

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 198
Committee Substitute Favorable 4/26/23
PROPOSED COMMITTEE SUBSTITUTE H198-PCS10457-BG-17

Short Title: DOT Legislative Changes.-AB

(Public)

Sponsors:

Referred to:

February 27, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE CHANGES TO TRANSPORTATION LAWS, AS RECOMMENDED BY
3 THE DEPARTMENT OF TRANSPORTATION.

4 The General Assembly of North Carolina enacts:

5
6 **REPEAL BIENNIAL TRANSPORTATION EMERGENCY RESERVE EVALUATION**

7 **SECTION 1.** G.S. 136-44.2E(e) is repealed.

8
9 **REMAINING HURRICANE DORIAN FUNDS USED FOR RESILIENCE PROGRAM**

10 **SECTION 2.** Subdivision (1) of Section 1.7 of S.L. 2019-251 reads as rewritten:

11 "(1) \$30,000,000 for current and future activities related to recovery from
12 Hurricane Dorian such as debris removal and repair of highway infrastructure
13 damage. Any remaining funds not required for Hurricane Dorian expenses
14 shall be used to continue the Department's Resilience Program."

15
16 **PROGRESSIVE DESIGN-BUILD DELIVERY METHOD PILOT PROGRAM**

17 **SECTION 3.(a)** Definition. – For purposes of this section, the term "Progressive
18 Design-Build" means a project delivery method that uses a stepped, or progressive qualifications
19 based selection process, followed by a progression to a contract price. The Progressive
20 Design-Build Team is selected exclusively on qualifications, without consideration of schedule
21 or costs, and delivers the project in two distinct phases with two separate contracts. The
22 Progressive Design-Build Team is initially under contract for preconstruction activities,
23 including developing preliminary designs, performing constructability reviews, and developing
24 construction schedules and pricing. If the Department of Transportation and the Progressive
25 Design-Build Team reach agreement on a guaranteed maximum construction cost, the
26 Department of Transportation and the Progressive Design-Build Team will execute a second
27 contract for completion of the preliminary designs and construction of the project.

28 **SECTION 3.(b)** Pilot Project. – Notwithstanding any provision of Chapter 136 of
29 the General Statutes to the contrary, the Department of Transportation may establish and
30 implement a pilot project to award contracts for up to five transportation projects using the
31 Progressive Design-Build procurement process. The Department of Transportation may only
32 award a contract under this section if (i) the Department determines that the project cost is less
33 than five hundred million dollars (\$500,000,000), (ii) the Department determines that it is in the
34 public's interest to use the Progressive Design-Build procurement process, (iii) the Department
35 prequalifies the prime contractor and lead design firm that will be awarded the contract, (iv) the



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1 Department complies with the pre-award reporting requirement set forth in subsection (c) of this
2 section, and (v) the Department establishes and implements Progressive Design-Build
3 Guidelines, as required under subsection (d) of this section.

4 **SECTION 3.(c)** Report. – Prior to the award of a contract under the authority set
5 forth in subsection (b) of this section, the Department of Transportation shall submit a pre-award
6 report to the Joint Legislative Transportation Oversight Committee on the nature and scope of
7 the project and the reasons the Progressive Design-Build procurement process will best serve the
8 public interest. Upon completion of a project awarded under subsection (b) of this section, the
9 Department of Transportation shall submit a post-completion report to the Joint Legislative
10 Transportation Oversight Committee and the Fiscal Research Division detailing the project
11 results, including any cost and time efficiencies achieved using the Progressive Design-Build
12 procurement process.

13 **SECTION 3.(d)** Guidelines. – The Department of Transportation shall develop and
14 implement Progressive Design-Build Guidelines for awarding contracts under subsection (b) of
15 this section.

16 **SECTION 3.(e)** Expiration. – This section expires upon submission of the
17 post-completion report required under subsection (c) of this section for the final project
18 completed under the authority set forth in subsection (b) of this section.

20 **INCREASE PROJECT CAP FOR PROJECT DELIVERY METHOD PILOT PROGRAM**

21 **SECTION 4.** Section 34.13(b) of S.L. 2018-5, as amended by Section 21 of S.L.
22 2022-68, reads as rewritten:

23 "**SECTION 34.13.(b)** Pilot Project. – Notwithstanding any provision of Chapter 136 of the
24 General Statutes to the contrary, the Department of Transportation may establish and implement
25 a pilot project to award contracts for up to ~~five projects~~ eight projects for the construction of
26 transportation projects on a construction manager-general contractor basis. The Department may
27 only award a contract under this section if (i) the cost of the project is determined by the
28 Department to be less than five hundred million dollars (\$500,000,000), (ii) the Department
29 determines that it is in the public interest to use the construction manager-general contractor basis
30 for the project, (iii) the Department prequalifies the contractor that will be awarded the contract,
31 (iv) the Department complies with the pre-award reporting requirement set forth in subsection
32 (c) of this section, and (v) the Department has established and implemented guidelines as required
33 under subsection (d) of this section."

35 **REPEAL TRAFFIC IMPACT ANALYSIS REPORT TO JLTOC**

36 **SECTION 5.** G.S. 136-93.1A(g) is repealed.

38 **REPEAL CASH BALANCE TARGET AMOUNT REPORT**

39 **SECTION 6.** G.S. 143C-6-11(m) is repealed.

41 **AUTHORIZE DEPARTMENT OF TRANSPORTATION TO ESTABLISH STATEWIDE 42 PURCHASING CONTRACTS FOR CERTAIN TRANSPORTATION MODES**

43 **SECTION 7.(a)** Article 2 of Chapter 136 of the General Statutes is amended by
44 adding a new section to read:

45 "**§ 136-28.1A. Contracts for capital assets, technology, or services related to public
46 transportation, bicycle, pedestrian, and related transportation modes.**

47 (a) Notwithstanding Chapter 143 of the General Statutes or any other provision of law to
48 the contrary, the Department of Transportation, Integrated Mobility Division, may independently
49 establish statewide purchasing contracts with private vendors for capital assets, technology, or
50 services related to public transportation, bicycle, pedestrian, and related transportation modes,
51 where such statewide purchasing contracts are established through competitive procurement and

1 selection in accordance with Federal Transit Administration or Federal Highway Administration
2 requirements, and where such statewide purchasing contracts are established primarily for the
3 convenience of the Department of Transportation, local government agencies, Metropolitan
4 Planning Organizations, Rural Planning Organizations, Councils of Government, or public
5 transportation agencies to select and enter into contractual relationships with vendors without
6 completing additional procurement or competitive selection processes.

7 (b) All processes, procedures, and aspects of establishing statewide purchasing contracts
8 under subsection (a) of this section are exempt from Department of Administration or
9 Department of Information Technology oversight and requirements.

10 (c) The Department of Transportation shall notify the Department of Administration of
11 the nature and scope of all statewide purchasing contracts, and notify the Department of
12 Information Technology of the nature and scope of all statewide purchasing contracts related to
13 information technology projects, established pursuant to subsection (a) of this section.

14 (d) The Department of Transportation shall report to the Joint Legislative Transportation
15 Oversight Committee, the Joint Legislative Oversight Committee on Information Technology,
16 and the Fiscal Research Division of the nature and scope of all statewide purchasing contracts
17 established pursuant to subsection (a) of this section within 30 days of entering into the contract."

