

Legislative Strategy for Transportation Funding November, 29, 2006

Local Revenue Options

The need for additional transportation funding has been identified in each MPO's Long Range Transportation Plans (LRTPs) and by NCDOT. To ensure sufficient revenue to balance projected expenses, each MPO's LRTP includes future non-traditional revenue (i.e., revenue not currently available). The DCHC LRTP identifies new revenue from motor fuel taxes, vehicle registration fees, and tolls. In addition, the CAMPO/DCHC MPO Joint Funding Task Force identified pursuing local revenue options in their legislative agenda. The following questions are intended to determine if DCHC MPO and CAMPO are interested in pursuing a legislative strategy for transportation funding and, if so, what that legislative strategy should be.

1. Should CAMPO and DCHC MPO pursue a joint legislative initiative for local revenue options?
 - What geographic area should be included (municipal, county, MPO, state)?

2. Should we fund projects on the State system with local revenues?
 - If yes, do we need to pursue additional revenues and solutions jointly with NCDOT?
 - Under what conditions would we accept more local responsibility for NCDOT facilities (ex. maintenance, design flexibility, local prioritization for funding, and local implementation of improvements)?
 - Should local governments take over responsibility for planning, design, construction, and maintenance of some State roads?
 - If not, should we only fund transit, bicycle/pedestrian, and local roadway projects with local revenues?

3. What projects should be funded with local revenue? Should new revenue be linked to a defined program?
 - Should we focus on funding projects identified in the MPOs' 2030 or 2035 LRTPs?
 - Capital projects – highway, fixed guideway, transit
 - Non-motorized transportation (i.e., bike/ped)
 - Maintenance
 - Transit operations
 - Intelligent Transportation Systems
 - Transportation Demand Management

4. Should we focus on increasing current revenue sources or pursuing new revenue options?

5. What specific revenue options would you support?
 - Motor fuels tax
 - Vehicle registration fee
 - Toll roads
 - Payroll tax
 - Development impact fees
 - Rental car tax
 - Land transfer tax
 - Sales tax

6. How would the MPOs administer the local funds?
 - How would the funds be collected?
 - How would the funds be distributed?
 - Should the MPOs distribute the funds among existing units of government with transportation implementation authority (e.g., NCDOT, local government, transit agencies, etc.) or should the MPOs expand their role to include design, construction, or operations?

7. Should counties assume some transportation roles?

8. How should local revenue funds be distributed among different types of projects (highway, transit, non-motorized, ITS, TDM, etc.)?

9. Should we group legislative authority for a local revenue option for transportation with other infrastructure needs (water/sewer, housing, schools, and open space)?
If yes, which groups do we need to include in a legislative strategy?

10. Should we pursue local options with statewide municipal or transportation groups?
 - League of Municipalities
 - National Association of Counties
 - NCAMPO
 - Metropolitan Coalition

Transportation Funding Reform

CAMPO and DCHC MPO have also identified reform of the existing transportation funding formula in the joint legislative agenda.

1. If we decide not to apply local revenue options to the State system, how should State needs be addressed?
2. What funding issues need to be targeted for reform?
 - Equity formula
 - Powell Bill formula (maintenance)
 - Restructuring the NCDOT Divisions
3. What policy changes should be pursued?
 - More needs based project selection criteria
 - More regional planning
 - More local decision-making
 - Local funding of State facilities and the conditions necessary for such
 - Local responsibility for some State system roads
 - Design issues
 - Decentralization of State transportation offices
 - Better communication between local and NCDOT officials
4. Should efforts for transportation funding reform be grouped with other local or state infrastructure reform (water/sewer, housing, schools, and open space)?
5. Should we pursue reform with statewide municipal or transportation groups?
 - League of Municipalities
 - National Association of Counties
 - NCAMPO
 - Metropolitan Coalition
6. What is the timetable and process for transportation funding reform?