

DURHAM – CHAPEL HILL – CARRBORO METROPOLITAN PLANNING ORGANIZATION

POSITION PAPER ON

HB 2363 and SB 1894 - CONGESTION RELIEF/INTERMODAL TRANSPORT FUND

In 2007 the 21st Century Transportation Committee was formed by North Carolina Governor Michael Easley. The committee was charged with the responsibility to study the transportation infrastructure needs of the state. Some of the activities the committee was required to report on include:

- Innovative methods to fund transportation needs of the state including an examination of the traditional and non traditional methods of financing transportation infrastructure
- Local funding options for transportation.

One outcome of the 21st Century Transportation Committee is the proposed legislation titled the Congestion Relief/Intermodal Transport Fund (HB 2363 and SB 1894) that creates a fund for congestion relief to be distributed to eligible local governments and transportation authorities in the form of grants.

About HB 2363 and SB 1894 - Congestion Relief / Intermodal Transport Fund

The proposed legislation authorizes and outlines the procedures for local elections to adopt a sales and use tax with proceeds being used to support transportation authorities and systems. It also extends the authority for motor vehicle registration fees as well as the motor vehicle rental charge to additional counties.

The basic provisions of the bill authorize several funding options at the local level and the creation of a capital fund at the state level for congestion mitigation. Under the proposed legislation the capital fund would be available to transit systems in the Triangle region of the state. Local funding options include:

1. Increasing vehicle registration fees from the current \$5.00 to \$7.00.
2. Authorizing a motor vehicle rental charge not to exceed 5% in several counties.
3. Authorizing a ½ cent sales tax to be introduced in the three largest urban areas of the state, one of them being the Triangle.
4. The authority to call for a referendum to level a ¼ cent sales tax in selected counties that are contiguous to the three urban areas in the state and in counties with populations over 160,000.

In its current form this legislation authorizes the regional transit provider in the Triangle area (Triangle Transit) to seek a referendum to implement a ½ cent sales tax in the counties of Wake, Orange and Durham. It would be necessary to receive the concurrence of the County Boards of Commissioners in each county in order to offer the referendum. The sales tax will be levied on only non essential items excluding food and medicine. The legislation also requires that a detailed financial plan for the use of the sales tax be prepared. This financial plan must be approved by the Board of Commissioners in each county and by all

Metropolitan Planning Organizations whose jurisdiction includes any of the area of the special district.

The Position of the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization

The Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC MPO) supports legislation that provides funding or encourages public transportation initiatives at the federal, state or local level. This legislation is seen as a positive step for meeting the missions and goals of the 21st Century Committee and is deserving of support.

While the DCHC MPO applauds the efforts to develop this legislation and supports the overall philosophy of the legislation, we believe that the legislation could be improved to ensure that the legislation is a positive step for all transit systems in the Triangle area. Predictable, consistent sources of funding are necessary for transit systems to adequately plan for future growth and service improvements. The implementation of this significant legislation should be concerned with the needs of all transit systems in the region.

The current structure of this legislation provides opportunities for all urban transit systems to generate predictable funding except for the urban transit systems operating within a regional urban district. As a result, the urban systems within the Triangle Transit district find themselves at a disadvantage because they don't have the ability to introduce legislation to provide long term predictable funding. This is a shortcoming in the legislation that needs correction.

The following points are offered for consideration to ensure that there is benefit to regional and local transit systems from this legislation.

1. The legislation should identify a portion of funding for local transit operation that ensures steady, dependable levels of funding to support local bus operations.
2. The DCHC MPO supports the requirement in the proposed legislation that the additional funding provided by the fund not be used to supplant local funding already committed for public transit.
3. The DCHC MPO supports the provision in the proposed legislation that the financial plan must be approved by all Metropolitan Planning Organizations whose jurisdiction includes any of the area of the special district.
4. The financial plan must be consistent with the MPOs' adopted Long Range Transportation Plans.

The Congestion Relief/Intermodal Transport Fund is a significant piece of legislation that could take great steps to provide long term predictable funding to our state's public transportation systems. We do not have an opportunity to support this type of legislation very often. It is imperative that this legislation be drafted in such a way that it provides a benefit to all transit systems.