18 **SECTION 7.(b)** This section is effective when it becomes law and applies to
19 contracts entered into on or after that date.
20

21 **EXEMPTION FOR CERTAIN PUBLIC BUILDING CONTRACTS**

22 **SECTION 8.(a)** G.S. 143-134 is amended by adding a new subsection to read:

23 "(c) Notwithstanding subsection (a) of this section, this Article does not apply to public
24 building contracts entered into by the Department of Transportation for the construction,
25 alteration, or repair of facilities jointly occupied by personnel of the Division of Motor Vehicles,
26 of the Department of Transportation, and the North Carolina Highway Patrol, but, with respect
27 to these contracts, the powers and duties established in this Article shall be exercised by the
28 Department of Transportation and the Secretary of Administration, and other State officers,
29 employees, or agencies shall have no duties or responsibilities concerning the contracts. The
30 Department of Transportation shall advertise and award contracts in the manner required by this
31 Article. Upon request, the Department of Administration shall assist the Department of
32 Transportation in advertising and awarding a contract under this subsection. Construction,
33 alteration, and repair of facilities under this subsection may be subject to local building permit
34 requirements."

35 **SECTION 8.(b)** This section is effective when it becomes law and applies to
36 contracts entered into on or after that date.
37

38 **DEPARTMENT MAY SPECIFY MATERIAL SUBSTITUTION REQUIREMENTS**

39 **SECTION 9.(a)** G.S. 136-28.1 is amended by adding a new subsection to read:

40 "(n) The Department of Transportation may specify a brand name or specific manufacturer
41 of construction materials in order to promote system compatibility or synchronization; long-term
42 maintenance savings or efficiencies; research, testing, or experimental projects; product
43 evaluation; or when it is impossible or impractical to specify the required performance and design
44 characteristics for such materials."

45 **SECTION 9.(b)** This section is effective when it becomes law and applies to
46 contracts entered into on or after that date.
47

48 **ADJUST REQUIREMENTS FOR ROW REGISTRATIONS**

49 **SECTION 10.** G.S. 136-19.4 reads as rewritten:

50 **"§ 136-19.4. Registration of right-of-way plans.**

1 (a) A copy of the cover sheet and ~~plan and profile sheets~~ of the final right-of-way plans
2 for all Department of Transportation projects, on those projects for which plans are prepared,
3 under which right-of-way or other interest in real property is acquired or access is controlled shall
4 be certified by the Department of Transportation to the register of deeds of the county or counties
5 within which the project is located. ~~The Department shall certify said plan sheets to the register~~
6 ~~of deeds within two weeks from their formal approval by the Board of Transportation.~~

7 ...

8 (d) ~~If after the approval of said final right-of-way plans the Board of Transportation shall~~
9 ~~by resolution alter or amend said right of way or control of access, the Department of~~
10 ~~Transportation, within two weeks from the adoption by the Board of Transportation of said~~
11 ~~alteration or amendment, shall certify to the register of deeds in the county or counties within~~
12 ~~which the project is located a copy of the amended plan and profile sheets approved by the Board~~
13 ~~of Transportation and the register of deeds shall remove the original plan sheets and record the~~
14 ~~amended plan sheets in lieu thereof.~~

15 (e) The register of deeds in each county shall collect a fee from the Department of
16 Transportation for recording right-of-way plans ~~and profile sheets~~ in the amount set out in
17 G.S. 161-10."

18 REVISION TO BRIDGE PROGRAM OUTSOURCING

19 **SECTION 11.** G.S. 136-76.2(c) reads as rewritten:

20 "(c) Outsourcing. – Except for the following activities, all projects funded under the bridge
21 program established under subsection (a) of this section shall be outsourced to private
22 contractors:

- 23 (1) Inspection.
- 24 (2) Pre-engineering.
- 25 (3) Contract preparation.
- 26 (4) Contract administration and oversight.
- 27 (5) Planning activities.
- 28 (6) Installation of culverts and structures described in subsection (b) of this
29 ~~section, but only in cases of emergency.~~ section on low volume or non-outlet
30 roads."

31 REVISION TO ADVANCE RIGHT-OF-WAY ACQUISITION ACCOUNT

32 **SECTION 12.** Section 41.7 of S.L. 2022-74 reads as rewritten:

33 "**SECTION 41.7.(a)** The State Controller shall transfer the sum of one hundred nine million
34 eight hundred thirty-four thousand nine hundred seventy-two dollars (\$109,834,972) from the
35 Highway Fund to the Highway Trust Fund Advance Right-of-Way Acquisition Account. These
36 funds shall be used by the Department of Transportation for the purchase of property under the
37 ~~Undue Hardship Advance Acquisition Program (Undue Hardship Program).~~ Advance
38 Acquisition Program.

39 "**SECTION 41.7.(b)** The Department shall streamline the Undue Hardship Program to
40 ensure that property in a planned transportation project area is purchased expeditiously from a
41 property owner experiencing an undue hardship, as that term is defined in G.S. 136-186(a)(3),
42 resulting from a rescheduled or reprioritized Strategic Transportation Investment (STI) project.
43 ~~Beginning October 1, 2022, the Department shall submit a quarterly report to the Joint Legislative~~
44 ~~Transportation Oversight Committee (JLTOC) and the Fiscal Research Division containing the~~
45 ~~Department's streamlined efforts, the amount of property purchased, and the number of hardship~~
46 ~~claims by the Highway Division."~~

47 EXTEND EXPIRATION DATE OF BUILD NC BOND ACT

48 **SECTION 13.** Section 7 of S.L. 2018-16 reads as rewritten:
49

1 "SECTION 7. This act becomes effective January 1, 2019, and expires ~~December 31,~~
2 ~~2028.~~December 31, 2030."

4 **EXTEND DATE TO BUILD NC BOND CASH BALANCE REQUIREMENT**

5 **SECTION 14.(a)** Section 41.3 of S.L. 2021-180, as amended by Section 7.1 of S.L.
6 2021-189, reads as rewritten:

7 "**SECTION 41.3.** ~~Notwithstanding G.S. 142-97(2)a., for the 2021-2023 fiscal biennium, the~~
8 ~~Department of Transportation average month end cash balance for the first three months in the~~
9 ~~calendar year prior to the date of determination must be equal to or less than two billion dollars~~
10 ~~(\$2,000,000,000); provided, however, that for~~ For any issuance and sale of Build NC Bonds on
11 or before ~~June 30, 2022,~~ June 30, 2024, the cash balance requirement under G.S. 142-97(2)a.
12 shall not apply, and the consultation requirement under G.S. 142-97(2)c. shall be no later than
13 two months prior to the expected issuance of the bonds."

14 **SECTION 14.(b)** G.S. 142-97(2)a. reads as rewritten:

15 "a. The Department of Transportation's average month-end cash balance
16 for the first three months in the calendar year prior to the date of
17 determination is equal to or less than ~~one billion dollars~~
18 ~~(\$1,000,000,000).~~ two billion dollars (\$2,000,000,000)."

20 **REMOVE DOT EMPLOYEE LIMIT ON TRAVEL**

21 **SECTION 15.** Section 34.5 of S.L. 2014-100, as amended by Section 29.7 of S.L.
22 2015-241, is repealed.

24 **REMOVE BOARD OF TRANSPORTATION LIMIT ON TRAVEL**

25 **SECTION 16.** Section 29.5A of S.L. 2015-241 is repealed.

