2.** This act becomes effective July 1, 2003.