

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 157
PROPOSED COMMITTEE SUBSTITUTE H157-PCS30287-RW-7

Short Title: Limit Use of Highway Fund Credit Balance.

(Public)

Sponsors:

Referred to:

February 27, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO PROTECT THE TAXPAYERS OF NORTH CAROLINA FROM THE
3 DIVERSION OF FUEL TAX PROCEEDS FOR NONTRANSPORTATION USES BY
4 REQUIRING THAT THE UNRESERVED CREDIT BALANCE IN THE HIGHWAY
5 FUND BE USED FOR ROAD-RELATED USES.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 136-44.2 reads as rewritten:

8 "§ 136-44.2. Budget and appropriations.

9 ...

10 (f) If the unreserved credit balance in the Highway Fund on the last day of a fiscal year
11 is greater than the amount estimated for that date in the Current Operations Appropriations Act
12 for the following fiscal year, the excess shall be used in accordance with this subsection. The
13 Director of the Budget shall allocate the excess to a reserve (i) for access and public roads or
14 (ii) for other urgent road construction or road maintenance needs. The use of this reserve shall
15 be subject to the following:

- 16 (1) Restrictions on use. – No more than five million dollars (\$5,000,000) from
17 this reserve may be spent on a single project. Funds from this reserve being
18 used for an "other urgent road construction or road maintenance need"
19 project cannot be used for nontransportation administrative costs,
20 nontransportation information technology costs, or any economic
21 development.~~development purpose.~~
22 (2) Approval. – The Department of Transportation shall submit for approval to
23 the Director of the Budget all expenditures from the reserve established
24 under this subsection.
25 (3) Reporting. – At least five days, not including State holidays or weekend
26 days, prior to submitting an expenditure request to the Director of the
27 Budget under subdivision (2) of this subsection, the Department of
28 Transportation shall submit a report on the expenditure request to the Fiscal
29 Research Division and to the members of the House Appropriations
30 Subcommittee on Transportation and the Senate Appropriations Committee
31 on Department of Transportation. Such report shall be certified by the chief
32 financial officer of the Department of Transportation and shall include (i) a
33 project description, (ii) whether the project is for access and public roads or
34 for other urgent needs, (iii) a justification of the project, (iv) the total project
35 cost, (v) the amount of funding for the project coming from the reserve, and
36 (vi) other funding sources for the project.



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1 (4) Carryforward. – If on the last day of the fiscal year the balance in the reserve
2 established by this subsection is greater than five million dollars
3 (\$5,000,000), then the Director of the Budget shall transfer the amount in
4 excess of that sum to the Reserve for General Maintenance in the Highway
5 Fund.

6 "

7 **SECTION 2.** This act becomes effective July 1, 2014.