



NORTH CAROLINA

Department of Transportation



Powell Bill Overview

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To: Joint Appropriations Committee on Transportation
March 20th, 2019

Street Aid to Municipalities - Powell Bill Funds

- Funds allocated from the Highway Fund to provide financial assistance for streets maintained by municipalities
- **S.L. 2013-183:** Eliminated One and three-fourths cents (1 3/4c) tax on each gallon of motor fuel taxed and eliminated revenue allocated and appropriated from the Highway Trust Fund. Established ten and four-tenths percent (10.4%) annual appropriation of the State Highway Fund using the statutory formula:
 - FY 2013-2014 - \$147.5M
 - FY 2014-2015 - \$147.5M
- S.L. 2013-183 also directed funds could be used “for planning, construction and maintenance of bikeways, greenways, or sidewalks.”
- **S.L. 2015-241:** Eliminated statutory formula and established **fixed appropriation** from the State Highway Fund:
 - FY 2015-2016 - \$147.5M
 - FY 2016-2017 - \$147.5M
- S.L. 2015-241 also directed funds be used “primarily for the resurfacing”
- **S.L. 2017-257:** Continued fixed appropriation from the **State Highway Fund**:
 - FY 2017-2018 - \$147.5M
 - **FY 2018-2019 - \$147.5M**
- S.L. 2017-257 also directed a report looking at Population Seasonal Shift Impact on the formula

Total Appropriation : FY 2015 – FY 2019

Fixed appropriation from the State Highway Fund:

