

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H.B. 643
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10285-MWa-4

Short Title: Passenger Rail Capital and Service Grant Fund. (Public)

Sponsors: Representative Loftis.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE PASSENGER RAIL CAPITAL AND SERVICE GRANT
3 FUND.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. This act shall be known as the "Passenger Rail Capital and Service
6 Grant Fund."

7 SECTION 2. Chapter 136 of the General Statutes is amended by adding a new
8 Article to read:

9 "Article 14D.

10 "Passenger Rail Capital and Service Grant Fund.

11 "**§ 136-189.50. Definitions.**

12 Definitions. – The following definitions apply to this Article:

13 (1) Reserved for future codification purposes.

14 (2) Reserved for future codification purposes.

15 (3) Reserved for future codification purposes.

16 (4) Passenger rail project. – A project to develop new or to improve existing
17 railroad, as the term "railroad" is defined in 49 U.S.C. § 20102(2).

18 (5) Reserved for future codification purposes.

19 (6) Sponsor. – A county, city, town, or municipality of this State, and any other
20 political subdivision, public corporation, authority, or district in this State
21 authorized by law to acquire, establish, construct, enlarge, improve, maintain,
22 own, and operate public transportation systems.

23 "**§ 136-189.55. Passenger Rail Capital and Service Grant Fund.**

24 (a) Creation. – The Passenger Rail Capital and Service Grant Fund (Fund) is established
25 as a special fund within the Department of Transportation to be administered by the Department
26 in accordance with this Article.

27 (b) Purpose. – The purpose of the Fund is to enable passenger rail projects to leverage
28 federal funding or other public or private sourced funding by providing technical and financial
29 assistance to sponsors for the development costs of the passenger rail project.

30 (c) Source. – The Fund shall consist of funds transferred to the Fund in accordance with
31 all of the following:

32 (1) The minimum amount of funds in the Fund at the beginning of each fiscal year
33 shall be twenty-five million dollars (\$25,000,000).

34 (2) No later than July 30 of each fiscal year, the Department of Transportation
35 shall transfer from the Highway Fund to the Fund the sum of twenty-five



1 million dollars (\$25,000,000), and these funds are hereby appropriated for
2 eligible uses in accordance with this Article.

3 (3) Except as provided in G.S. 136-189.65, unexpended funds in the Fund shall
4 not revert.

5 (d) Uses. – Funds may be used to pay for passenger rail project costs, including crossing
6 safety upgrades, infrastructure, feasibility and environmental studies, project engineering, project
7 vehicles, and recurring operating and maintenance costs.

8 (e) Cost-Sharing. – An allocation of funds under this section for a passenger rail project
9 shall be subject to the following cost-sharing percentages:

10 (1) For feasibility studies, service development plans, and other
11 pre-environmental analyses, the Fund may provide one hundred percent
12 (100%) of the project cost.

13 (2) For matching environmental analysis and design, the Fund may provide not
14 more than fifty percent (50%) of the project cost.

15 (3) For matching new or improved rail system construction grants, the Fund may
16 provide not more than thirty percent (30%) of the project cost.

17 **"§ 136-189.60. Administration.**

18 (a) Procedures. – The Secretary of Transportation shall establish procedures and criteria
19 and adopt rules for allocating funds from the Fund to passenger rail projects, on a competitive
20 basis, in accordance with the purposes of this Article.

21 (b) Criteria. – In addition to any criteria established under subsection (a) of this section,
22 allocation under this Article shall be subject to a finding by the Secretary that all of the
23 following conditions are met:

24 (1) There is a reasonable likelihood the passenger rail project will qualify for
25 federal funding, or other public or private sourced funding.

26 (2) For projects of not more than 70 miles in system length or that serve three or
27 fewer counties, the total State financial assistance will not exceed the local
28 portion of the nonfederal share of the capital cost of the passenger rail project.

29 (3) The passenger rail project will achieve substantial reductions in greenhouse
30 gases as measured by the projected number of motor vehicles taken off of the
31 State highway system by the passenger service offered by the project.

32 (c) Decision. – All grants made under this Article are subject to the approval of the
33 Secretary of Transportation after consultation with the Board of Transportation.

34 (d) Multiyear Allotments. – The Department may allocate funds under this Article in the
35 form of multiyear allotments. No award under this Article shall exceed a period of 10 years. Any
36 grant awarded under this Article is subject to appropriation of funds by the General Assembly.

37 (e) Project Development. – The Department shall partner with individual sponsors on the
38 development and implementation of new passenger rail projects.

39 **"§ 136-189.65. Expiration.**

40 This Article is repealed effective June 30, 2043. The Department shall transfer any
41 remaining balance in the Fund to the Highway Fund, for subsequent appropriation by the
42 General Assembly, and close the Fund."

43 **SECTION 3.** This act is effective when it becomes law.