

Bill to Change the Equity Formula

The other shoe has dropped. A bill to change the Equity Formula for the distribution of transportation revenues was introduced yesterday by several legislators, notably Rep. Ric Killian (R-Mecklenburg). I have attached a copy. The bill would change the formula such that 66% of revenues are distributed to the state's seven funding regions (14 highway divisions) based on their population, and the remaining 33% split equally.

The current formula is distributed 50% on population (helps urban divisions); 25% based on the number of intrastate roads in each region that need improving (helps rural); and 25% equal share.

The bill would basically reward urban population centers by taking the money dedicated to the rural divisions who still have intrastate road needs that are unmet.

I attribute the bill mostly to Rep. Killian, who co-chairs the House Transportation Appropriations Committee, (though there is one Guilford County and two Wake County legislators listed as co-sponsors). Killian, as you'll remember, also introduced the bill to cap the gas tax, which now makes more sense in the context of the Equity Formula. If the gas tax is capped, the money Killian's Mecklenburg County district would lose by shrinking the revenue stream would be replaced by shifting money from the rural divisions to Charlotte. Killian's constituents get the benefit of paying less tax at the pump and still come out ahead in highway projects.

I intend to send a memo to our Highway 17 legislative delegation but I would encourage you to also speak with your legislators when you get the chance. I'll be speaking with them personally next week when I'm back in Raleigh.

If there is a silver lining to this cloud it is that we do have some influential friends on our side. I ran into Rep. Mitch Gillespie yesterday at the Assembly, whom I consider to be a friend. Rep. Gillespie hails from Marion in rural McDowell County in the western part of the state. He is one of four chairs of the full House Appropriations Committee and will hold considerable sway over spending changes like HB 635 proposes. Rep. Gillespie told me the bill will not go anywhere and not to worry. I trust his earnestness, but I also know that many strange things can happen, especially with a Speaker of the House from Mecklenburg County and a House Majority Leader from Wake County.

We'll need to stay diligent, working both the House now and the Senate later, potentially. Thanks for your attention to this important issue. I'll keep you informed. Marc.