

For Immediate Release

Contact: Charles Hodges, *NC Go!* Executive Director
director@ncgo.org / (919) 609-6772



Transformative Transportation Funding Included in Proposed 2022-2023 Budget
Statement by Marc Finlayson, NC Go Chair

Jun. 29, 2022 (Raleigh) – The release of the FY2022-23 budget by the NC House and Senate marks a major milestone in addressing transportation funding needs for our growing state. The proposed budget would provide more than \$625 million per year in transportation revenue by 2025 by designating a small percentage of NC's total sales tax revenue for vital transportation projects through a phased transfer to transportation funds. The transfer would start at 2 percent in FY 2023, increase to 4 percent in 2024 and remain at 6 percent in 2025 and thereafter, and would be divided between the Highway Fund (operations) and the Highway Trust Fund (capital).

This funding would help our state to modernize our sources of transportation revenue and provide a new, sustainable source. Best of all, there are no new taxes or fees involved. NC already collects more than a half a billion dollars in auto-related (tires, auto supplies, auto repair shops, etc.) sales tax each year - which goes to the General Fund. That tax revenue aligns with the proposed transfer, and it makes sense some of these funds should be used to meet transportation needs.

This is the time for creative solutions. NC's Motor Fuels Tax will not be a sustainable source of revenue in the future, with more hybrid and electric vehicles on our roads - and with vehicle fuel-efficiency increasing overall. Inflation is driving up the costs for asphalt, diesel fuel, concrete, steel AND labor - and is busting transportation project budgets. And, after years of storms ravaging our transportation network, projects must be designed and built to be resilient against damage, a requirement that is further driving up costs by 10-50%.

Given NC's tax revenue projections, there has never been a better time to dedicate this money to transportation needs. This funding mechanism will allow North Carolina to adequately invest in our transportation system and better address population growth and aging infrastructure. Doing so is a down payment on safety, mobility, job creation and economic opportunity.

NC Go applauds the legislators who championed and supported this funding solution, including leaders in both the House and Senate as well as both chambers' Transportation Committee and Budget Committee Chairs. And we especially recognize Senators Vickie Sawyer, Tom McInnis, and Mike Woodard (lead sponsors of S793).

We are hopeful the budget will be signed into law soon by Gov. Roy Cooper, and the work can begin on making our transportation system even better, more efficient and more resilient.

###