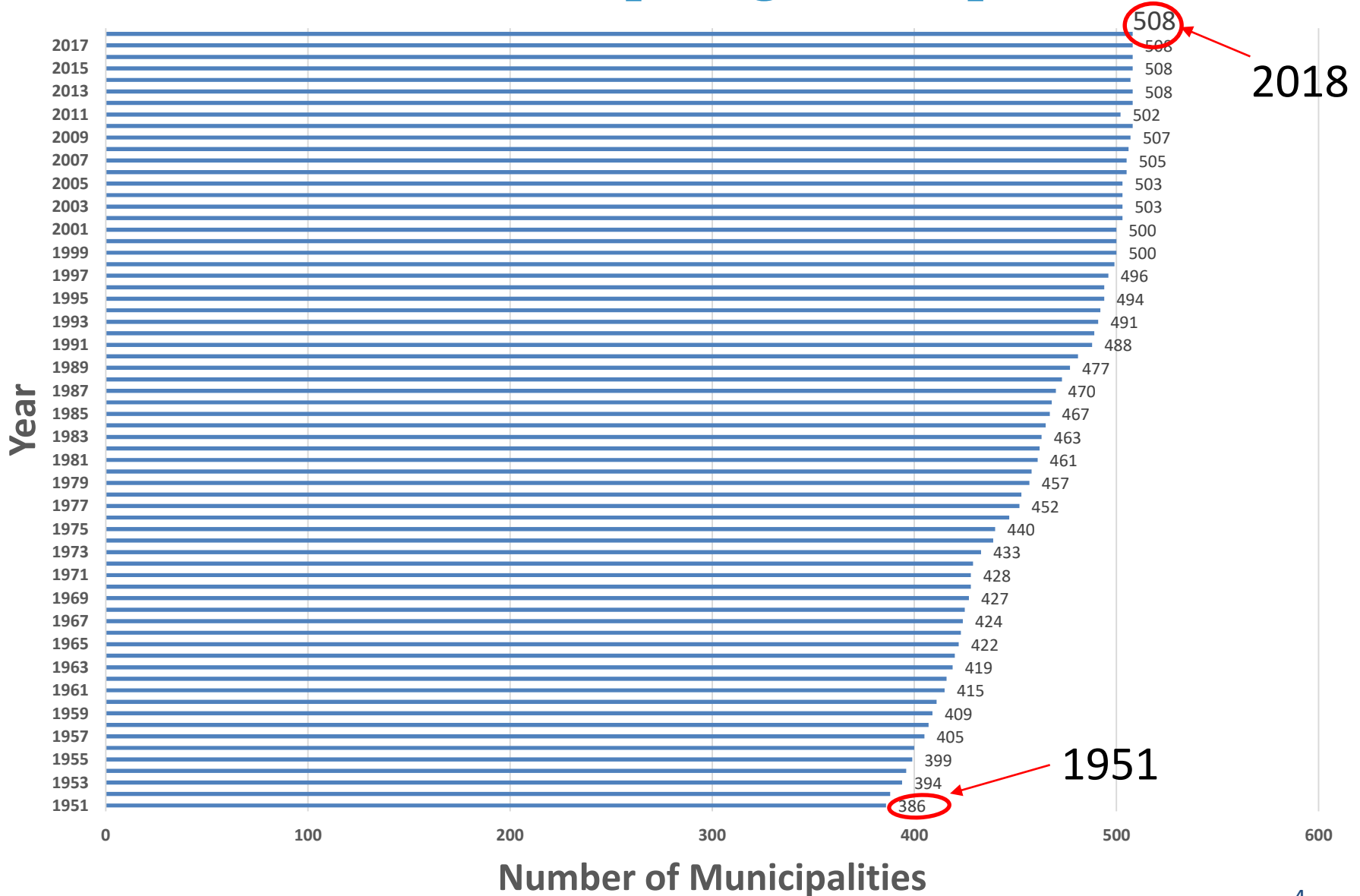
FY 2015-2016 - \$147.5M

FY 2016-2017 - \$147.5M

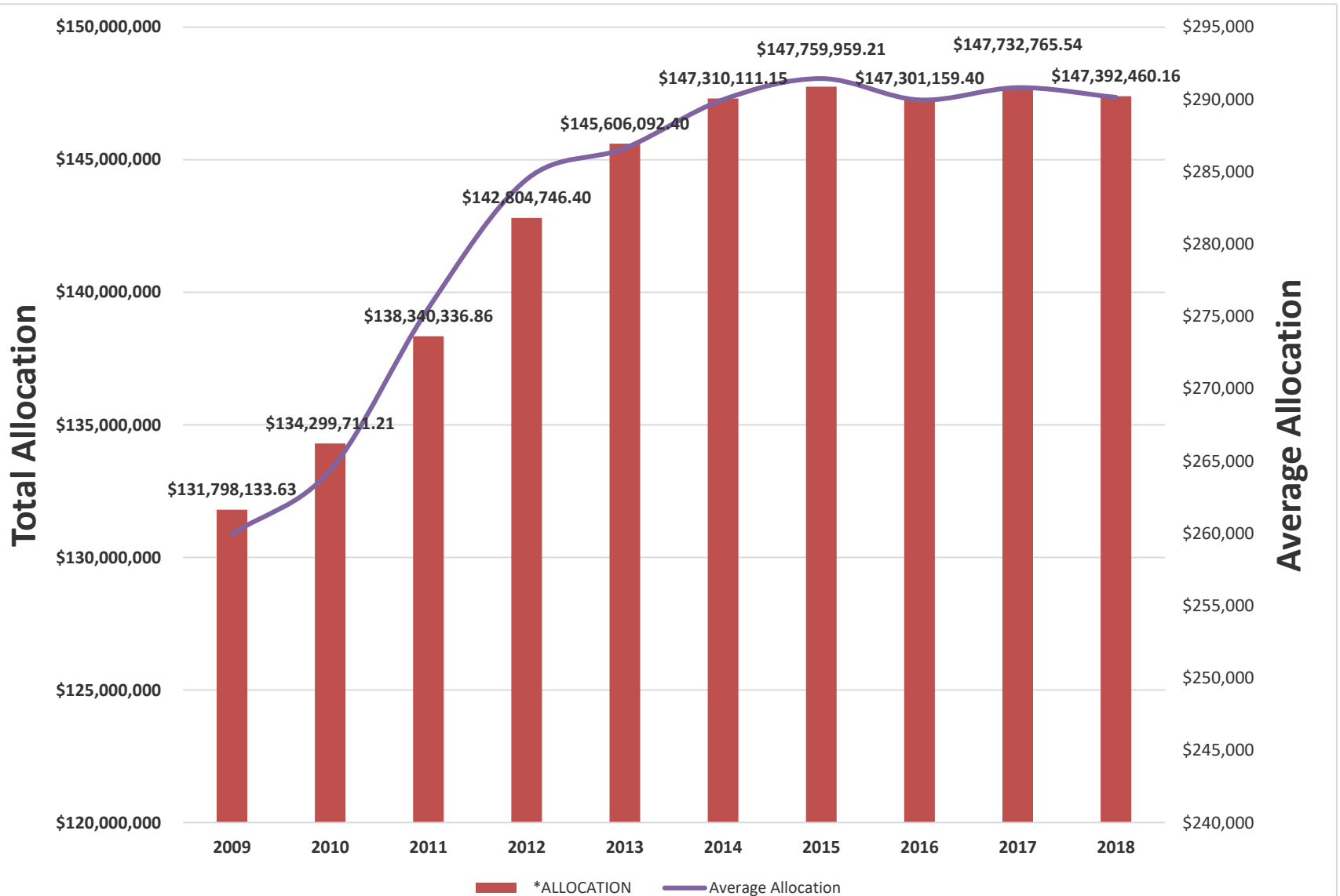
FY 2017-2018 - \$147.5M

FY 2018-2019 - \$147.5M

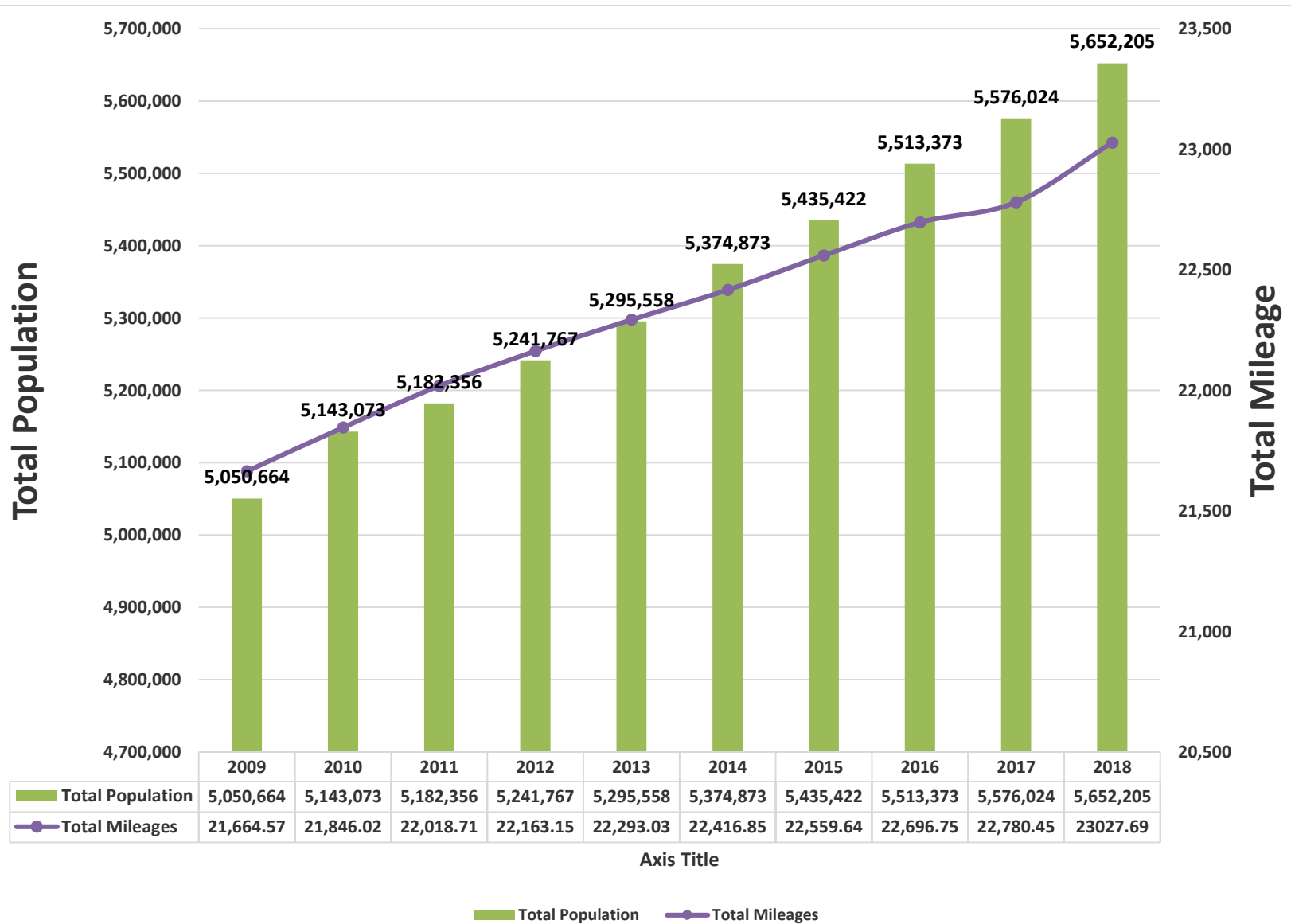
Number of Participating Municipalities



Powell Bill Total /Average Allocations: 2009-2018



Total Population and Mileage Trends: 2009-2018



Allocation Formula

NCGS 136-41.1(a)



75%

25%



2018 Allocation

\$147,392,460.16

5,652,205 population = \$19.56 per capita

23,027.69 miles = \$1,600.17 per mile

* Mileage of the public streets which are not part of the state or federal highway system.

Status of 2018 Distribution

- Distribution of \$147.4 million to 508 municipalities for 2018 has been completed.
- About 90 percent of the municipalities have a population less than 20,000. Those municipalities receive 28 percent of the funding.


Largest and Smallest Recipients

	Municipality	County	Population	Miles	Allocation
