

21st Century Committee Report Recommendations

*NC 73 Council of Planning
Annual Meeting*

January 22, 2009



Background of Committee

- Created by General Assembly in October 2007
- Report submitted December 2008
- 13 public meetings held throughout state
- 24 members
 - House, Senate, and Governor each had eight appointees



Assignment of the Committee

Ways to improve the transportation systems of the State in order to promote economic growth and ensure that the State can compete and participate in the global economy.

- Innovative methods to fund the transportation needs of the State, including an examination of traditional and nontraditional methods of financing transportation infrastructure.
- Priorities of the Department of Transportation, including methods to ensure adequate funding for corridors and projects of statewide significance.
- Methods to use new and innovative technology to improve the transportation system.
- Local funding options for transportation.
- Ways to adequately fund road construction to address urban congestion and to improve mobility.



Assignment of the Committee (cont.)

- Methods to spend transportation funds in the most effective and cost efficient manner.
- Ways to maintain the continued safety of the current transportation system.
- Reviewing the appropriate division of responsibility for transportation infrastructure between State, federal and local government.
- An examination of the role of ports, airports, mass transit, rail, and pedestrian and cycling access
- A review of public transportation needs in urban areas.
- Methods to encourage fuel conservation and energy conservation in North Carolina.
- Any other issues the Committee finds relevant.



Committee Assessment of Need

- Improve North Carolina's transportation system from a "D" to a "B" within next 10 years
- Requires additional \$1 billion in capital improvements per year for next ten years
 - Approximate 50% improvement over current spending levels



Specific Findings

- The user-pay model of taxing the consumption of fuel has worked well since 1921 and has adequately funded transportation needs in the State until recent years.
- Fuel consumption has flattened, and in recent months declined, resulting in a precipitous drop in gas tax revenues.
- Revenues linked to the consumption of petroleum-based fuels are likely to continue to fall.
- Highway construction costs have increased 124% in the past six years.
- North Carolina currently ranks 2nd out of 50 states in total state maintained road mileage, but 49th in total revenue per lane-mile and 47th in spending per lane mile.



Specific Findings (cont.)

- Committee recommends a “Fix-it-First” policy, to focus on maintaining existing network.
- No single financing or policy solution exists to solve the State’s transportation challenges.
- Focus improvements on the Strategic Highway Corridors network.
- Expand use of tolling and congestion pricing to include High Occupancy Tolls (HOT) lanes.
- Develop a closer relationship with local government to leverage state/local resources and better coordinate land use with transportation planning.



Previous Work

- 2008 long-term funding of several North Carolina Turnpike projects through reductions in road fund transfers (\$99 million/ year guaranteed)
 - Garden Parkway
 - Monroe Bypass



Committee Recommendations

- Eliminate existing transfers
 - State Highway Patrol (\$193 million)
 - Driver's Education (\$33 million)
 - Various other activities (\$68 million)



Increase Existing Fees

- Raise vehicle property tax from three to four percent (\$200 million)
- Raise vehicle registration fees from \$28 to \$58 per year (\$195 million) and/or
- Charge vehicle registration fees by weight (\$70-150 million)
- Increase registration fees for trucks, buses, RVs, motorcycles, etc. (\$50 million)
- Index all fees to inflation rate (\$20 million)



Create New Fees

- Vehicle Miles Traveled (\$90-\$380 million)
- Toll all of I-95 and I-77 between SC and Statesville (no revenue estimate)
- Authorize local entities to propose one percent capital project sales taxes (\$594 million potential statewide)



Total Revenue Potential from Recommendations

- \$1.4-\$1.9 billion (plus toll proposals)
- \$1.1-\$1.6 billion in new revenue (plus toll proposals)



Committee Contacts

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