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Transportation costs could shift to localities

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Local governments may have to shoulder more of the burden of providing transportation in the state, the chairman of a high-level committee preparing to recommend major changes in North Carolina's transportation funding system said Thursday.

Members of the 21st Century Transportation Committee spent part of their meeting at the Four Points by Sheraton Asheville Downtown hotel discussing ways counties and municipalities in other states contribute to the cost of roads and public transportation.

It is too early to say how the committee will recommend the 2009 General Assembly deal with a projected \$65 billion shortfall in transportation funding over the next two decades, said committee chairman Brad Wilson.

But Wilson, chief operating officer for Blue Cross and Blue Shield of North Carolina, said the committee will consider more local government responsibility because "the magnitude of the problem is so great."

About 80 percent of current DOT funding comes from taxes on gas and auto sales, Wilson said. Revenue from them is "flat or declining," and that trend is not forecast to change, he said.

The committee consists of a number of state legislators and people prominent in business and government. It was charged by the legislature with looking at transportation funding problems. State government took over road maintenance from counties during the early years of the Great Depression. The result is that North Carolina has one of the largest state-maintained road networks in the country, and localities' contribution to transportation funding is proportionately smaller than in many other states.

Two North Carolina mayors said afterward that they are not anxious to change that division of labor. Asheville Mayor Terry Bellamy, who is a member of the committee, said cities have enough responsibilities as it is.

And Durham Mayor William "Bill" Bell, who spoke to a subcommittee on behalf of two groups of North Carolina municipalities, said, "There are a lot of issues ... that are going to have to be resolved before the cities step up to that task."

He said cities don't have many options to raise money besides property taxes and have difficulty keeping streets they are responsible for now in good condition. Plus, he asked, "What shape are the roads in now that they propose turning over to us?"
