

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 967
PROPOSED COMMITTEE SUBSTITUTE H967-PCS40526-BGa-61

Short Title: DOT Fin. Preservation and Accountability Act.

(Public)

Sponsors:

Referred to:

April 26, 2019

A BILL TO BE ENTITLED

AN ACT TO TRANSFER FUNDS TO THE DEPARTMENT OF TRANSPORTATION TO REIMBURSE FUNDS SPENT FOR MAP ACT CLAIMS; TO MAKE SAVINGS RESERVE FUNDS AVAILABLE TO THE DEPARTMENT OF TRANSPORTATION FOR NATIONALLY DECLARED DISASTERS; AND TO LEND FUNDS TO THE DEPARTMENT OF TRANSPORTATION FROM THE SAVINGS RESERVE TO AVOID PROJECT AND CONTRACTING DELAYS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Transfer. – The State Controller shall transfer the sum of three hundred sixty million two hundred thousand dollars (\$360,200,000) in nonrecurring funds for the 2019-2020 fiscal year from the General Fund to the Department of Transportation to reimburse the Department for funds expended to resolve claims and causes of actions arising from transportation corridor official maps recorded by the Department pursuant to Article 2E of Chapter 136 of the General Statutes.

SECTION 1.(b) Use. – The Department shall use funds transferred pursuant to subsection (a) of this section to restart or continue preliminary engineering for projects that were temporarily suspended as of August 30, 2019, and listed in the "Preliminary Engineering Project Suspension List" dated August 30, 2019, issued by the Department. Of the funds transferred pursuant to subsection (a) of this section, the Department may use remaining funds not used for preliminary engineering as of June 30, 2020, to further meet the cash flow needs of the Department.

SECTION 1.(c) Intent. – For transportation corridor official map claims and causes of actions resolved after the effective date of this act, it is the intent of the General Assembly to utilize the General Fund as the source of funds to resolve these claims and causes of actions.

SECTION 1.(d) Report. – Beginning March, 2020, and quarterly thereafter until the funds transferred under subsection (a) of this section are depleted, the Department shall submit a report detailing the Department's use of the funds transferred in subsection (a) of this section. The Department shall submit this report to the chairs of the Senate Appropriations Committee on Department of Transportation, the chairs of the House of Representatives Appropriations Committee on Transportation, the chairs of the Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division.

SECTION 2. G.S. 143C-4-2 is amended by adding a new subsection to read:

"(b2) Availability of Funds to the Department of Transportation. – In each fiscal year, funds reserved to the Savings Reserve shall be available to the Department of Transportation for expenditure for providing relief and assistance from the effects of a nationally declared disaster upon appropriation by the General Assembly. The total amount of funds available to the



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1 Department of Transportation for any one nationally declared disaster shall not exceed the sum
2 of three hundred million dollars (\$300,000,000)."

3 **SECTION 3.(a)** Transfer. – Notwithstanding G.S. 143C-4-2, the State Controller
4 shall transfer the sum of three hundred one million dollars (\$301,000,000) in funds for the
5 2019-2020 fiscal year from the Savings Reserve as a loan to the General Maintenance Reserve
6 within the Highway Fund and these funds are hereby appropriated.

7 **SECTION 3.(b)** Use. – The funds appropriated pursuant to subsection (a) of this
8 section shall be used to avoid delays in highway project management and delivery and letting of
9 contracts which were suspended or delayed as a result of expenditures related to disaster relief.

10 **SECTION 3.(c)** Limitation. – The Department shall ensure that funds appropriated
11 in this section are expended in a manner that does not adversely affect the Department's eligibility
12 for federal funds that are made available or are anticipated.

13 **SECTION 3.(d)** Repayment. – The Department of Transportation shall transfer to
14 the Office of the State Controller funds to repay funds appropriated pursuant to subsection (a) of
15 this section in three equal payments, with the first payment due by June 30, 2021, the second
16 payment due by June 30, 2023, and the final payment due by June 30, 2025. The first payment
17 due by June 30, 2021, shall be offset by funds that revert pursuant to subsection (e) of this section.
18 The Office of State Controller shall transfer the funds received pursuant to this subsection to the
19 Savings Reserve.

20 **SECTION 3.(e)** Excess Reversion. – Funds appropriated pursuant to subsection (a)
21 of this section that remain unspent or unencumbered as of June 30, 2021, shall revert to the
22 Savings Reserve on June 30, 2021. Any funds that are transferred to or otherwise revert to the
23 Savings Reserve under this section are subject to the requirements of G.S. 143C-4-2.

24 **SECTION 3.(f)** Report. – By July 15, 2021, the Department shall submit a report
25 detailing its use of funds appropriated pursuant to subsection (a) of this section to the chairs of
26 the Senate Appropriations/Base Budget Committee, the chairs of the House of Representatives
27 Committee on Appropriations, and the Fiscal Research Division.

28 **SECTION 4.** Federal Reimbursement Priority. – Beginning July 1, 2021, the
29 Department of Transportation shall transfer to the Office of the State Controller any funds
30 received as a federal reimbursement for costs related to disaster relief to fulfill its repayment
31 obligation to the Savings Reserve pursuant to the repayment schedule set forth in subsection (d)
32 of Section 3 of this act.

33 **SECTION 5.** This act is effective when it becomes law.