27 **REMOVE RESIDENCY REQUIREMENT FOR SECRETARY OF TRANSPORTATION** 28 **NONVOTING MEMBER APPOINTMENTS TO REGIONAL PUBLIC** 29 **TRANSPORTATION AUTHORITY BOARDS OF TRUSTEES**

30 **SECTION 17.** G.S. 160A-605 reads as rewritten:

31 "**§ 160A-605. Membership; officers; compensation.**

32 (a) The governing body of an authority is the Board of Trustees. The Board of Trustees
33 shall consist of 13 members, appointed as follows:

34 (1) The county with the greatest population shall be allocated five members to be
35 appointed as follows:

36 a. Two by the board of commissioners of that county;

37 b. Two by the city council of the city containing the largest population
38 within that county; and

39 c. One by the city council of the city containing the second largest
40 population within that county;

41 (2) The county with the next greatest population shall be allocated three members
42 to be appointed as follows:

43 a. One by the board of commissioners of that county;

44 b. One by the city council of the city containing the largest population
45 within that county; and

46 c. One jointly by that board of commissioners and city council, by
47 procedures agreed on between them;

48 (3) The county with the least population shall be allocated two members to be
49 appointed as follows:

50 a. One by the board of commissioners of that county; and

- 1 b. One by the city council of the city containing the largest population
2 within that county; and
- 3 (4) Three members of the Board of Transportation appointed by the Secretary of
4 Transportation, to serve as ex officio nonvoting members.
- 5 (b) Voting members of the Board of Trustees shall serve for terms of four years, provided
6 that one-half of the initial appointments shall be for two-year terms, to be determined by lot at
7 the first meeting of the Board of Trustees. Initial terms of office shall commence upon approval
8 by the Secretary of State of the articles of incorporation. The members appointed by the Secretary
9 of Transportation shall serve at his pleasure.
- 10 (c) An appointing authority may appoint one of its members to the Board of Trustees.
11 Service on the Board of Trustees may be in addition to any other office which a person is entitled
12 to hold. Each voting member of the Board of Trustees may hold elective public office as defined
13 by G.S. 128-1.1(d).
- 14 (d) Members of the Board of ~~Trustees~~Trustees, except members appointed by the
15 Secretary of Transportation, shall reside within the territorial jurisdiction of the Authority as
16 defined by G.S. 160A-604.
- 17 (e) The Board of Trustees shall annually elect from its membership a Chairperson, and a
18 Vice-Chairperson, and shall annually elect a Secretary, and a Treasurer.
- 19 (f) Members of the Board of Trustees shall receive the sum of fifty dollars (\$50.00) as
20 compensation for attendance at each duly conducted meeting of the Authority."

21 22 **TURNPIKE BILL COLLECTION**

23 **SECTION 18.** G.S. 136-89.213 reads as rewritten:

24 **"§ 136-89.213. Administration of tolls and requirements for open road tolls.**

25 (a) Administration. – The Authority is responsible for collecting tolls on Turnpike
26 projects. In exercising its authority under G.S. 136-89.183 to perform or procure services
27 required by the Authority, the Authority may contract with one or more providers to perform part
28 or all of the collection functions and may enter into agreements to exchange information,
29 including confidential information under subsection (a1) of this section, that identifies motor
30 vehicles and their owners with one or more of the following entities: the Division of Motor
31 Vehicles of the Department of Transportation, another state, another toll operator, a toll
32 collection-related organization, insurance companies, or a private entity that has entered into a
33 partnership agreement with the Authority pursuant to G.S. 136-89.183(a)(17). Further, the
34 Authority may assign its authority to fix, revise, charge, retain, enforce, and collect tolls and fees
35 under this Article to a private entity that has entered into a partnership agreement with the
36 Authority pursuant to G.S. 136-89.183(a)(17).

37 "

38 39 **ADD VIN TO UNPAID TOLL BILL AND AUTHORIZE ELECTRONIC** 40 **INFORMATION COLLECTION FOR OWNER VERIFICATION**

41 **SECTION 19.(a)** G.S. 136-89.214 reads as rewritten:

42 **"§ 136-89.214. Bill for unpaid open road toll.**

43 ...

44 (b) Information on Bill. – A bill sent under this section must include all of the following
45 information:

46 ...

47 (1a) The vehicle identification number (VIN) or other vehicle identifying
48 information of the motor vehicle that traveled on the Turnpike project.

49 ...

50 (c) Electronic Information Verification. – The Authority may utilize digital
51 communications and methods to obtain information for a registered owner of a motor vehicle

1 through verification of phone numbers, connected or enabled vehicle applications, and other
2 digital means to pursue a bill by first-class mail."

3 **SECTION 19.(b)** This section becomes effective July 1, 2023.
4

5 **INCREASE TURNPIKE PROCESSING FEE FOR BILLING**

6 **SECTION 20.(a)** G.S. 136-89.215(b) reads as rewritten:

7 "(b) Fee. – If a person does not take one of the actions required under subsection (a) of
8 this section within the required time, the Authority may add a processing fee to the amount the
9 person owes. The processing fee may not exceed ~~six dollars (\$6.00)~~ nine dollars (\$9.00). A
10 person may not be charged more than ~~forty-eight dollars (\$48.00)~~ seventy-two dollars (\$72.00)
11 in processing fees in a 12-month period.

12 The Authority must set the processing fee at an amount that does not exceed the costs of
13 collecting the unpaid toll."

14 **SECTION 20.(b)** This section becomes effective July 1, 2023.
15

16 **AUTHORIZE TOLLING FOR CERTAIN LANES**

17 **SECTION 21.** G.S. 20-146.2 reads as rewritten:

18 **"§ 20-146.2. Rush hour traffic lanes authorized.**

19 ...

20 (b) Temporary Peak Traffic Shoulder Lanes. – The Department of Transportation may
21 modify, upgrade, and designate shoulders of controlled access facilities and partially controlled
22 access facilities as temporary travel lanes during peak traffic periods. When these shoulders have
23 been appropriately marked, it shall be unlawful to use these shoulders for stopping or emergency
24 parking. Emergency parking areas shall be designated at other appropriate areas, off these
25 shoulders, when available. The Turnpike Authority may authorize tolling for travel in a lane
26 designated and marked as in use under this subsection.

27 (c) Directional Flow Peak Traffic Lanes. – The Department of Transportation may
28 designate travel lanes for the directional flow of peak traffic on streets and highways on the State
29 Highway System and cities may designate travel lanes for the directional flow of peak traffic on
30 streets on the Municipal Street System. These travel lanes may be designated for time periods by
31 the agency controlling the streets and highways. The Turnpike Authority may authorize tolling
32 for travel in a lane designated and marked as in use under this subsection."
33

34 **EXEMPT FERRY DIVISION FROM TEMPORARY SOLUTIONS PROGRAM**

35 **SECTION 22.** G.S. 126-6.3(a) reads as rewritten:

36 "(a) Use of Temporary Solutions Required for Cabinet Agencies. – Notwithstanding
37 G.S. 126-5 or any other provision of law, all Cabinet agencies that utilize temporary employees
38 to perform work that is not information technology-related shall employ them through the
39 Temporary Solutions Program administered by the Office of State Human Resources. The
40 Director of the Office of State Human Resources may create exceptions to this requirement when
41 doing so would be in the best interests of the State in the sole discretion of the Director. An
42 exception shall be invalid unless it is in writing. Council of State agencies may use the Temporary
43 Solutions Program in the discretion of the agency. The Department of Transportation, Ferry
44 Division, shall be exempt from the required use of Temporary Solutions when there is an
45 established need for peak season hires or when the work requires a specific skillset beyond the
46 scope of temporary employees."
47

48 **FERRY PRIORITY BOARDING**

49 **SECTION 23.(a)** G.S. 136-82(f3) reads as rewritten:

50 "(f3) Priority Boarding Fee for Certain Vehicles. – For ~~vehicles~~ a vehicle providing
51 commercial goods and services, the Department of Transportation shall charge an annual fee of

1 one hundred fifty dollars (\$150.00) for an annual pass that entitles the vehicle ~~or vehicles owned~~
2 ~~by the person~~ issued the annual pass to priority when boarding a ferry vessel. Only one annual
3 pass per vehicle shall be issued per year. Except as authorized under this subsection, the
4 Department of Transportation shall not provide priority boarding to a ferry vessel to any vehicle
5 providing commercial goods and services. The following limits shall apply to priority boarding
6 under this subsection:

7 (1) For ferry vessels departing Hatteras, priority boarding shall not be authorized
8 except between 10:00 A.M. and 4:00 P.M., and for ferry vessels departing
9 Ocracoke, priority boarding shall not be authorized except between 4:00 P.M.
10 and 9:00 P.M.