Three Largest	Charlotte	Mecklenburg	845,235	2,504	\$20,537,251
	Raleigh	Wake	460,285	1,099	\$10,760,267
	Greensboro	Guilford	288,190	1,035	\$7,293,172
Three Smallest	Falkland	Pitt	97	0.05	\$1,977
	Bear Grass	Martin	73	0.69	\$2532
	Raynham	Robeson	94	0.57	\$2751

Eligible Activities

- ❑ ***SL2015-241, Section 29.17D.(b) requires Powell Bill funds to be used primarily for contract resurfacing.**
- ❑ **Maintaining, repairing, constructing, reconstructing or widening of any streets or bridges**
- ❑ **Planning, construction, and maintenance on streets, sidewalks, bikeways, and greenways such as:**
 - Curb and gutter
 - Storm drainage
 - Patching
 - Resurfacing*
 - Widening
 - Snow removal
 - Sand and debris removal resulting from natural causes
 - Street sweeping
 - Purchase or rental of equipment
- ❑ **Traffic Control such as:**
 - Purchase and maintenance of traffic control devices
 - Traffic signs for proper traffic control
 - Speed bumps
 - Traffic paint for on-street parking or crosswalks
 - Traffic cones
- ❑ **Municipal Street Bond Debt Service such as:**
 - Current payment of principal or interest due on bonds outstanding issued exclusively for streets and sidewalks.

Powell Bill Expenditures for FY 2018

Expense Type	 Sum of Amount	Sum of Percentage
Paving & Resurfacing	\$ 80,621,858.23	52.23%
Maintenance	\$ 33,206,302.87	21.51%
Debt Service Payment	\$ 9,514,058.52	6.16%
Sidewalks	\$ 4,791,942.52	3.10%
New Equipment	\$ 4,025,433.50	2.61%
Maintenance as part of Paving Project	\$ 3,997,252.06	2.59%
Drainage & Storm Sewer	\$ 3,405,380.02	2.21%
Snow & Ice Removal	\$ 3,246,331.78	2.10%
Traffic Control	\$ 3,148,004.86	2.04%
New Construction	\$ 2,406,434.43	1.56%
Engineering	\$ 2,328,988.14	1.51%
Curb & Gutter	\$ 1,816,788.69	1.18%
Right of Way	\$ 692,685.21	0.45%
Bridge Construction and Repair	\$ 572,920.14	0.37%
TIP (Transportation Improvement Project)	\$ 434,786.95	0.28%
Greenways	\$ 101,791.26	0.07%
Bikeways	\$ 44,928.89	0.03%
Grand Total	\$ 154,355,888.07	100.00%

