



Transportation: Traffic Jams, Roads Crumble, Reform Stalls

The recently completed two-year budget cycle (2007-08) saw very little in the way of transportation reform. Rumor has it 2009 will be the year of transportation reform. Let's hope so. Currently, the situation is dire.

What They Did

Capped the gas tax

The General Assembly finally capped the variable wholesale component of the motor fuels tax at 12.4 cents per gallon through June 30, 2009. This means the total gas tax North Carolinians will pay at the pump will be no more than 30.15 cents per gallon. By contrast, residents of Virginia pay 17.5 cents per gallon while South Carolinians pay 16 cents per gallon in state excise taxes.

Gave more slush money to the Board of Transportation

In the 2007 budget bill, the General Assembly continued an annual appropriation of \$14 million in "economic development" funds to be used at the discretion of the Transportation Board. The appropriation, however, did not appear in the 2008 budget.

Raised the age to 16 that a child may ride in a truck bed

HB 2340 prohibits children under the age of 16 to ride in an open bed or cargo area of a vehicle, except when an adult is present, the occupants are participating in a parade, or the child is secured by an approved safety restraint. The previous age limit was 12.

Implemented an NCDOT maintenance program

Legislation (SB 830) was crafted for the N.C. Department of Transportation (NCDOT) to "develop performance standards" and to "modify motor vehicle registration requirements." In effect, the law requires NCDOT to determine the status of the highway system and then to develop a plan ensuring maintenance is carried out regularly.

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Citizens' Views

Do you think State Government does an excellent, good, only fair or poor job in spending taxpayer dollars on roads and transportation?

Excellent	1%
Good	18%
Fair	40%
Poor	39%

2007 DecisionMaker Poll



What They Didn't Do

Scrap the Equity Formula

North Carolina's Equity Formula for the distribution of transportation dollars means a lot of unnecessary roads are being built in areas losing vehicles, while areas gaining vehicles are getting short-changed—causing traffic jams and maintenance shortfalls around the state. The General Assembly, dominated by powerful members who direct inefficient funding to their home districts, is in no hurry to scrap the formula. The entire state suffers so a few can get reelected.

Prioritize resources based on vehicle usage, maintenance and safety

Of course, because the Equity Formula hasn't been scrapped, no alternative distribution reform has been introduced. North Carolina should move to a model that prioritizes transportation resources based on need—i.e. vehicle-usage, maintenance needs, and safety. Discretionary (patronage) projects should be eliminated by statute if they exceed a cost-effectiveness cap.

Wean us off the gas tax and migrate us to a VMT-model

Higher gas prices mean people are consuming less fuel—and that means reduced revenues for needed transportation projects. New technologies mean the state can tax people based on the number of miles they drive, rather than how many gallons they buy. Indeed, we may soon be driving hydrogen cars. But hydrogen cars use roads, too. A VMT (vehicle miles tax) would ensure everyone pays for roads based on usage, which is fairer and more efficient than fuel taxes.

Devolve any roads to regional or local control

Since the Great Depression, N.C.'s state government has had responsibility for taxation, construction and control of virtually all the roads in the state. The trouble is centralized bureaucrats have control over planning decisions that could be made more effectively and efficiently at the county level. But with control of transportation dollars comes power. Therefore, the legislature has made no effort to devolve any responsibility for roads from NCDOT to local governments.

Reform or eliminate the board of transportation

Since the mid-1990s, North Carolina has had a politically-appointed 19-member Board of Transportation—down from 25 after a time of scandal. Patronage projects have not gone away with changes to the Board's numbers. It's time to eliminate the Board, or severely restrict its activities.

Pass gap funding for the Turnpike Authority

Legislation (SB 1352) that would give the N.C. Turnpike authority resources to begin toll projects stalled in committee.