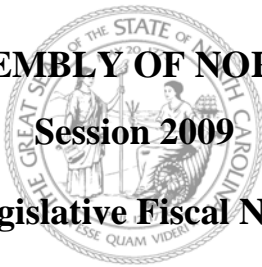


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: Senate Bill 750 (Second Edition)

SHORT TITLE: Turnpike GAP Funding and Debt.

SPONSOR(S): Senator Clodfelter

FISCAL IMPACT				
	Yes ( )	No (X)	No Estimate Available ( )	
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u> <u>FY 2013-14</u>
<b>REVENUES</b>				
<b>EXPENDITURES</b>				
<b>POSITIONS (cumulative):</b>				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>				
<b>EFFECTIVE DATE:</b>				

**BILL SUMMARY:**

March 23, 2009

S 750. EXEMPT GAP FUNDING FROM EQUITY FORMULA. Filed 3/23/09. TO EXEMPT TRANSFERS OF FUNDS FROM THE HIGHWAY TRUST FUND TO THE NORTH CAROLINA TURNPIKE AUTHORITY TO BE USED FOR DEBT SERVICE ON BONDS ISSUED TO BUILD TURNPIKE PROJECTS FROM THE EQUITY FORMULA.

Amends (1) GS 136-176(b2) (effective July 1, 2009), (2) GS 136-176(b2) (effective July 1, 2009, until July 1, 2010), and (3) GS 136-176(b2) (effective July 1, 2010) to clarify that funds transferred from the Highway Trust Fund to the NC Turnpike Authority to be used to service debt on bonds issued for the construction of certain turnpike projects are not subject to the equity formula, as set forth in GS 136-17.2A (Distribution formula for funds expended on Intrastate System and Transportation Improvement Program).

April 23, 2009

S 750. TURNPIKE GAP FUNDING AND DEBT (NEW). Filed 3/23/09. Senate committee substitute makes the following changes to 1st edition. Deletes proposed amendments to GS 136-176(b2) (effective July 1, 2009, until July 1, 2010) and GS 136-176(b2) (effective July 1, 2010),

which would have exempted the funds transferred from the Highway Trust Fund to the NC Turnpike Authority (Authority) from being subject to the equity formula.

Retains that the funds transferred from the Highway Trust Fund to the Authority pursuant to GS 136-176(b2) (effective until July 1, 2009) are not subject to the equity formula in GS 136-17.2A. Also clarifies that the General Assembly is not prohibited from amending appropriations made in this subsection (was, set forth in this act) at any time to decrease or eliminate the amount annually appropriated to the Authority.

Amends GS 136-89.189 to provide that, except as provided in this section, the provisions of GS Chapter 159, the Local Government Finance Act, apply to revenue bonds issued by the Authority. Allows (1) the term of the lease between the Authority and the Department of Transportation (DOT) for all or any part of a Turnpike Project to exceed 40 years, as agreed by the Authority and DOT and (2) the maturity date of a refunding bond to extend to the earlier of 40 years from the date of issuance of the refunding bond or the date the Authority determines is the maturity date required for the Turnpike Project funded with the refunding bonds to generate sufficient revenues to retire the refunding bonds and any other outstanding indebtedness issued for that Project. Provides that (1) the Authority's determination of the appropriate maturity date is conclusive and binding and (2) the Authority may take into account appropriate financing terms and conventions in making that determination.

Makes conforming changes to the title

*Source: Bill Digest S.B. 750 (03/23/0200).*

**ASSUMPTIONS AND METHODOLOGY:**

Section 1 clarifies that the equity formula does not apply to the gap funding for the Turnpike Authority enacted in 2008 and has no impact on overall revenues or expenditures.

Section 2 permits lease terms between the Turnpike Authority and DOT to exceed 40 years and for refunding bonds to extend beyond 40 years from the date the original bonds were issued. Section 2 has no impact on overall revenues or expenditures.

**SOURCES OF DATA:**

**TECHNICAL CONSIDERATIONS:** None

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**DATE:** May 22, 2009



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