S.L. 2017- 57

STATE AID TO MUNICIPALITIES/NO FUNDS IF MUNICIPALITY FAILS TO FILE STATEMENT AND STUDY HOW TO ACCOUNT FOR SEASONAL POPULATION SHIFTS

SECTION 34.17.(a) G.S. 136-41.3 reads as rewritten:

"§ 136-41.3. Use of funds; records and annual statement; excess accumulation of funds; contracts for maintenance, etc., of streets.

(a) Uses of Funds. – Except as otherwise provided in this subsection, the funds allocated to cities and towns under the provisions of G.S. 136-41.2 shall be expended by said cities and towns primarily for the resurfacing of streets within the corporate limits of the municipality but may also be used for the purposes of maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary appurtenances within the corporate limits of the municipality or for meeting the municipality's proportionate share of assessments levied for such purposes, or for the planning, construction and maintenance of bikeways, greenways, or sidewalks. The funds allocated to cities and towns under the provisions of G.S. 136-41.2 shall not be expended for the construction of a sidewalk into which is built a mailbox, utility pole,

...

(b1) Failure to File. – A municipality that fails to file the statement required under subsection (b) of this section by October 1 is ineligible to receive funds allocated on October 1 under G.S. 136-41.1 or G.S. 136-41.2 for the fiscal year in which the municipality failed to file the statement. A municipality that fails to file the statement required under subsection (b) of this section by January 1 is ineligible to receive funds allocated under G.S. 136-41.1 or G.S. 136-41.2 for the fiscal year in which the municipality failed to file the statement.

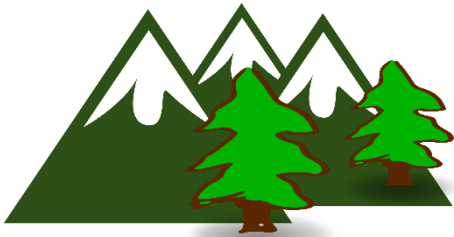
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SECTION 34.17.(b) Study. – The Department of Transportation shall study how to adjust the formula in G.S. 136-41.1(a) to account for seasonal shifts in municipal populations. The Department of Transportation shall report its findings, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

SECTION 34.17.(c) Effective Date. – G.S. 136-41.3(b1), as enacted by subsection (a) of this section, is effective when it becomes law and applies to allocations on or after that date. The remainder of this section is effective when it becomes law.

SL 2017- 57

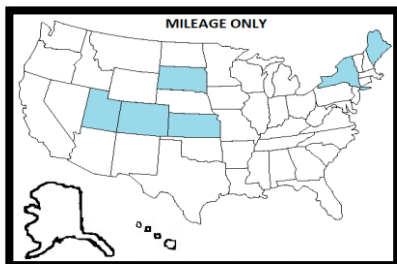
- Population Seasonal Shift Changes



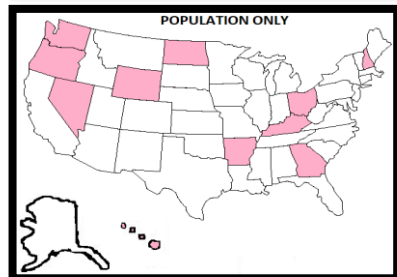
Finding 1. Other DOTs Current Practice in Allocating Funding for Local Roads Maintenance

Preliminary

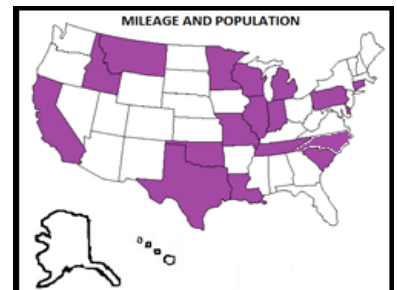
6 States
Distribute Based
on Mileage
Only