11 (2) No more than 10 vehicles may priority board a ferry per one-way trip."

12 **SECTION 23.(b)** This section becomes effective July 1, 2023, and applies to
13 applications for priority passes submitted on or after that date.

14 **RESIDENT PRIORITY PASSES ON HATTERAS-OCRACOKE**

15 **SECTION 24.(a)** G.S. 136-82 is amended by adding a new subsection to read:

16 "(f4) Priority Boarding for Ocracoke Residents. – The Board of Transportation shall
17 establish resident vehicle priority passes for the Hatteras-Ocracoke ferry route at an amount set
18 by the Board per vehicle. To evidence residency for the purpose of priority pass applications
19 under this subsection, a person must provide a valid drivers license and a current vehicle
20 registration with an Ocracoke address."

21 **SECTION 24.(b)** This section becomes effective July 1, 2023.

22 **REPEAL DRONE ACTIVITY REPORTING REQUIREMENT FROM DIVISION OF** 23 **AVIATION ANNUAL REPORT**

24 **SECTION 25.** G.S. 63-74.5(2) is repealed.

25 **REVISE USE OF CERTAIN MATCHING FUNDS OF RAIL DIVISION**

26 **SECTION 26.** Part XLI of S.L. 2022-74 is amended by adding a new section to read:

27 "**SECTION 41.11.** Notwithstanding any other provision of law or a provision of the
28 Committee Report described in Section 43.2 of this act to the contrary, the seven million five
29 hundred twenty-seven thousand dollars (\$7,527,000) in nonrecurring funds appropriated to the
30 Department of Transportation, Rail Division, for the 2022-2023 fiscal year for the S-Line rail
31 corridor may also be used for a future grant to develop the S-Line beyond the CRISI grant
32 announced from Fiscal Year 2021 funds."

33 **REVISE OUTDOOR ADVERTISING LAW**

34 **SECTION 27.(a)** G.S. 136-133.1 reads as rewritten:

35 "**§ 136-133.1. Outdoor advertising vegetation cutting or removal.**

36 (a) The owner of an outdoor advertising sign permitted under ~~G.S. 136-129(a)(4) or G.S.~~
37 ~~136-129(a)(5)~~ G.S. 136-129(4) or G.S. 136-129(5) who obtains a selective vegetation removal
38 permit, and the owner's designees, may cut, thin, prune, or remove vegetation in accordance with
39 this section, G.S. 136-93(b), 136-133.2, and 136-133.4. The maximum cut or removal zone for
40 vegetation for each sign face shall be determined as follows:

41 (1) The point located on the edge of the right-of-way that is the closest point to
42 the centerline of the sign face shall be point A. The point on the edge of the
43 pavement of the travel way, including acceleration and deceleration ramps,
44 that is the closest to the centerline of the sign face shall be point B. The point
45 located on the edge of the pavement of the main traveled way, corresponding
46 to the applicable distance under sub-subdivision a. or b. of this subdivision
47 moving in the direction of the sign viewing zone from point B, shall be point

1 C. The point perpendicular to point C on the edge of the right-of-way shall be
 2 point D. Lines drawn from point A, to point B, to point C, and to point D shall
 3 define the maximum cut or removal zone.

4 a. For a distance of 500 feet for a view zone that has a posted speed limit
 5 of over 35 miles per hour.

6 b. For a distance of 350 feet for a view zone that has a posted speed limit
 7 of 35 miles per hour or less.

8 (2) ~~The point located 200 feet down the right-of-way line in the direction of the~~
 9 ~~sign viewing zone shall be point B. Notwithstanding subdivision (1) of this~~
 10 ~~subsection, the sign owner or designee may also cut vegetation within any area~~
 11 ~~on the State right-of-way located between viewing zones of two sign faces on~~
 12 ~~the same structure, or otherwise within any area measured perpendicular from~~
 13 ~~any point on the sign structure to the edge of the pavement of the main traveled~~
 14 ~~way, by paying a fee of one hundred fifty dollars (\$150.00) per caliper inch to~~
 15 ~~the Department of Transportation.~~

16 (3) ~~The point on the edge of the pavement of the travel way, including~~
 17 ~~acceleration and deceleration ramps, that is the closest to the centerline of the~~
 18 ~~sign shall be point C.~~

19 (4) ~~The point 50 feet down the edge of the pavement in the direction of the sign~~
 20 ~~viewing zone from point C shall be point D.~~

21 (5) ~~The point 380 feet down the edge of the pavement in the direction of the sign~~
 22 ~~viewing zone from point C shall be point E; provided, however, the following~~
 23 ~~shall apply within the corporal limits and territorial jurisdiction of any city, as~~
 24 ~~defined in Chapter 160A of the General Statutes:~~

25 ~~a. On interstates or other routes with fully controlled access, the point~~
 26 ~~340 feet down the edge of the pavement in the direction of the sign~~
 27 ~~viewing zone from point C shall be point E.~~

28 ~~b. On highways other than interstates and other routes with fully~~
 29 ~~controlled access, the point 250 feet down the edge of the pavement in~~
 30 ~~the direction of the sign viewing zone from point C shall be point E.~~

31 (6) ~~Lines drawn from point A to point D and from point B to point E shall define~~
 32 ~~the limits of the vegetation cut or removal area.~~

33 ...

34 (b) ~~Vegetation permitted to be cut, thinned, pruned, or removed shall be defined as any~~
 35 ~~tree, shrub, or underbrush within the zone created by points A, B, D, and E. subsection (a) of this~~
 36 ~~section. Any existing tree that was in existence at the time that an outdoor advertising structure~~
 37 ~~was erected shall only be eligible for removal in accordance with subsections (c), (d), and (e) of~~
 38 ~~this section. Native dogwoods and native redbuds shall be preserved. For the purposes of this~~
 39 ~~section, an existing tree is defined as a tree that had a diameter of four inches or greater as~~
 40 ~~measured six inches from the ground at the time that the outdoor advertising structure was~~
 41 ~~erected. An outdoor advertising sign is considered erected when the sign is completely~~
 42 ~~constructed with a sign face.~~

43 ...

44 (e) ~~Removal of trees and vegetation of any age, including complete removal, except for~~
 45 ~~native dogwoods and native redbuds, dogwoods, shall be permitted within the cut or removal~~
 46 ~~zone established in subsection (a) of this section if the applicant for the selective vegetation~~
 47 ~~removal permit, in lieu of compliance with subsection (d) of this section, agrees to submit to the~~
 48 ~~Department a plan for beautification and replanting related to the site for which the vegetation~~
 49 ~~permit request is made. The Department shall develop rules for compensatory replanting,~~
 50 ~~including the criteria for determining which sites qualify for replanting, and shall, in consultation~~
 51 ~~with the applicant and local government representatives, determine which sites must be~~

1 replanted, and the types of plants and trees to be replanted. The replanting and maintenance shall
2 be conducted by the applicant or his or her agents in accordance with the rules adopted by the
3 Department. If the conditions detailed in this subsection are agreed to by the applicant and
4 approved by the Department, there shall be no reimbursement to the Department under
5 G.S. 136-93.2 for removal of trees that existed at the time the outdoor sign was erected, nor shall
6 the applicant be required to remove two nonconforming outdoor advertising signs for removal of
7 existing trees at the site.

8 (f) ~~Tree branches within a highway right-of-way that encroach into the zone created by~~
9 ~~points A, B, D, and E-subsection (a) of this section~~ may be cut or pruned. Except as provided in
10 subsection (g) of this section, no person, firm, or entity shall cut, trim, prune, or remove or
11 otherwise cause to be cut, trimmed, pruned, or removed vegetation that is in front of, or adjacent
12 to, outdoor advertising and within the limits of the highway right-of-way for the purpose of
13 enhancing the visibility of outdoor advertising unless permitted to do so by the Department in
14 accordance with this section, G.S. 136-93(b), 136-133.2, and 136-133.4.

