NC General Assembly returns for abbreviated Short Session

The State Legislature returned on April 28th and began deliberations on a COVID-19 Relief Bill that includes provisions for NCDOT revenue relief. Both the House and Senate passed different versions and as of this writing are in negotiations on a compromise bill that would be voted on by both Chambers potentially on Saturday May 2nd. The House and Senate versions of the bill would authorize $300 million of Federal Stimulus Aid to go to NCDOT to help cover the projected revenue shortfall for the remainder of Fiscal Year 2020 (April to June). However, the current Federal Stimulus Bill that was passed recently would not allow these funds to be used by States for this type of revenue shortfall (actual bill language is attached or click here).

Congress may take up legislation in the next couple of weeks that could include assistance for states and municipalities, although this is contingent on a deal where businesses receive some degree of liability protection for claims related to COVID-19 cases (or at least this is the thinking of Senate Majority Leader Mitch McConnell). This would be the short term fix that might address NC’s needs per the provisions of the proposed bills. And this would be an angle that stakeholders should discuss with our two Senators and House Members from North Carolina.

Yesterday the amendment described below was added by Rep. Torbett to the House COVID-19 relief bill in the House Rules Committee. This would free-up more money for NCDOT in the short term. Neither of the provisions below are currently in the Senate COVID-19 bill.

**Section 5.30.6** would require the Department of Transportation to maintain an available cash balance at the end of each month equal to at least one hundred twenty-five million dollars ($125,000,000) for one year from the effective date (was $300,000,000). In the event this cash position is not maintained, no further transportation project contract commitments could be entered into until the cash balance has been regained. Any federal funds on hand are not to be considered as cash for this purpose. This section would be effective when it becomes law and would expire one year from its effective date.

**Section 5.30.7** would amend the Transportation Emergency Reserve by:

- Clarifying Emergency Reserve funds may be used for unreimbursed expenditures arising from an emergency.
- Authorizing use of Emergency Reserve funds if the U.S. Secretary of Transportation authorizes the expenditure of federal emergency relief funds or if the Governor declares a disaster.
- Authorizing use of $64,000,000 in the Emergency Reserve for an emergency occurring after December 31, 2015 that meets the criteria set forth in Transportation Emergency Reserve.
- Providing the Department of Transportation does not have to transfer funds to the Emergency Reserve in the 2020-2021 fiscal year.

This section would also clarify that the Department may use funds appropriated for Hurricane Dorian relief for unreimbursed expenditures, and it temporarily permits the Department to enter into contracts when the Department's cash balance goes below the cash floor if they are entered into in response to an emergency or they are future transportation project contract commitments funded by bonds or grants.
What Can You Do?

Contact your State House and Senate members and urge them to pass the provisions of the House Bill:
1. Authorize the use, when Congress loosens restrictions, of $300 million in Federal Stimulus funds for the projected NCDOT revenue shortfall.
2. Authorize the provision that lowers the cash balance minimum to $125 million for one year.
3. Authorize the provision that allows the use of emergency reserve funds as described above in the Torbett amendment.

Contact your US House representative and our two Senators and urge passage of a Stimulus package that allows broader use of Federal dollars to cover State revenue shortfalls, such as NCDOT’s.

Click Here to Contact Your House and Senate Members

Sample 2020 grassroots infrastructure letter

If you do not know your State legislator, (click here).

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