11 States
Distribute Based
on Population
Only



18 States
Distribute Based
on Mileage and
Population



*15 States used other factors for funding distribution

#	State	Distribution Based on		
		Population	Mileage	Others
1	California	75%	25%	
2	Connecticut	Pro rata	\$1,500/mile for first 32 mile	
3	Delaware	40%	60%	
4	Idaho	30%	31.5%	38.5%
5	Illinois	33.3%	33.3%	33.3%
6	Indiana	35%	16%	49%
		66.4%	21%	1.6%
		60.0%	40%	
7	Louisiana	20%	80%	
		Various rate for 6 classifications	Allocation base on mileage for municipalities with population grater than 475,000	
8	Michigan	20%	80%	
9	Minnesota	10%	30%	60%
10	Mississippi	33.3%	33.3%	33.3%
11	Montana	45.8%	45.8%	8.4%
12	North Carolina	75%	25%	
13	Oklahoma	21%	31%	48%
14	Pennsylvania	50%	50%	
15	South Carolina	33.3%	33.3%	33.3%
16	Tennessee	33.3%	33.3%	33.3%
17	Texas	49.2%		50.2%
18	Wisconsin	40%	60%	

Finding 2. Reliable Data Sources for Seasonal Population Estimation

Seasonal Population: Number of visitors to a city who stay between one day to six months.

1. Census 2010 data is the most comprehensive and reliable data.
2. Other reliable and cost-efficient sources for seasonal population estimations are:
 - NC State Demographer's Office
 - 5-Year American Community Survey (ACS)
 - Seasonal Tourism Volume

Preliminary

Population	Components	Data Source	Where to add it to the proposed formula?	Will be feasible to account?	Is it relevant?
Permanent Population	Household population	NC State Demographer's Office	Population	Yes	Yes
	Military population	NC State Demographer's Office	Population	Yes	Yes
	Students (College students living in dorms)	NC State Demographer's Office	Population	Yes	Yes
	Prisoners	NC State Demographer's Office	Population	Yes	Yes
Seasonal Population	Seasonal residents	2010 US Census 5-year American Community Survey Seasonal Tourism Volume NC State Demographer's Office	Population	Yes	Yes
	Agricultural/Seasonal workers	US Census Bureau	Population	No	No
Others	Commuters	Employment patterns (US Census Bureau)	Mileage	Yes	Yes
	Daytripper	Cellphone data	Mileage	No	Yes

Finding 3. Estimating Seasonal Population

Preliminary

$$SPop = \frac{\left[\left(\frac{Seas_{HU_{2010}}}{HU_{2010}} * HU_{2017} \right) * ATPS_{2017} \right] * \sum_{i=1}^4 (p_{seas_i})}{4}$$

$$\text{Seasonal Population Ratio} = \frac{SPop}{Pop_{2017}}$$

Impact

The suggested formula yielded an estimated 113,573 seasonal residents or a 1.97% population increase statewide.

Seasonal Population to Permanent Population
Ratio in 2017

SPop: Seasonal population estimate

***Seas_HU*₂₀₁₀**: Housing units vacant for seasonal and recreational use (2010 US Census)

***HU*₂₀₁₀**: Housing Units in 2010 (2010 US Census)

***HU*₂₀₁₇**: Housing Units in 2017 (2017 5-Year ACS)

***ATPS*₂₀₁₇**: Average travel party size (**Seasonal Tourism Volume, 2013-2017**)

p_seas_i: In each season, a percent of visitors to the peak season visitors (Seasonal Tourism Volume, 2013-2017)

***Pop*₂₀₁₇**: Permenat population estimate (2017 NC State Demographer's Office)

Seasonal Population Ratio	# of Municipalities
>100%	24
50-99%	8
25-49%	8
10-24%	20
6-9%	9
3-6%	31
1-2%	96
<1%	356
Total	552