15 (g) Notwithstanding any law to the contrary, the owner of an outdoor advertising sign
16 defined by subsection (a) of this section or the owner's designees may, working only from the
17 private property side of the fence, without charge and without obtaining a selective vegetation
18 removal permit, cut, trim, prune, or remove any tree or other vegetation except for native
19 dogwoods ~~or native redbuds~~ that is (i) less than four inches in diameter at the height of the
20 controlled access fence, (ii) located within ~~200-300~~ feet on either side of the existing sign ~~location~~
21 ~~as defined by point A and point B in G.S. 136-133.1(a)(1) and (2), location,~~ and (iii) a distance
22 of three feet from a controlled access fence within the limits of the highway right-of-way. The
23 activities permitted by this subsection must be performed from the private property owner side
24 of the controlled access fence and with the consent of the owner of the land that is used to access
25 said fence.

26"

27 **SECTION 27.(b)** G.S. 136-133.2 reads as rewritten:

28 "**§ 136-133.2. Issuance or denial of a selective vegetation removal permit.**

29 (a) Except as provided in subsection (b) of this section and G.S. 136-133.1(g), permits to
30 remove vegetation may be granted for outdoor advertising locations that have been permitted for
31 at least two years prior to the date of application. The Department shall approve or deny an
32 application submitted pursuant to this section, including the fee required by G.S. 136-18.7 and
33 all required documentation, within 30 days of the receipt of an application for a selective
34 vegetation removal permit. If written notice of approval or denial is not given to the applicant
35 within the 30-day period, then the application shall be deemed approved. If the application is
36 denied, the Department shall advise the applicant, in writing, by registered or certified mail,
37 return receipt requested, addressed to the party to be noticed, and delivering to the addressee, the
38 reasons for the denial.

39 (b) Notwithstanding the two-year period required in subsection (a) of this section, permits
40 to remove vegetation may be granted for outdoor advertising locations where outdoor advertising
41 has been relocated pursuant to G.S. 136-131.5 and that otherwise comply with the requirements
42 of this section and rules adopted by the Department in accordance with this section.

43 (c) A new site for relocation shall not be denied by the Department of Transportation due
44 to the presence of vegetation obstructing the visibility of the outdoor advertising from the viewing
45 zone. Notwithstanding any law to the contrary, the owner or operator of the outdoor advertising
46 sign shall be permitted to improve the visibility of the sign by removing any vegetation on private
47 property upon receiving written consent of the landowner."

48 **SECTION 27.(c)** This section becomes effective July 1, 2023, and applies to
49 applications for selective vegetation removal permits submitted on or after that date.

1 **PILOT PROGRAM TO AUTHORIZE AUTOMATIC LICENSE PLATE READERS IN**
2 **STATE RIGHTS-OF-WAY**

3 **SECTION 28.(a)** The Department of Transportation may enter into agreements with
4 the North Carolina State Bureau of Investigation for the placement and use of automatic license
5 plate reader systems, as defined in G.S. 20-183.30(1), within land or right-of-way owned by the
6 Department of Transportation as part of a pilot program established by this section; provided that
7 (i) the use of the land or right-of-way is temporary in nature, (ii) the automatic license plate reader
8 system is above ground, removeable, and contains no combustible fuel, (iii) the placement and
9 use does not unreasonably interfere with the operation and maintenance of public utility facilities
10 or cause the facilities to fail to comply with all applicable laws, codes, and regulatory
11 requirements, (iv) the authorization to locate the automatic license plate reader system within the
12 right-of-way is revocable by the Department for cause with at least 30 days' notice, (v) the use
13 of the automatic license plate reader system complies with provisions of Article 8A of Chapter
14 87 of the General Statutes, and (vi) the automatic license plate reader system is operated in
15 accordance with Article 3D of Chapter 20 of the General Statutes. Placement and use of an
16 automatic license plate reader system and related equipment under this subsection must be
17 terminated and removed by the Department upon request by any affected public utility. The
18 Department or a public utility may relocate an automatic license plate reader system and related
19 equipment in the event that the Department or public utility needs immediate access to its utilities
20 or facilities and shall only be liable for damages to the automatic license plate reader system and
21 related equipment caused solely by its gross negligence or willful misconduct. If an automatic
22 license plate reader system or related equipment is moved for immediate access, the Department
23 or applicable public utility must provide notice to the State Bureau of Investigation. For purposes
24 of this subsection, the term "public utility" means any of the following: a public utility, as defined
25 in G.S. 62-3(23), an electric membership corporation, telephone membership corporation, a joint
26 municipal power agency, or a municipality, as defined in G.S. 159B-3(5). The State Bureau of
27 Investigation may enter into an agreement under this section on its own behalf or as an
28 administrative agent of a local law enforcement agency in this State.

29 **SECTION 28.(b)** No later than October 1, 2024, the North Carolina State Bureau of
30 Investigation shall submit a report to the Joint Legislative Oversight Committee on Justice and
31 Public Safety and the Joint Legislative Transportation Oversight Committee on automatic license
32 plate reader systems placed on rights-of-way owned or maintained by the Department of
33 Transportation. The report shall contain the written policy governing use of each automatic
34 license plate reader system, the number of requests for captured data by requesting agency, and
35 the amount of data preserved for more than 90 days compared to the amount of data captured
36 during the pilot program.

37 **SECTION 28.(c)** G.S. 136-27.3A and G.S. 20-183.32A are repealed.

38 **SECTION 28.(d)** G.S. 20-183.30 reads as rewritten:

39 **"§ 20-183.30. Definitions.**

40 The following definitions apply in this Article:

41 (1) Automatic license plate reader system. – A system of one or more mobile or
42 fixed automated high speed cameras used in combination with computer
43 algorithms to convert images of license plates into computer readable data.
44 This term shall not include a traffic control photographic system, as that term
45 is defined in G.S. 160A-300.1(a), or an open road tolling system, as that term
46 is defined in G.S. 136-89.210(3).

47 (1a) Reserved for future codification purposes.

48 (1b) Reserved for future codification purposes.

49 (1c) Reserved for future codification purposes.

50 (1d) Criminal justice officer. – A criminal justice officer as defined in G.S. 17C-2
51 and justice officer as defined in G.S. 17E-2.

1 (2) Law enforcement agency. – Any agency or officer of the State of North
2 Carolina or any political subdivision thereof who is empowered by the laws
3 of this State to conduct investigations or to make arrests and any attorney,
4 including the Attorney General of North Carolina, authorized by the laws of
5 this State to prosecute or participate in the prosecution of those persons
6 arrested or persons who may be subject to civil actions related to or concerning
7 an arrest.

8 (3) Reserved for future codification purposes.

9 (4) Reserved for future codification purposes.

10 (5) Law enforcement purpose. – Any of the following:

11 a. Actions related to criminal investigations, arrests, prosecutions,
12 post-conviction confinement, or supervision.

13 b. Apprehending an individual with an outstanding felony warrant.

14 c. Locating a missing or endangered person.

15 d. Locating a lost or stolen vehicle.

16 (6) Reserved for future codification purposes.

17 (7) Reserved for future codification purposes.

18 (8) Missing or endangered person. – A person who has been identified as a
19 missing or endangered person by at least one of the following:

20 a. The National Criminal Information Center.

21 b. The National Center for Missing and Exploited Children.

22 c. A "be on the lookout" bulletin issued by a law enforcement agency."

23 **SECTION 28.(e)** G.S. 20-183.31(b) reads as rewritten:

24 "(b) Data obtained by a law enforcement agency in accordance with this Article shall be
25 obtained, accessed, preserved, or disclosed only for law enforcement ~~or criminal justice~~ purposes.
26 Notwithstanding, data obtained under the authority of this Article shall not be used for the
27 enforcement of traffic violations."

