

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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1

SENATE BILL 290*

Short Title: North Carolina Highway Trust Fund.

(Public)

Sponsors: Senators Goldston, Royall, Basnight, and Plyler.

Referred to: Transportation.

February 27, 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 projects of the North
19 Carolina Intrastate System specifically described in G.S. 136-178.
20 (2) For the planning, design and construction of the projects of the Urban
21 Loops described in G.S. 136-179.
22 (3) For a supplement to secondary road construction as described in G.S.
23 136-180.
24 (4) For a supplement to the Transportation Improvement Program.

1 Funds from the North Carolina Highway Trust Fund may be substituted on a dollar-for-
 2 dollar basis with funds from the Federal Aid Construction Program.

3 **"§ 136-177. North Carolina Highway Trust Fund; sources.**

4 The Trust Fund shall receive all funds generated by:

- 5 (1) The three cents (3¢) per gallon tax on motor fuel collected pursuant to
 6 Articles 36, 36A, and 36B of Chapter 105 of the General Statutes.
- 7 (2) The two percent (2%) fee on the transfer of all motor vehicles
 8 collected pursuant to G.S. 20-72.1.
- 9 (3) Other funds collected pursuant to the provisions of this Article or from
 10 other sources when specifically designated to be deposited to the credit
 11 of the Trust Fund.

12 **"§ 136-178. North Carolina Intrastate System.**

13 Sixty and five one-hundredths percent (60.05%) of the Trust Fund shall be used to
 14 plan, design and construct the North Carolina Intrastate System, hereinafter referred to
 15 in this Article as the 'Intrastate System'. The Intrastate System is a network of major
 16 multi-lane arterial highways established to provide a high level of travel service (speed,
 17 safety and mobility) throughout the State, and serves to connect major population
 18 centers both inside and outside the State to provide safe, convenient, through travel for
 19 motorists. The Intrastate System is designed to support statewide growth and
 20 development objectives and connect to major highways of adjoining states. Designed
 21 for high speed travel, these corridors shall have access control determined by travel
 22 service and economic considerations. The entire Intrastate System shall be under
 23 construction no later than 2001.

24 The Intrastate System consists of the following projects:

<u>Route</u>	<u>Description</u>	<u>Affected Counties</u>
26 <u>I-40</u>	<u>Widening</u>	
29 <u>I-77</u>	<u>Widening</u>	
31 <u>I-85</u>	<u>Widening</u>	
33 <u>I-95</u>	<u>Widening</u>	
35 <u>US-64</u>	<u>Complete 4-laning from</u> <u>Raleigh to Coast</u>	<u>Edgecombe, Pitt,</u> <u>Martin, Washington,</u> <u>Tyrrell, Dare</u>
39 <u>US-264</u>	<u>Complete 4-laning from</u> <u>US-64 to Washington</u> <u>(including Wilson and</u> <u>Greenville Bypasses)</u>	<u>Wilson, Greene,</u> <u>Pitt</u>
44 <u>US-70</u>	<u>Complete 4-laning from</u>	<u>Wake, Johnston,</u>

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

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

1		<u>Connector)</u>	
2			
3	<u>US-220/NC-68</u>	<u>Complete 4-laning from</u>	<u>Rockingham, Guilford</u>
4		<u>Virginia Line to I-40</u>	
5			
6	<u>US-220</u>	<u>Complete 4-laning from</u>	<u>Guilford, Randolph,</u>
7		<u>I-40 to South Carolina</u>	<u>Montgomery, Richmond</u>
8		<u>Line</u>	
9			
10	<u>US-1</u>	<u>Complete 4-laning from</u>	<u>Vance, Franklin,</u>
11		<u>Henderson to South</u>	<u>Wake, Chatham, Lee,</u>
12		<u>Carolina Line</u>	<u>Moore, Richmond</u>
13		<u>(including 6-laning of</u>	
14		<u>Raleigh Beltline)</u>	
15			
16	<u>US-13</u>	<u>Complete 4-laning from</u>	<u>Gates, Hertford,</u>
17		<u>Virginia Line to US-17</u>	<u>Bertie</u>
18			
19	<u>US-17</u>	<u>Complete 4-laning from</u>	<u>Camden, Pasquotank,</u>
20		<u>Virginia Line to South</u>	<u>Perquimans, Chowan,</u>
21		<u>Carolina Line (including</u>	<u>Bertie, Martin,</u>
22		<u>Washington, New Bern,</u>	<u>Beaufort, Craven,</u>
23		<u>and Jacksonville</u>	<u>Jones, Onslow,</u>
24		<u>Bypasses)</u>	<u>Pender, New Hanover,</u>
25	<u>Brunswick</u>		
26			
27	<u>NC-168</u>	<u>Complete multi-laning</u>	<u>Currituck</u>
28		<u>from Virginia Line</u>	
29		<u>to US-158</u>	

