

# Legislative Changes Impacting Transportation



**Piedmont Transportation Professionals  
Lunch & Learn  
January 14, 2016**

**Chris Nida, Director of Research & Policy Analysis  
N.C. League of Municipalities**

# Agenda

- NCLM Overview
- Transportation Legislation
- Tax & Finance Legislation
- Questions & Discussion

# NCLM Overview

- Government affairs
- Insurance and risk management services
- Training and technical assistance



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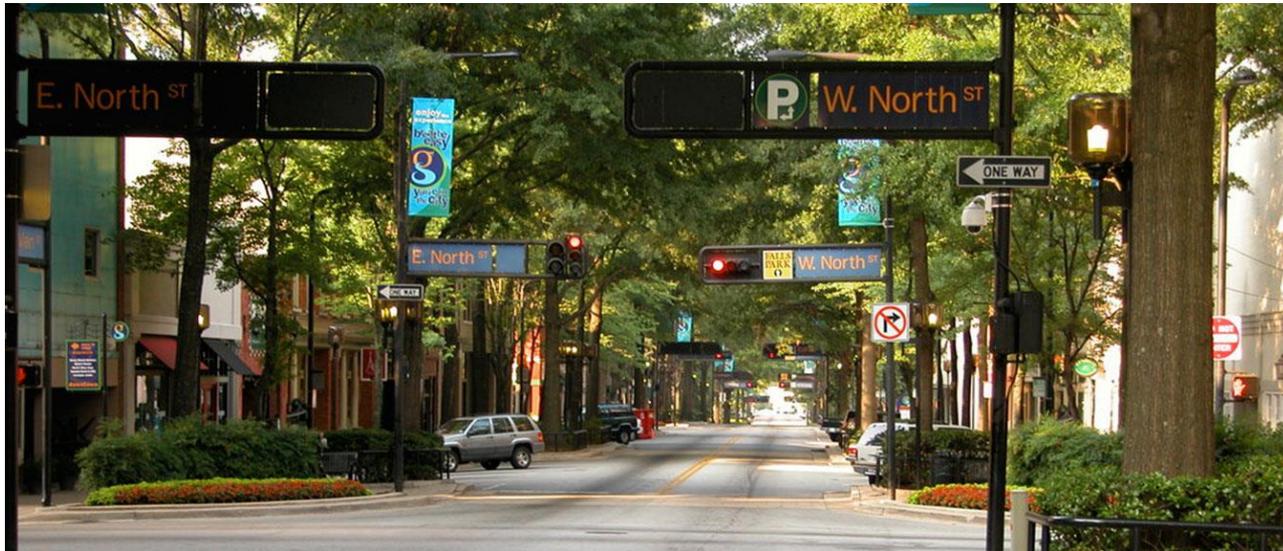


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# Transportation Legislation



# Powell Bill Changes



- \$147.5 million for Powell Bill in each of next two fiscal years; increase over current year Powell Bill funding
- Powell Bill funding now direct appropriation; no more link between gas tax revenues and Powell Bill funds
- New language related to spending of Powell Bill funds

# Powell Bill Changes

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1 **"§ 136-41.3. Use of funds; records and annual statement; excess accumulation of funds;**  
2 **contracts for maintenance, etc., of streets.**

3 (a) Uses of Funds. – The funds allocated to cities and towns under the provisions of  
4 G.S. 136-41.2 shall be expended by said cities and towns ~~only~~primarily for the resurfacing of  
5 streets within the corporate limits of the municipality but may also be used for the  
6 ~~purpose~~purposes of maintaining, repairing, constructing, reconstructing or widening of any  
7 street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary  
8 appurtenances within the corporate limits of the municipality or for meeting the municipality's  
9 proportionate share of assessments levied for such purposes, or for the planning, construction  
10 and maintenance of bikeways, greenways, or sidewalks.

# Powell Bill Changes



- Other transportation changes/proposals this year:
  - \$500,000 cap on state funding for light rail projects
  - Proposed prohibition on reducing the width of streets to add bike lanes (“road diets”)