28 **SECTION 28.(f)** G.S. 20-183.32(e) reads as rewritten:

29 "(e) Captured plate data obtained in accordance with this Article is confidential and not a
30 public record as that term is defined in G.S. 132-1. Data shall not be disclosed except to a ~~federal,~~
31 ~~State,~~ criminal justice officer at a State or local law enforcement agency or a similar official at a
32 federal law enforcement agency for a legitimate law enforcement ~~or public safety~~ purpose
33 pursuant to a written request from the requesting agency. Written requests may be in electronic
34 format. Nothing in this subsection shall be construed as requiring the disclosure of captured plate
35 data if a law enforcement agency determines that disclosure will compromise an ongoing
36 investigation. Captured plate data shall not be sold for any purpose."

37 **SECTION 28.(g)** Article 3D of Chapter 20 of the General Statutes is amended by
38 adding a new section to read:

39 **"§ 20-183.33. Penalty for violation.**

40 Any person who violates the provisions of this Article by obtaining, accessing, preserving,
41 or disclosing data obtained in accordance with this Article in a manner other than that allowed
42 by the provisions of this Article is guilty of a Class 1 misdemeanor."

43 **SECTION 28.(h)** Subsection (g) of this section becomes effective December 1,
44 2023, and applies to offenses committed on or after that date. The remainder of this section
45 becomes effective July 1, 2023. Subsection (a) of this section expires July 1, 2024, and any
46 agreement entered into under the pilot program established in that section shall terminate no later
47 than that date.

49 **INCREASE FREQUENCY OF TAX REVENUE TRANSFER TO HIGHWAY FUND**

50 **SECTION 29.(a)** G.S. 105-164.44M(b) reads as rewritten:

"(b) Transportation Needs. – ~~At the end of each quarter, the~~ The Secretary must must, on a monthly basis, transfer to the Funds listed below a percentage of the net proceeds of the tax collected under this Article at the State's general rate of tax set in G.S. 105-164.4(a). The percentages that must be transferred are as follows:

| Fiscal Year | Percentage to Highway Fund | Percentage to Highway Trust Fund |
|------------------------|----------------------------|----------------------------------|
| 2022-23 | 2% | 0% |
| 2023-24 | 1% | 3% |
| 2024-25 and thereafter | 1.5% | 4.5%." |

SECTION 29.(b) This section becomes effective July 1, 2023.

REVISE MONTHLY FINANCIAL STATEMENT REPORT

SECTION 30. G.S. 143C-6-11(q) reads as rewritten:

"(q) Monthly Financial Statement Report. – Each month the Department of Transportation shall post on the Department's Web site and submit to the Board of Transportation, the Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division a financial statement report that includes the following information:

- ...
- (6) Projected revenues and Spend Plan of the Department for the ~~next 18 months,~~ current fiscal year, noting any changes.
-"

MODIFY STIP REPORTING AND LOCAL CONSULTATION REQUIREMENTS

SECTION 31.(a) G.S. 136-12 reads as rewritten:

"§ 136-12. Reports to General Assembly; Transportation Improvement Program posted and submitted to members and staff of General Assembly.

(a) The Department of Transportation ~~shall~~ shall, on or before the tenth day after the convening of each regular session of the General Assembly of North Carolina, make a full printed, detailed report to the Joint Legislative Transportation Oversight Committee by March 1 of each year on how the previous fiscal year's funds for General Assembly that includes the cost of maintenance and construction were allocated and expended. The work undertaken by the Department, receipts of license fees, disbursements of the Department, and other financial information relevant to illustrate the Department's financial condition during the previous fiscal year. For maintenance and construction work undertaken by the Department, the report shall also include expenditures of both State and federal funds and shall be in sufficient detail that the county can be identified. A full account of each road project shall be kept by and under the direction of the Department of Transportation or its representatives, to ascertain at any time the expenditures and the liabilities against all projects; also records of contracts and force account work. The account records, together with all supporting documents, shall be open at all times to the inspection of the Governor or road authorities of any county, or their authorized representatives, and copies thereof shall be furnished such officials upon request.

(a1) Repealed by Session Laws 2011-145, s. 28.35(a), effective July 1, 2011.

(b) At least ~~30-10~~ days before it approves a Transportation Improvement Program in accordance with G.S. 143B-350(f)(4) or approves interim changes to a Transportation Improvement Program, the Department shall post the proposed Transportation Improvement Program or proposed interim changes to a Transportation Improvement Program on the Department's website, and also submit the proposed Transportation Improvement Program or proposed interim changes to a Transportation Improvement Program to all of the following members and staff of the General Assembly: Assembly.

- (1) The Speaker and the Speaker Pro Tempore of the House of ~~Representatives;~~ Representatives.

- 1 (2) The Lieutenant Governor and the President Pro Tempore of the ~~Senate;~~Senate.
 2 (3) The Chairs of the House and Senate Appropriations ~~Committees;~~Committees.
 3 (4) Each member of the Joint Legislative Transportation Oversight ~~Committee;~~
 4 and Committee.
 5 (5) The Fiscal Research Division of the Legislative Services Commission."

6 **SECTION 31.(b)** G.S. 136-11.1 reads as rewritten:

7 "**§ 136-11.1. Prior consultation on transportation projects.**

8 Prior to any action of the Board on a transportation project, the Department shall inform all
 9 ~~municipalities, counties, and utility providers~~ municipalities and counties affected by a planned
 10 transportation project and request each affected municipality and county to submit within 45 days
 11 a written resolution expressing their views on the project. A municipality or county may
 12 designate a Transportation Advisory Committee to submit its response to the Department's
 13 request for a resolution. Upon receipt of a written resolution from all affected ~~parties~~
 14 municipalities and counties, or their designees, or the expiration of the 45-day period, whichever
 15 occurs first, the Board may take action. The Department and the Board shall consider, but shall
 16 not be bound by, the views of the affected ~~parties~~ municipalities and counties, or their ~~designees~~
 17 designees, on each transportation project. The failure of an affected ~~party~~ municipality or county
 18 to express its views within the time provided shall not prevent the Department or the Board from
 19 taking action. The Department shall not be required to send notice under this section if it has
 20 already received a written resolution from the affected ~~party~~ municipality or county on the
 21 planned transportation ~~project.~~ project, or if the planned transportation project appears on a
 22 proposed Transportation Improvement Program posted on the Department's website pursuant to
 23 G.S. 136-12(b). "Action of the Board", as used in this section, means approval by the Board of:
 24 the Transportation Improvement Program and amendments to the Transportation Improvement
 25 Program; the Secondary Roads Paving Program and amendments to the Secondary Roads Paving
 26 Program; and individual applications for access and public service road projects, contingency
 27 projects, small urban projects, and spot safety projects that exceed two hundred fifty thousand
 28 dollars (\$250,000). The 45-day notification provision may be waived upon a finding by the
 29 Secretary of Transportation that emergency action is required. Such findings must be reported to
 30 the Joint Legislative Transportation Oversight Committee."

31
 32 **EXCLUDE FEDERAL FERRY BOAT AND TERMINAL FACILITIES**
 33 **CONSTRUCTION PROGRAM FUNDS FROM TRANSPORTATION INVESTMENT**
 34 **STRATEGY FORMULA**

35 **SECTION 32.(a)** G.S. 136-189.11(b) reads as rewritten:

36 "(b) Funds Excluded From Formula. – The following funds are not subject to this section:

37 ...

38 (13) Funds received from the federal government that under federal law may only
 39 be used for Ferry Boat and Terminal Facilities Construction Program (FBP)
 40 projects."

41 **SECTION 32.(b)** This section is effective when it becomes law and applies to State
 42 Transportation Improvement Program plan updates on or after that date.

