



POWELL BILL PROGRAM

Expenditure Guidance

The Powell Bill is codified in N.C.G.S. 136-41.1 through N.C.G.S. 136-41.4

N.C.G.S. §136-41.3 provides, in part: "...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 resurfacing of streets within the corporate limits of the municipality but may 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."

I. Purposes for Which Powell Bill Funds CAN BE USED Are:

Note: Street names must be written on invoices for any work listed below.

A. Improvements or new construction of streets or public thoroughfares (includes the Right of Way) within the corporate limits, such as:

1. Stabilizing, grading
2. Paving, retreatments, and seal coating
3. Curb and gutter construction, including curb cuts for handicapped persons
4. Construction of necessary storm drainage for protection of street
5. Construction of bridges and culverts
6. Grade crossing eliminations
7. Necessary landscaping or seeding required for proper street maintenance
8. Widening
9. Purchase, rental, operation, and maintenance of equipment necessary for street construction
10. Engineering, surveying, and other expenses incurred in qualifying for Powell Bill Funds provided such data is to be used as basic information for the construction and maintenance of streets
11. Necessary legal expenses incurred in street improvement programs
12. Acquisition of right-of-way
13. Salaries for street labor, supervision of street labor, and engineering used **exclusively** in street construction. **(Maintain appropriate documentation to support expenditures.)**
14. Sidewalk, greenway, and bikeway construction
15. Payments to contractors for any of the above



B. Routine maintenance on streets or public thoroughfares (includes the Right of Way) within the corporate limits, such as:

1. Dragging, machining, blading, or shaping
2. Patching, sealing or crack filling
3. Shoulder or curb and gutter maintenance and repair, including curb cuts for handicapped persons
4. Ditching, repair or maintenance of storm drains, culverts, catch basins, inlets, bridges, fills, etc., which are necessary and essential to street maintenance
5. Dust control treatments, calcium chloride applications
6. Snow removal or sand and debris removal resulting from natural causes (includes sanding and salting for snow removal). **(Not normal garbage or refuse collection.)**
7. Mowing
8. Labor, supervision, and engineering used exclusively in street maintenance. **(Maintain appropriate documentation to support expenditures.)**
9. Purchase, rental, operation, and maintenance of equipment (including safety equipment) necessary and essential for street maintenance, and also including computers used exclusively for Powell Bill street maintenance. (Not software) Must prorate use of any equipment used for purposes other than eligible Powell Bill purposes. **(Maintain appropriate documentation to support expenditures.)**
10. Purchase of materials and supplies necessary for proper street maintenance and drainage
11. Street sweeping
12. Sidewalk, Greenway, and Bikeway maintenance
13. Payments to contractors for any of the above

C. Traffic Control Purposes Such As:

1. Purchase and maintenance of traffic control devices including traffic counters
2. Purchase and maintenance of other traffic signs necessary for proper traffic control. **(Not street name signs)**
3. Purchase and application of traffic paint including crosswalks and on-street parking
4. Construction and maintenance of computerized traffic signal system
5. Construction and maintenance of speed bumps
6. Purchase of traffic cones. (Must prorate if used on non-Powell Bill streets.)

D. Special Street Assessments:

Payment of municipality's proportionate share of a special street assessment levy and cost incurred for improving intersections in an assessment program.



E. Bonds:

Current payment of principal or interest due on bonds outstanding, issued **exclusively** for streets and sidewalks, provided bonds were issued after enactment of Powell Bill.

F. Bikeways, Greenways, and Sidewalks:

For the planning, construction, and maintenance of bikeways, greenways, and sidewalks within the municipal limits or within the area of any metropolitan planning organization or rural planning organization.

G. Banking:

For fees associated with a checking account **ONLY** for Powell Bill. Prorated fees associated with a General Fund checking account with Powell Bill funds are not eligible. **Banking fees are only Powell Bill eligible if the checking account is established only for Powell Bill funds.**

H. Transportation Improvement Project (TIP):

N.C.G.S. §136-41.4 (effective October 1, 2007) provides the municipality an option to use some or all of its Powell Bill allocation for any Transportation Improvement Project currently on the approved project list within the municipality's limits or within the area of any metropolitan planning organization or rural planning organization. The amount of Powell Bill funds used must be an amount equal to that amount necessary to complete one full phase of the project.

I. Sales Tax Refund:

If the municipality pays sales taxes on a Powell Bill eligible invoice and then files for a sales tax refund with the Department of Revenue, the municipality must return the sales tax refund to their Powell Bill account; not to their General Fund. The sales tax refund must be recorded on the Powell Bill Expenditures Report.

J. Interest:

Interest income earned on your Powell Bill funds must be reported on your Powell Bill Expenditures Report. Powell Bill interest should not be placed in the General Fund but should become part of the Powell Bill fund account and used for Powell Bill purposes. This earned interest income should be added as a receipt on the Powell Bill Expenditures Report.



N.C.G.S. §136-41.3 further provides **“IT SHALL BE UNLAWFUL FOR ANY MUNICIPAL EMPLOYEE OR MEMBER OF ANY GOVERNING BODY TO AUTHORIZE, DIRECT, OR PERMIT THE EXPENDITURE OF ANY FUNDS ACCRUING TO ANY MUNICIPALITY BY VIRTUE OF G. S. 136-41.1 AND 136-41.2 FOR ANY PURPOSE NOT HEREIN AUTHORIZED. ANY MEMBER OF ANY GOVERNING BODY OR MUNICIPAL EMPLOYEE SHALL BE PERSONALLY LIABLE FOR ANY UNAUTHORIZED EXPENDITURES.”**

II. Purposes for Which Powell Bill Funds [CANNOT BE USED](#) Are:

1. Construction, maintenance, or repair on Private Streets
2. Street lighting
3. Purchase or maintenance of parking meters
4. Construction or maintenance of off-street parking areas or facilities
5. Street name signs
6. Leaf vacuums
7. Street repairs necessitated by utility installation or repairs
8. Installation, repair, removal of underground or overhead utility lines or fire hydrants
9. Garbage or refuse collection or removal, including purchase, operation or maintenance of garbage trucks. **(Municipalities with combined street and sanitary departments should be careful with respect to separation of payrolls and purchases.)**
10. Salaries or other expenses for traffic police officers
11. Police cars and motorcycles
12. Construction or maintenance of streets outside corporate limits even though on municipally-owned property
13. Thoroughfare Planning Studies or Pavement Management System Studies, and Bicycle Pedestrian Planning Grant
14. Construction of equipment shed for housing street equipment
15. Indirect costs such as budget administration, data processing, office equipment, etc.
16. Mowing along state system streets

NOTE TO ALL MUNICIPALITIES: If you are not sure whether an expenditure is Powell Bill eligible or not, please consult with your municipality’s attorney; the North Carolina League of Municipalities’ attorneys; your municipality’s auditor; or the Powell Bill Program with the North Carolina Department of Transportation.

Please feel free to contact the Powell Bill Unit at NCDOT_PowellBill@ncdot.gov.