30 **"§ 136-179. Urban loops.**

31 Twenty-four and six one-hundredths percent (24.06%) of the Trust Fund shall be
 32 used to plan, design and construct the following projects:

34	<u>Project</u>	<u>Description</u>	<u>County</u>
35	<u>Charlotte Outer Loop</u>	<u>Multi-lane facility on</u>	<u>Mecklenburg</u>
36	<u>new location encircling</u>		
37	<u>City of Charlotte.</u>		
38			
39	<u>Raleigh Outer Loop</u>	<u>Multi-lane facility on</u>	<u>Wake</u>
40	<u>new location from US 1</u>		
41	<u>southwest of Cary</u>		
42		<u>northerly to US-64 in</u>	
43		<u>eastern Wake County.</u>	
44			

1	<u>Greensboro Loop</u>	<u>Multi-lane facility on new</u>	<u>Guilford</u>
2	<u>location encircling City</u>		
3	<u>of Greensboro.</u>		
4			
5	<u>Winston-Salem</u>	<u>Multi-lane facility on new</u>	<u>Forsyth</u>
6	<u>Northbelt</u>	<u>new location from I-40 west</u>	
7		<u>of Winston-Salem northerly</u>	
8		<u>to I-40 in eastern Forsyth</u>	
9		<u>County.</u>	
10			
11	<u>Durham Northern Loop</u>	<u>Multi-lane facility on new</u>	<u>Durham, Orange</u>
12	<u>location from I-85 west of</u>		
13	<u>Durham to US 70 east of</u>		
14	<u>Durham.</u>		
15			
16	<u>Asheville Western</u>	<u>Multi-lane facility on new</u>	<u>Buncombe</u>
17	<u>Loop</u>	<u>location from I-26 west of</u>	
18		<u>Asheville to US-19/23</u>	
19		<u>north of Asheville.</u>	
20			
21	<u>Wilmington Bypass</u>	<u>Multi-lane facility on new</u>	<u>New Hanover</u>
22		<u>location from US-17</u>	
23		<u>northeast of Wilmington</u>	
24		<u>to the US-17 southwest</u>	
25		<u>of Wilmington.</u>	

26 **"§ 136-180. Secondary roads.**

27 Six and one-half percent (6.5%) of the Trust Fund shall be used to supplement the
28 regular secondary road appropriations to each county, on a pro rata basis, so as to pave
29 by 1999 all secondary roads with a traffic vehicular equivalent of 50 vehicles per day, at
30 which time the supplemental funding will be discontinued. All funds shall be allocated
31 solely based upon the ratio of the number of miles of unpaved secondary road mileage
32 with traffic vehicular equivalent of 50 vehicles per day within a county bear to the total
33 number of State-maintained unpaved secondary road miles with traffic vehicular
34 equivalent of 50 vehicles per day.

35 **"§ 136-181. Transportation Improvement Program.**

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

39 **"§ 136-182. Continuation funding of Trust Fund.**

40 Except to the extent needed to satisfy any current obligation of all outstanding
41 bonded indebtedness pursuant to any pertinent Bond Act, within 30 days after the end of
42 each calendar quarter, beginning with the calendar quarter ending September 30, 1989,
43 the State Treasurer shall transfer from the Highway Fund and deposit to the credit of
44 the North Carolina Highway Trust Fund, a sum equal to nine percent (9%) of net

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

9 **"§ 136-183. North Carolina Highway Trust Fund Oversight Committee.**

10 (a) There is created the North Carolina Highway Trust Fund Oversight
11 Committee. The members of this Committee shall be:

- 12 (1) The Chairman of the Transportation Committee of the Senate.
- 13 (2) The Vice-Chairman of the Transportation Committee of the Senate.
- 14 (3) The Ranking Minority Member of the Transportation Committee of
15 the Senate.
- 16 (4) The Chairman of the Finance Committee of the Senate.
- 17 (5) The Chairman of the Appropriations Committee of the Senate.
- 18 (6) The Chairman of the Base Budget Committee of the Senate.
- 19 (7) The Chairman of the Infrastructure Committee of the House of
20 Representatives.
- 21 (8) The Chairman of the Highways Subcommittee of the Infrastructure
22 Committee of the House of Representatives.
- 23 (9) The Chairman of the Finance Committee of the House of
24 Representatives.
- 25 (10) The Chairman of the Highway Fund Subcommittee of the Finance
26 Committee of the House of Representatives.
- 27 (11) The Chairman of the Appropriations Committee of the House of
28 Representatives.
- 29 (12) The Chairman of the Highway Fund Subcommittee of the
30 Appropriations Committee of the House of Representatives.

