

1 **SECTION 1.** G.S. 136-176(a) is amended by adding a new subdivision to
2 read:

3 "(6) Revenue from the General Fund that may be provided to the Highway
4 Trust Fund from time to time."

5 **SECTION 2.** G.S. 136-176(b)(2) reads as rewritten:

6 "(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and
7 construct the urban loops described in G.S. 136-180, and to pay debt
8 service on highway bonds and notes that are issued under the State
9 Highway Bond Act of 1996 and whose proceeds are applied to these
10 urban loops, and to fund the North Carolina Turnpike Encouragement
11 and Assistance Program (N.C. TEA) as described in subsection (e) of
12 this section."

13 **SECTION 3.** G.S. 136-176 is amended by adding a new subsection to read:

14 "(e) A North Carolina Turnpike Encouragement and Assistance Program (N.C.
15 TEA) is hereby established within the State Highway Trust Fund.

16 (1) A minimum of twelve and one-half percent (12.5%) of annual
17 Highway Trust Fund loop funding or twelve million five hundred
18 thousand dollars (\$12,500,000) of annual Highway Trust Fund loop
19 funding, whichever is greater, shall be reserved for the N.C. TEA
20 Program to provide gap funding and/or gap financing for eligible
21 Turnpike Projects as defined in G.S. 136-89.181.

22 (2) Turnpike Projects that are eligible for loop funding pursuant to
23 G.S. 136-180 will continue to remain eligible for additional loop
24 funding from those portions of the annual State Highway Trust Fund
25 loop allocation that are not reserved for Turnpike Projects under the
26 N.C. TEA Program.

27 (3) Turnpike Projects that are not currently listed as loop-eligible
28 roadways pursuant to G.S. 136-180 are also eligible for gap funding
29 and/or gap financing from the N.C. TEA Program. No more than fifty
30 percent (50%) of the annual allocation for the N.C. TEA Program shall
31 be available for nonloop eligible roadways.

32 (4) In order to ensure financial feasibility of potential Turnpike Projects
33 and in order to maximize the number of Turnpike Projects that can be
34 assisted across the State, total funding from the N.C. TEA Program
35 may be used to cover no more than twenty percent (20%) of any
36 loop-eligible Turnpike Project cost, or no more than thirty percent
37 (30%) of any nonloop-eligible Turnpike Project cost.

38 (5) To hold all loop cities harmless and to assist in the development of the
39 N.C. TEA Program, twenty-five million dollars (\$25,000,000) in
40 General Fund revenues shall be provided to the Highway Trust Fund
41 Loop Fund in fiscal year 2006-2007.

42 (6) Within 18 months after this act becomes law, the Department of
43 Transportation and the Turnpike Authority shall jointly provide a full
44 report to the Joint Transportation Legislative Oversight Committee as

1 to the progress of the N.C. Turnpike Encouragement and Assistance
2 Program and of the impact of the Program on both loop revenues and
3 loop expenses of the Highway Trust Fund.

4 (7) While funds from the N.C. TEA Program may be used as one-time
5 lump-sum gap funding payments, it is the intent of this legislation that
6 a series of annual gap funding streams for multiple turnpike projects be
7 pursued in order to minimize upfront costs, minimize effective interest
8 rates and overall payments, and maximize the number of Turnpike
9 Projects that can be assisted by this Program.

10 (8) It is the intent of this act that the twelve and one-half percent (12.5%)
11 minimum funding level for the N.C. TEA Program shall be exceeded
12 in subsequent years as the number of eligible turnpike projects
13 increases.

14 (9) It is the intent of this act that the annual provision of twenty-five
15 million dollars (\$25,000,000) in General Fund revenues for the N.C.
16 TEA Program be continued or expanded until at least four Turnpike
17 Projects are approved and under construction in at least three different
18 urban regions in North Carolina.

19 (10) If the amount of funding available under this program exceeds the
20 number of eligible Turnpike Projects during any fiscal year, these
21 funds shall remain available to the Department for use in providing
22 gap funding or financing for Turnpike Projects until expended.

23 (11) It is the intent of this act that additional funding sources be pursued
24 and identified to assist with the development of the N.C. Turnpike
25 Encouragement and Assistance Program. In addition to Highway Trust
26 Fund loop allocations, additional funding for this Program may come
27 from a surplus in the General Fund or from the reduction or
28 elimination in transfer payments from the Highway Trust Fund to the
29 General Fund."

30 **SECTION 4.** This act becomes effective July 1, 2006.