43
 44 **AMEND BICYCLE AND PEDESTRIAN PROJECT STATE FUND LIMITATION**

45 **SECTION 33.(a)** G.S. 136-189.11(d)(3)c. reads as rewritten:

46 "c. Bicycle and pedestrian limitation. – The Department shall not provide
 47 financial support for independent bicycle and pedestrian improvement
 48 projects, except for federal funds administered by the Department for
 49 that purpose. This sub-subdivision shall not apply to funds allocated
 50 to a municipality pursuant to G.S. 136-41.1 that are committed by the
 51 municipality as matching funds for federal funds administered by the

1 Department and used for bicycle and pedestrian improvement projects.
2 This limitation shall not apply to any bicycle and pedestrian
3 improvement project that may provide improved access to
4 opportunities or community services for low-income, elderly, or
5 disabled individuals. This limitation shall not apply to funds
6 authorized for projects in the State Transportation Improvement
7 Program that are scheduled for construction as of October 1, 2013, in
8 State fiscal year 2012-2013, 2013-2014, or 2014-2015."

9 **SECTION 33.(b)** This section is effective when it becomes law and applies to State
10 Transportation Improvement Program plan updates on or after that date.

11
12 **DEPARTMENT FEE AUTHORIZATION FOR DRIVEWAY, SUBDIVISION, TRAFFIC**
13 **IMPACT ANALYSIS, AND ENCROACHMENT REVIEW PROGRAMS**

14 **SECTION 34.(a)** Article 7 of Chapter 136 of the General Statutes is amended by
15 adding a new section to read:

16 **"§ 136-93.03. Fee authorization for driveway, subdivision, traffic impact analysis, and**
17 **encroachment review permits, approvals, or certifications.**

18 (a) Program Fees Authorized. – Except as otherwise provided by law, the Department is
19 authorized to determine and assess fees for all programs that issue permits, approvals, or
20 certifications concerning driveways, subdivisions, traffic impact analyses, and encroachment
21 reviews.

22 (b) The Department shall be responsible for the administration and collection of fees. The
23 fees shall be applied to fund a portion of the cost of administering the program for which the fee
24 was assessed.

25 (c) The Department shall develop and publish rules, policies, and procedures for the
26 implementation of fee assessments authorized by this section."

27 **SECTION 34.(b)** This section becomes effective July 1, 2023.

28
29 **INCREASE DEPARTMENT LIAISON PERSONNEL**

30 **SECTION 35.** G.S. 120C-500 is amended by adding a new subsection to read:

31 "(f) Notwithstanding subsection (c) of this section, the Secretary of Transportation shall
32 designate at least one, but no more than five, liaison personnel to lobby for legislative action for
33 all offices, commissions, and agencies within the Department of Transportation, as established
34 by Article 8 of Chapter 143B of the General Statutes."

35
36 **REPEAL UNMANNED AIRCRAFT SYSTEM OPERATION REGULATIONS**

37 **SECTION 36.(a)** Article 10 of Chapter 63 of the General Statutes is repealed.

38 **SECTION 36.(b)** G.S. 15A-300.3(b)(3)d. reads as rewritten:

39 "d. Uses the unmanned aircraft system for commercial purposes pursuant
40 to and in compliance with (i)–Federal Aviation Administration
41 regulations, authorizations, or exemptions and (ii) Article 10 of
42 Chapter 63 of the General Statutes.~~exemptions.~~"

43 **SECTION 36.(c)** Prosecutions for offenses committed before the effective date of
44 this section are not abated or affected by this section, and the statutes that would be applicable
45 but for this section remain applicable to those prosecutions.

46 **SECTION 36.(d)** This section becomes effective December 1, 2023.

47
48 **LIMITATIONS ON RAIL TRANSPORTATION LIABILITY FOR S-LINE CORRIDOR**
49 **ACQUISITION**

50 **SECTION 37.(a)** Article 2D of Chapter 136 of the General Statutes is amended by
51 adding a new section to read:

"§ 136-44.40. Limitations on rail transportation liability for S-Line Corridor acquisition.

(a) As used in this section:

(1) "Claim" means a claim, action, suit, or request for damages, whether compensatory, punitive, or otherwise, made by any person or entity against any of the following:

a. The Department of Transportation, or a railroad.

b. A Regional Public Transportation Authority as defined by G.S. 160A-601(6), a city as defined by G.S. 160A-1(2), or a county listed in G.S. 153A-10 pursuant to a contract authorized by subsection (b) of this section.

c. An officer, director, trustee, employee, parent, subsidiary, or affiliated corporation as defined in G.S. 105-130.2, or agent of the Department, a railroad, or a Regional Public Transportation Authority, city, or county as authorized by subsection (b) of this section.

(2) "S-Line Corridor" means that portion of the rail corridor located generally between Raleigh and Ridgeway, also known as the S-Line, which is to be acquired by the Department, as it may now be constituted or hereafter enlarged, adjusted, or relocated, and shall include any additional real property from any source and howsoever acquired if used for or in connection with passenger rail service on or near the S-Line.

(3) "Passenger rail claims" means claims arising out of or relating to any of the following:

a. The transportation of rail passengers on behalf of the Department on the S-Line Corridor.

b. Services performed by a railroad pursuant to a contract with the Department in connection with the transportation of rail passengers on the S-Line Corridor, including, but not limited to, the operation of trains; the use of right-of-way, trackage, public or private roadway and rail crossings, equipment, or station areas or appurtenant facilities; the design, construction, reconstruction, operation, or maintenance of rail related equipment, tracks, and any appurtenant facilities.

c. An incident occurring on property owned by the Department or a railroad, or otherwise occupied by the Department or a railroad, pursuant to charter grant, fee simple deed, lease, easement, license, trackage rights, or other form of ownership or authorized use, and intended for current or future use in connection with passenger rail service on the S-Line.

(4) "Railroad" means a railroad corporation or railroad company from whom the Department has acquired an interest in land related to passenger rail service, its successors in interest, the National Railroad Passenger Corporation, or any other intercity rail passenger service provider, and, in the case of all of the foregoing, that has entered into any contracts or operating agreements of any kind with the Department for operations on the S-Line Corridor.

(b) Contracts Allocating Financial Responsibility Authorized. – The Department may contract with any railroad, Regional Public Transportation Authority authorized pursuant to G.S. 160A-626, county authorized pursuant to G.S. 153A-279, or city authorized pursuant to G.S. 160A-326 to allocate financial responsibility for passenger rail claims as defined in subsection (a) of this section, including, but not limited to, the execution of indemnity agreements, notwithstanding any other statutory, common law, public policy, or other prohibition against the same, and regardless of the nature of the claim or the conduct giving rise to such claim.

(c) Insurance Required. – If the Department enters into any contract authorized by subsection (b) of this section, the Department shall secure and maintain a liability insurance policy covering the liability of the parties to the contract and a railroad that owns or claims an interest in any real property subject to the contract for all property damage, personal injury, bodily injury, and death arising out of or related to passenger rail claims, regardless of whether or not the claim exceeds the self-insured retention of the policy. The policy shall name the parties to the contract and the railroad that owns or claims an interest in any real property subject to the contract as named insureds and shall have policy limits as provided in the contract, which amount shall not exceed the then current limitation of liability provided in 49 U.S.C. § 28103 (or any successor legislation) and may include a self-insured retention in an amount of not more than five million dollars (\$5,000,000). The Department shall establish a fund or other means of satisfying passenger rail claims up to the amount of the self-insured retention.

(d) Liability Limit. – The aggregate liability of the Department and railroad for all passenger rail claims arising from a single accident or incident for property damage, personal injury, bodily injury, and death of passengers is limited to the current limitations of liability provided in 49 U.S.C. § 28103 (or any successor legislation) or to any proceeds available under any insurance policy secured pursuant to subsection (c) of this section, whichever is greater.