31 The Chairmanship of the Oversight Committee shall alternate annually between the
32 Chairman of the Senate Transportation Committee and the Chairman of the Highway
33 Subcommittee of the Infrastructure Committee of the House of Representatives.

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

36 The Committee shall:

- 37 (1) Monitor the collections and expenditures to the North Carolina
38 Highway Trust Fund.
- 39 (2) Insure that the funds are spent in accordance with the provisions of this
40 Article.
- 41 (3) Recommend to the General Assembly any revisions needed in the
42 programs established by this Article based on funds available to the
43 North Carolina Highway Trust Fund.

1 (c) The Committee shall prepare reports to be submitted to the 1991 General
2 Assembly, the 1995 General Assembly, and the 1999 General Assembly, containing any
3 necessary legislation needed to facilitate the construction of the projects authorized by
4 this Article.

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

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

12 (f) The Committee may contract for professional, clerical, or consultant services
13 as provided by G.S. 120-32.02. The Legislative Services Commission, through the
14 Legislative Administrative Officer, shall assign professional staff to assist in the work
15 of the Committee. The House of Representatives' and the Senate's Supervisor of Clerks
16 shall assign clerical staff to the Committee, upon the direction of the Legislative
17 Services Commission. The expenses relating to clerical employees shall be borne by
18 the Committee.

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

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

24 (i) The President Pro-Tempore of the Senate may appoint an additional member
25 of the Oversight Committee, to maintain numerical balance, when a member of the
26 Senate holds more than one position listed in subsection (a) of this section."

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

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

43 To facilitate collection of the motor fuel tax, the Secretary shall convert the
44 percentage rate to a cents-per-gallon rate to be in effect during the six-month period

1 beginning each January 1 and July 1. The rate to be in effect during the six-month
2 period beginning January 1 shall be computed from data published for the six-month
3 base period ending on the preceding September 30, and the rate to be in effect during
4 the six-month period beginning July 1 shall be computed from data published for the
5 six-month base period ending on the preceding March 31. The cents-per-gallon rate
6 computed by the Secretary shall be rounded to the nearest one-tenth of a cent (1/10¢). If
7 the cents-per-gallon rate computed by the Secretary is exactly between two tenths of a
8 cent, the rate shall be rounded up to the higher of the two."

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

10 **"§ 105-446. Refund of motor fuel used other than to propel a motor vehicle.**

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

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

19 **"§ 105-446.1. Refunds of taxes paid by counties and municipalities.**

20 The following entities shall be entitled to reimbursement for the tax levied by G.S.
21 105-434 upon filing a statement in writing with the Secretary of Revenue, which
22 statement shall be made upon the oath or affirmation of the chief executive officer of
23 said entity, showing the number of gallons of fuel purchased and used by said entity on
24 which the tax levied by G.S. 105-434 has been paid: the ~~Board~~ of
25 ~~Transportation~~ Department of Transportation, counties, municipal corporations, volunteer
26 fire departments, county fire departments, volunteer rescue squads, and 'sheltered
27 workshop' organizations recognized and approved by the Department of Human
28 Resources. 'Chief executive officer' shall mean the ~~Director of Highways~~ Secretary of the
29 North Carolina Department of Transportation, the mayor, city manager or other
30 municipal officer designated by the governing body of the municipality, the chairman of
31 the board of county commissioners or other county officer designated by the board of
32 county commissioners, or the president or other duly designated officer or agent of a
33 volunteer fire department, county fire department, volunteer rescue squad or 'sheltered
34 workshop' organization. Reimbursement shall be at a rate equal to ~~fourteen cents (14¢)~~
35 seventeen cents (17¢) per gallon plus the wholesale cents-per-gallon rate of tax in effect
36 during the quarter for which the refund is claimed, less one cent (1¢) per gallon. An
37 application for a refund under this section shall be made in accordance with G.S. 105-
38 440."

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

40 "(a) Any person, association, firm or corporation, who shall purchase any motor
41 fuels, as defined in this Article, for the purpose of use, and the same is actually used, in
42 the operation of motor buses transporting fare-paying passengers, in connection with a
43 city transit system or in the operation of a taxicab transporting fare-paying passengers,
44 both as hereinafter defined in subsection (b) of this section, or in the operation, by

1 private nonprofit organizations, of motor vehicles transporting passengers under
2 contract with or at the express designation of units of local government (such
3 transportation above and hereinafter referred to as private nonprofit transportation
4 services) shall be entitled to reimbursement for the tax levied by this Article upon filing
5 with the Secretary of Revenue an application upon the oath or affirmation of the
6 applicant or his agent showing the number of gallons of motor fuel so purchased and
7 used. Reimbursement shall be at a rate equal to ~~fourteen cents (14¢)~~ seventeen cents
8 (17¢) per gallon plus the wholesale cents-per-gallon rate of tax in effect during the
9 quarter for which the refund is claimed, less one cent (1¢) per gallon. An application for
10 a refund allowed under this section shall be made in accordance with G.S. 105-440."

