

[MN-3] HIGHWAY, TRUST, BOND AND FEDERAL FUNDS

The Highway Fund dates back to 1921, which is when the General Assembly first imposed the gasoline tax of .01 cents per gallon on all motor vehicle fuels sold or distributed in the state.

Today, nearly \$1.2 billion of the department's funding comes from the Highway Fund, which also comprises motor vehicle registration fees, title fees and federal-aid appropriations.

Highway Fund monies may be used for the construction and paving of unpaved secondary roads as well as the following:

- Replace small bridges with pipe
- Address safety problems on paved and unpaved secondary roads and at particular intersections
- Widening, strengthening paved roads
- Spot stabilization of unpaved roads, especially school bus routes
- The general need to improve paved secondary roads
- The Board of Transportation recognizes that some unpaved roads have sections that are continuous maintenance problems such as steep grades or low areas that become impassable during rainy weather. The board will allow paving these sections up to 0.20 mile to correct maintenance problems. These situations will be reviewed individually by the Secondary Roads Committee. Written justification for the paving by the Division Engineer and presentation to the committee by the Board of Transportation member responsible for the county will be required.

The Highway Trust Fund law was enacted in 1989 to help ensure that North Carolina's citizens will have a first class highway system well into the next century. The Highway Trust Fund identifies specific highways that will be four-laned or improved in order to complete a 3,600-mile intrastate system. In addition, the law provides funding for loops of our seven largest cities-Asheville, Charlotte, Winston-Salem, Greensboro, Durham, Raleigh and Wilmington. This fund also provides money to complete the paving of most of the state's secondary roads as part of the Secondary Road Improvement Program and provides extra money for the state's cities and towns to adequately maintain their streets. In 2000, the fund provided \$880 million generated from highway use taxes, gasoline taxes, and State Treasurer's investments.

G.S. 20-97	Taxes Credited to Highway Fund
G.S. 136-28.10;	Small Project Bidding
G.S. 136-41.1	Appropriation to Municipalities
G.S. 136-44.2A	Secondary road construction
G.S. 136-44.7	Secondary roads; annual work program
G.S. 136-44.8	Submission of Sec. Roads construction plans
G.S. 136-175	Trust Funds
G.S. 136-176	Revenue sources for Highway Trust Fund
G.S. 136-182;	Supplement for Secondary Road Construction
19A NCAC 02D.0405	Examples of Construction and Maintenance Activities
RF20010222.pdf	Using Trust Funds for Unpaved Road Maintenance.
MISC19910718.pdf	Secondary Roads Officer

Federal Funds An additional \$781 million comes from federal highway dollars, General Fund dollars and other federal funds that go towards transit, rail and airports.

In allocating these funds, NCDOT must balance many important needs throughout the state. The primary funding tool is the Department's Transportation Improvement Program or TIP.

- The TIP helps ensure an equitable distribution by serving as the department's funding blueprint for a period of seven years.
- The TIP reflects the Department's best information for costs and schedules at the time it's being developed.
- Because both costs and schedules can change over time, we update this plan every two years.

In the development of the TIP, Board of Transportation members and NCDOT staff work with citizens, local governments, Metropolitan Planning Organizations (MPOs), environmental groups and civic groups across the state to prioritize local and statewide transportation needs.

- The 2000 draft TIP included \$54.6 million to install 497 miles of median guardrails,
- \$9 million to upgrade existing guardrails across the state,
- \$175 million over the next seven years to protect wetlands, restore streams and preserve wildlife habitat, and
- \$140 million over the next seven years to help build infrastructure to assist the Department of Commerce in recruiting new industry.

It is important for citizens to know that the draft TIP is just that – a draft. Citizens and local government officials across the state have eight months to comment on the plan. During this time, revenue and cost estimates will be updated so that the final TIP is based on the most current financial information available. It is the Department's goal to produce a final TIP that reflects the best transportation program possible for all North Carolinians.

Funding for the Department's Secondary Roads Improvement Program (county construction) is not included in the TIP. As determined by law, allocations are generally made to each county based on number of unpaved miles of roads remaining, number of unpaved roads with daily traffic of 50 cars or more, population, and other factors as experience dictate. Funding is used to construct, improve, stabilize and repair secondary roads throughout the state.

Refer to [HF-5 to HF-11](#), Chapter 1 of this manual, for more details.