

For Immediate Release

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Statement by Marc Finlayson, NC Go Chair, on NC General Assembly's Biennial Budget

With the release Monday of our state's long-awaited biennial budget, NC Go notes that while funding for infrastructure needs in our state did receive a modest increase, we are still a very long ways from meeting long term needs of a growing and changing state.

Other than the normal outlay of funds from the Highway Fund and Highway Trust Fund – which saw no discernable increases – the legislature has committed to the transfer of additional revenue from the General Fund for transportation needs. Over the next two years, approximately \$70 million in proceeds from Short-Term Car Rentals will be transferred to the Highway Fund each year. If that extra transportation funding was used to build a four-lane highway, it would only get us from Smithfield to Benson.

Our state has over 1,460 bridges and 3,116 miles of highways rated as being in poor condition. The quality of our transportation system impacts the safety of motorists and passengers, pedestrians and bikers. It impacts North Carolinians' mobility, quality of life and access to vital services like healthcare. And it impacts our state's economic competitiveness, ability to attract industries and the creation of jobs. Our state should be investing more.

We are thankful and eagerly awaiting federal support from the 'Infrastructure Investment and Jobs Act', which was signed into law Monday by President Biden. And while it shows great promise and will bring badly needed federal dollars to our state, it is not the final or only solution to North Carolina's transportation and infrastructure needs.

We are encouraged by the growing discussion about the need for modernizing transportation finance in North Carolina. This year, both the NC Senate's NC TEN Commission and the NC FIRST Commission have given serious consideration to how North Carolina is changing and growing. Yet, investments fall short, failing to adapt to the changing landscape or embrace the future. With hybrid vehicles, EVs, and increased fuel economy, our motor fuels tax is an outdated revenue source that must be replaced. In addition to aging infrastructure and increased demand, we are facing rapid technological change in the realm of transportation. Autonomous vehicles, electrification and ridesharing will all impact how we design, build and finance the transportation system of tomorrow.

The increase in federal infrastructure funding creates an opportunity to keep important projects in North Carolina on track, and state leaders must continue to work hard and explore new and modernized funding solutions if our state is to stay competitive. For the sake of safety, mobility and economic prosperity – we call on our own state legislature to continue seeking long-term funding strategies that help meet our state's future transportation needs.

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