COVID-19 AND NCDOT REVENUE UPDATE FOR
May 4, 2020

NC General Assembly Passes HB-1043 2020
COVID-19 RECOVERY ACT

A change to the N.C. Department of Transportation’s minimum cash reserves in the form of an amendment by Rep. John Torbett did not make it into the final version of coronavirus legislation, but lawmakers said the agency’s budget struggles will be addressed in the coming weeks. The proposed provision in the House coronavirus bill would have lowered the minimum amount of cash reserves for DOT to $125 million, down from the current requirement that the cash floor equal 7.5% of total appropriations (approximately $293 million). Rep. Torbett, R-Stanley, who proposed the change, said other approaches will be needed to help DOT instead. He says DOT’s reserves dropped below the cash floor about a week ago. And thanks to declining gas tax receipts and other revenue, “they’ll be broke in a month and a half,” Torbett told the NC Insider’s Colin Campbell after the vote.

The legislation approved Saturday does include $300 million for DOT’s maintenance reserve fund “if federal guidance is revised to allow the use of funds for revenue replacement.” House Speaker Tim Moore said the funding issue remains “pretty significant. That was an issue that was already a problem before coronavirus,” he said. “We’re going to have to look at some ways to find an answer to that funding issue.” Companion Senate Bill 704 also included a clause that NCDOT does not need to transfer any additional monies to the Emergency Reserve for this Fiscal Year. That transfer would have amounted to $125 million.

Please continue to contact members of the North Carolina Congressional delegation to act to loosen restrictions on the use of Federal stimulus dollars for revenue replacement at State DOT’s. Our members made over 80 individual contacts to Congressional offices in Washington last week, which was a great response to our request. Thank you!

The ACEC/NC Advocacy team will be working with the legislature over the next few weeks on potential action to further address the NCDOT Cash and Revenue Shortfalls.

James A. Smith, Jr., PE, Executive Director
American Council of Engineering Companies of North Carolina
Wells Fargo Capitol Center
150 Fayetteville Street, Suite 1340
Raleigh, North Carolina 27601
919-781-7934 phone
919-830-9631 mobile
www.acecnc.org
Connect with us: | Twitter | LinkedIn