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

12 "(a) There is hereby annually appropriated out of the State Highway Fund a sum
13 equal to ~~the net amount after refunds that was produced during the fiscal year by a one~~
14 ~~and three fourths cents (1 3/4¢) tax on each gallon of motor fuel as taxed by G.S. 105-~~
15 ~~434 and 105-435, nine percent (9%) of the annual net revenues paid into the State~~
16 Highway Fund to be allocated in cash on or before October 1 of each year to the cities
17 and towns of the State in accordance with the following formula:

18 Seventy-five percent (75%) of said funds shall be distributed among the several
19 eligible municipalities of the State in the percentage proportion that the population of
20 each eligible municipality bears to the total population of all eligible municipalities
21 according to the most recent annual estimates of population as certified to the Secretary
22 of Revenue by the State Budget Officer. This annual estimation of population shall
23 include increases in the population within the municipalities caused by annexations
24 accomplished through July 1 of the calendar year in which these funds are distributed.
25 Twenty-five percent (25%) of said fund shall be distributed among the several eligible
26 municipalities of the State in the percentage proportion that the mileage of public streets
27 in each eligible municipality which does not form a part of the State highway system
28 bears to the total mileage of the public streets in all eligible municipalities which do not
29 constitute a part of the State highway system.

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

37 The funds to be allocated under this section shall be paid in cash to the various
38 eligible municipalities on or before October 1 each year after March 15, 1951. Provided
39 that eligible municipalities are authorized within the discretion of their governing bodies
40 to enter into contracts for the purpose of maintenance, repair, construction,
41 reconstruction, widening, or improving streets of such municipalities at any time after
42 January 1 of any calendar year in total amounts not to exceed ninety percent (90%) of
43 the amount received by such municipality during the preceding fiscal year, in

1 anticipation of the receipt of funds under this section during the next fiscal year, to be
2 paid for out of such funds when received.

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

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

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

23 "**§ 136-44.2A. Secondary road construction.**

24 There shall be annually allocated out of the State Highway Fund to the Department
25 of Transportation for secondary road construction programs developed pursuant to G.S.
26 136-44.7 and 136-44.8, a sum equal to that allocation made under G.S. 136-41.1(a).
27 ~~Such secondary roads allocation shall be made in accordance with the provisions of G.S. 136-~~
28 ~~44.5. The sum of sixty-eight million six hundred seventy thousand dollars (\$68,670,000)~~
29 allocated to secondary road construction shall be distributed in accordance with the
30 provisions of G.S. 136-44.5. All funds for secondary road construction in excess of
31 sixty-eight million six hundred seventy thousand dollars (\$68,670,000) shall be
32 allocated solely based upon the ratio of the number of miles of unpaved secondary road
33 mileage with traffic vehicular equivalent of 50 vehicles per day within a county bear to
34 the total number of State-maintained unpaved secondary road miles with traffic
35 vehicular equivalent of 50 vehicles per day."

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

38 "**§ 20-72.1. Transfer Fee.**

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

- 41 (1) On new and used vehicles sold by registered dealers, those dealers
42 shall collect a fee equal to two percent (2%) of the 'sale price' of the
43 vehicle as defined and determined in Article 5, Schedule E of Chapter

1 105 of the General Statutes and remit the fee along with the
2 registration fees to the Division.

3 (2) On transfers of title after sales between persons other than registered
4 dealers, the Division shall collect a fee equal to two percent (2%) of
5 the average fair market value of each vehicle, as determined by the
6 Division, for which an application for certificate of title is filed.

7 (3) There shall be a minimum title transfer fee of twenty-five dollars
8 (\$25.00).

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

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

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

21 Sec. 9. The Department of Transportation shall develop a formula to provide
22 that the funds for the construction programs authorized by this act are spent in a fair
23 manner.

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

26 **"§ 136-44.16. Toll roads authorized.**

27 The Department of Transportation shall determine on which highways and
28 bridges it is legally and economically feasible to collect tolls and shall report to the
29 General Assembly along with the necessary legislation to implement the collection of
30 the tolls including the creation of a North Carolina Toll Roads Authority to collect the
31 tolls."

32 Sec. 11. This act is effective upon ratification and the taxes imposed by
33 Sections 2 and 3 of this act and the fee imposed by Section 8 of this act shall be
34 collected beginning no later than 60 days after the ratification date of this act.