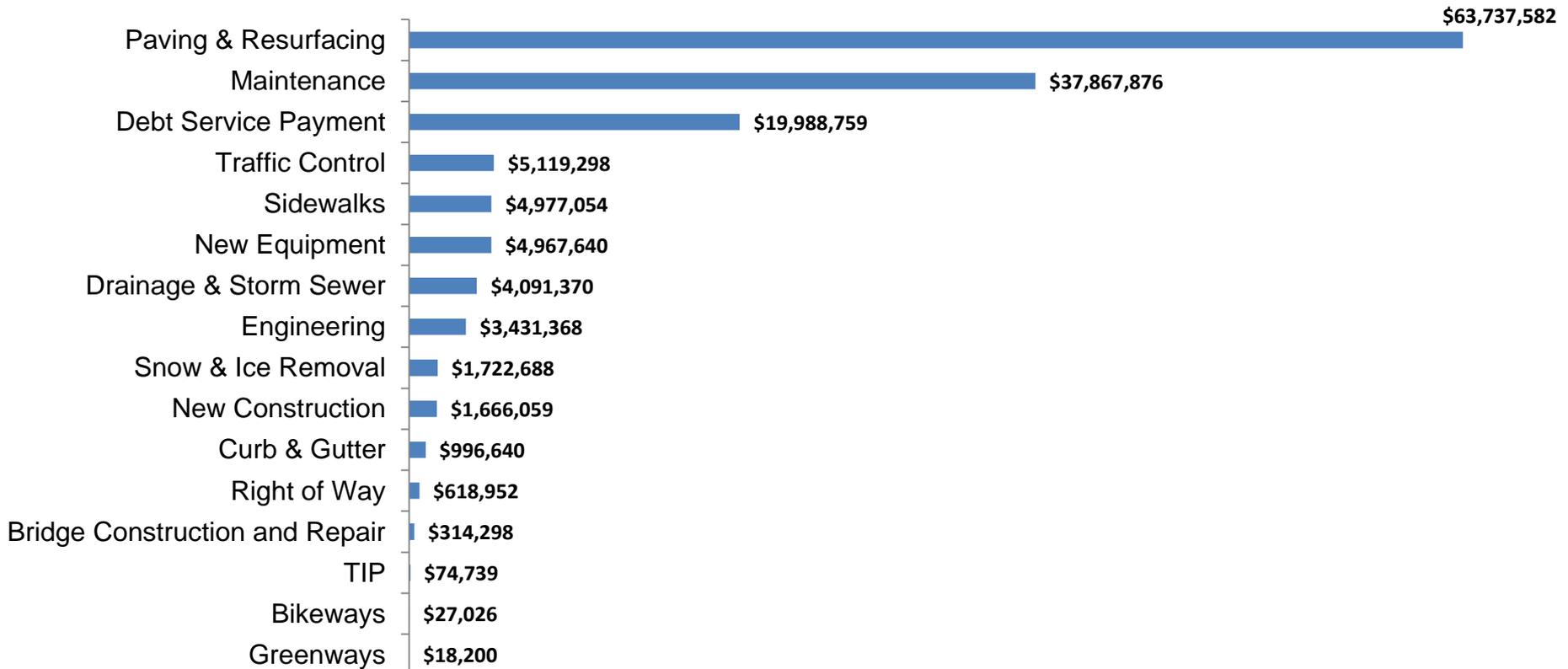
# Powell Bill Changes



- Other transportation changes/proposals this year:
  - Municipal vehicle fee expanded to \$30 per vehicle for all cities
  - \$5 general purpose; \$5 public transit; rest for streets

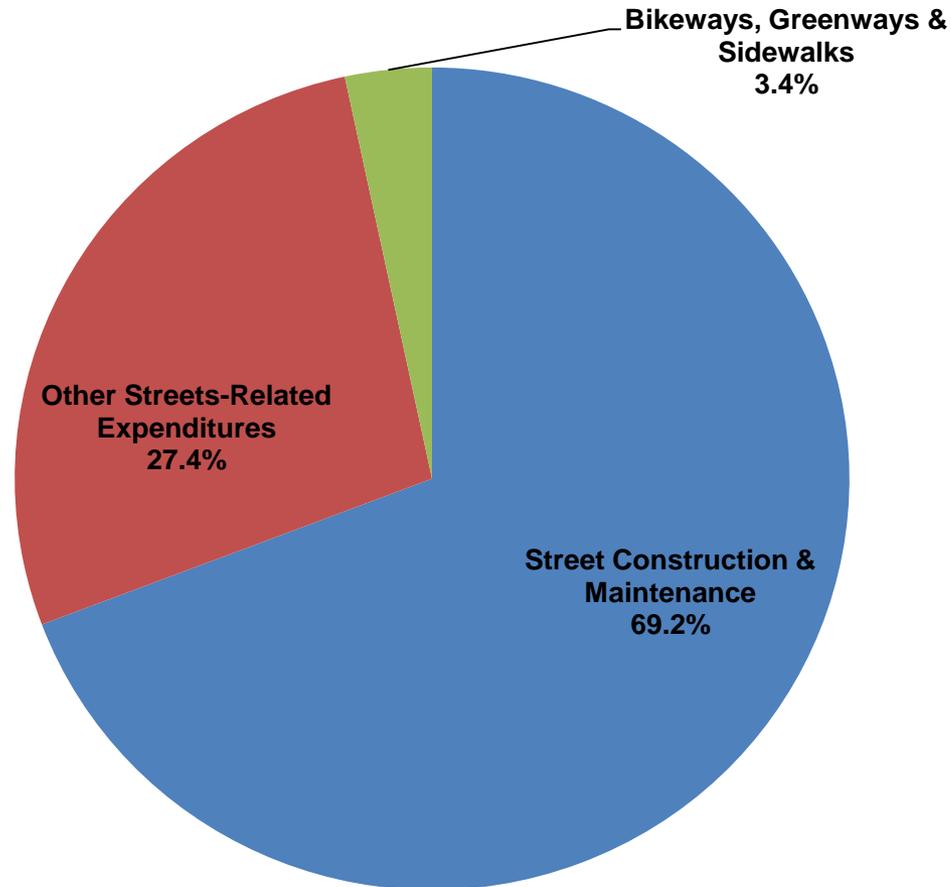
# Powell Bill Changes

## What Did Cities Spend Powell Bill Funds on in FY2014-15?



# Powell Bill Changes

**What Areas did Cities Spend FY14-15 Powell Bill Funds In?**



# Utility Relocation

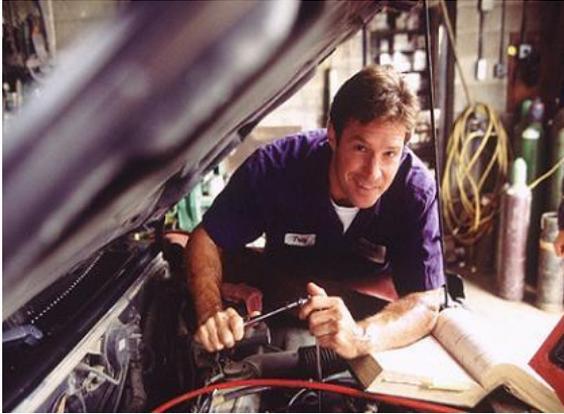
- League priority goal
- Cities up to 10,000 exempt from reimbursement; partial repayment up to 50,000
- DOT planning more communication between department, public & private utilities



# Tax & Finance Legislation



# Sales Tax Reallocation



1. *Expands the sales tax base* to repair, maintenance and installation services on tangible personal property (including motor vehicles)
2. *Combines this additional revenue* from Articles 39, 40 and 42 (\$67.2 million in FY 2017) with \$17.6 million from state sales taxes
3. *Distributes the total* (\$84.8 million in FY 2017) to 79 counties according to a statutory percentage that the legislature will periodically review

## *Effective Dates:*

Base expansion March 1, 2016

Distribution of revenue July 1, 2016



# Builders' Inventory Exemption

- Exempts both residential and commercial development from increased property taxes for period of time or until sold



- Projected to cost cities and counties around \$65 million in revenue annually
- Applies to increase in property value due to infrastructure improvements

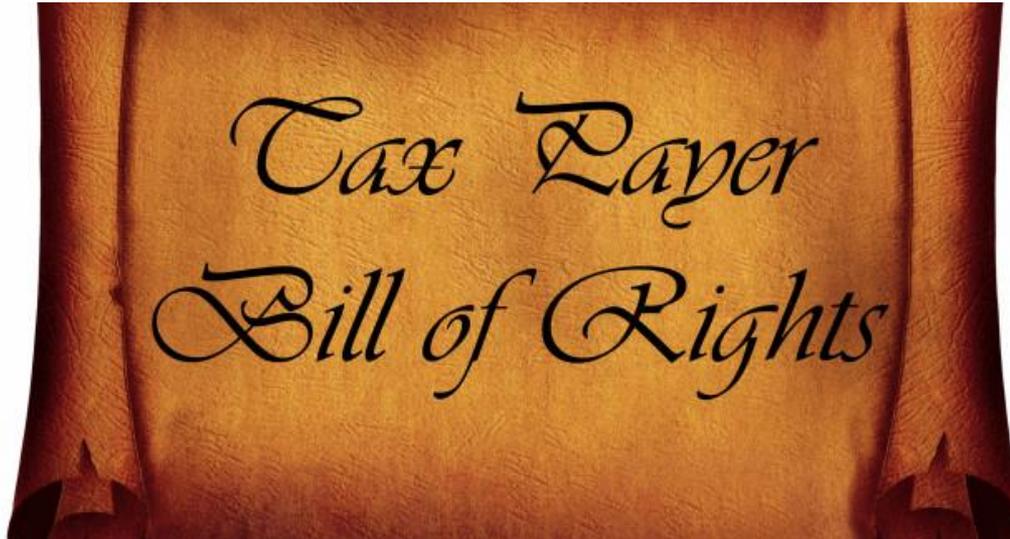
# Local Borrowing

- **HB 128 Referendum for Certain Local Debt**
  - Would have required most local debt to be put before voters
  - Given unfavorable committee report
- **SB 363 Blue Ridge Pkway Indust. Facilities/LGC Bonds**
  - Introduced on one of final days of session
  - Would have prevented LGC approval of local debt for cities under 60,000 if certain conditions applied
  - Provisions removed from bill



# Taxpayer Protection Act

- SB 607 Taxpayer Protection Act
  - Commonly referred to as Taxpayer Bill of Rights (TABOR)
  - Among other provisions, would put a constitutional amendment before voters limiting growth in state spending to formula of inflation plus population growth
  - Could result in less state funding for local needs



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# Questions?

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