(e) Effect on Other Laws. – This section shall not affect the damages that may be recovered under the Federal Employers' Liability Act, 45 U.S.C. § 51, et seq., (1908); or under Article 1 of Chapter 97 of the General Statutes.

(f) Sovereign Immunity not Waived. – Neither the provisions of this section nor acts of the Department, including the procurement of insurance or self-insurance, shall be deemed a waiver of any sovereign immunity for tort to which the Department or its directors, officers, employees, or agents are otherwise entitled."

SECTION 37.(b) This section is effective when it becomes law and applies to contracts entered into on or after that date.

REVISE HIGHWAY FUND AND HIGHWAY TRUST FUND AVAILABILITY FOR FY 2021-2022 AND FY 2022-2023

SECTION 38.(a) Section 3.2 of S.L. 2021-180 reads as rewritten:

"**SECTION 3.2.** The Highway Fund availability used in developing the 2021-2023 fiscal biennial budget is shown below:

| Highway Fund Availability | FY 2021-2022 |
|---|--------------------------|
| Actual Over Collections | 249,824,965 |
| Partial Accounting of HTF Cash Advance Repayments | |
| General Maintenance Reserve (GMR) | (176,577,495) |
| Transfer of Funds to Emergency Reserve (G.S. 136-44.2E(b) and (d)) | (61,000,000) |
| Estimated Ferry Overdrafts | (7,971,879) |
| Ferry Vessels – Salvo and Avon | (4,275,591) |
| Beginning Balance | 0 |
| Motor Fuels Tax | 1,672,500,000 |
| Licenses and Fees | 872,600,000 |
| Highway Short-Term Lease | 10,000,000 |
| Investment Income | 1,500,000 |
| Adjustments to Availability | |
| Additional Highway Short-Term Lease | 69,800,000 |
| Total Highway Fund Availability | \$2,626,400,000" |

1 **SECTION 38.(b)** Section 3.4 of S.L. 2021-180, as amended by Section 1.3 of S.L.
 2 2021-189, reads as rewritten:

3 **"SECTION 3.4.** The Highway Trust Fund availability used in developing the 2021-2023
 4 fiscal biennial budget is shown below:

| Highway Trust Fund Availability | FY 2021-2022 |
|--|---|
| Actual Over Collections | 326,587,369 |
| Partial Accounting of Cash Advance Repayments | 176,577,495 |
| STI Projects | (503,164,864) <u>(326,587,369)</u> |
| Beginning Balance | 0 |
| Highway Use Tax | 958,300,000 |
| Motor Fuels Tax | 418,000,000 |
| Fees | 173,700,000 |
| Investment Income | 2,000,000 |
| Total Highway Trust Fund Availability | \$1,552,000,000" |

18 **SECTION 38.(c)** Section 3.2 of S.L. 2022-74 reads as rewritten:

19 **"SECTION 3.2.** The Highway Fund availability for the 2022-2023 fiscal year in Section 3.2
 20 of S.L. 2021-180 is repealed. The Highway Fund availability used in adjusting the 2022-2023
 21 fiscal year budget is shown below:

| Highway Fund Availability | FY 2022-2023 |
|--|-------------------------|
| Projected Over Collections | \$107,700,000 |
| Partial Accounting of HTE Cash Advance Repayments | |
| <u>General Maintenance Reserve (GMR)</u> | (107,700,000) |
| Beginning Balance | 0 |
| Motor Fuels Tax | 1,776,100,000 |
| Licenses and Fees | 872,200,000 |
| Sales Tax Transfer – 2% | 193,100,000 |
| Highway Short-Term Lease | 95,300,000 |
| Investment income | 1,500,000 |
| Total Highway Fund Availability | \$2,938,200,000" |

36 **SECTION 38.(d)** Section 3.4 of S.L. 2022-74 reads as rewritten:

37 **"SECTION 3.4.** The Highway Trust Fund availability for the 2022-2023 fiscal year set out
 38 in Section 3.4 of S.L. 2021-180 is repealed. The Highway Trust Fund availability used in
 39 adjusting the 2022-2023 fiscal year budget is shown below:

| Highway Trust Fund Availability | FY 2022-2023 |
|--|--|
| Projected Over Collections | \$74,800,000 |
| Partial Accounting of Cash Advance Repayments | 107,700,000 |
| STI Projects | (182,500,000) <u>(74,800,000)</u> |
| Beginning Balance | 0 |
| Highway Use Tax | 1,086,000,000 |
| Motor Fuels Tax | 590,100,000 |
| Fees | 158,000,000 |
| Investment Income | 1,400,000 |

Total Highway Trust Fund

\$1,835,500,000"

CLARIFY RED LIGHT CAMERA DELAY INTERVAL

SECTION 39.(a) G.S. 20-158 is amended by adding a new subsection to read:

"(f) The following requirements apply to a traffic control photographic system used to enforce this section:

(1) A violation detected by a traffic control photographic system is defined as when a vehicle enters and proceeds into the intersection after the onset of the signal display of a steady circular red or steady red arrow controlling traffic approaching the intersection and the applicable red clearance interval has expired. All signals with traffic control photographic systems must be designed with an appropriate red clearance interval.

(2) The duration of the yellow light change interval and the red clearance interval at intersections where traffic control photographic systems are in use shall be no less than the yellow light change interval and the red clearance interval durations specified on the traffic signal plan of record signed and sealed by a professional engineer, licensed in accordance with the provisions of Chapter 89C of the General Statutes, and shall comply with the provisions of the most recently adopted Manual on Uniform Traffic Control Devices."

SECTION 39.(b) This section becomes effective December 1, 2023, and applies to any enforcement of G.S. 20-158 by a traffic control photographic system, including by any municipality authorized under G.S. 160A-300.1, and S.L. 2001-286, as amended, on or after that date.

MODIFY AND AUTHORIZE INSURANCE LAWS THAT RELATE TO THE DEPARTMENT OF TRANSPORTATION

SECTION 40.(a) G.S. 143-299.2 reads as rewritten:

"§ 143-299.2. Limitation on payments by the State.

(a) The maximum amount that the State may pay cumulatively to all claimants on account of injury and damage to any one person arising out of any one occurrence, whether the claim or claims are brought under this Article, or Article 31A or Article 31B of this Chapter, shall be one million dollars (\$1,000,000), less any commercial liability insurance purchased by the State and applicable to the claim or claims under G.S. 143-291(b), 143-300.6(c), or 143-300.16(c).

(a1) The maximum amount that the Department of Transportation may pay cumulatively to all claimants on account of injury and damage to any one person arising out of any one occurrence, whether the claim or claims are brought under this Article, or Article 31A or Article 31B of this Chapter, shall be three million dollars (\$3,000,000), less any commercial liability insurance purchased by the Department and applicable to the claim or claims under G.S. 143-291(b), 143-300.6(c), or 143-300.16(c).

(b) The fact that a claim or claims may be brought under more than one Article under this Chapter shall not increase the above maximum liability of the State."

SECTION 40.(b) G.S. 136-18 is amended by adding a new subdivision to read:

"(47) To purchase and maintain an umbrella policy of commercial liability insurance providing coverage in an amount up to ten million dollars (\$10,000,000) beyond the limits of commercial liability insurance policies otherwise authorized by law."

SECTION 40.(c) This section is effective when it becomes law and applies retroactively to January 1, 2021.

CREATE INCREASED MOBILITY OPTIONS IN RURAL AND URBAN AREAS OF NORTH CAROLINA AND AUTHORIZE COUNCILS OF GOVERNMENTS AND

1 **REGIONAL PLANNING COMMISSIONS AS ELIGIBLE UNITS OF GOVERNMENT**
2 **TO APPLY FOR PUBLIC TRANSPORTATION GRANTS**

3 **SECTION 41.(a)** G.S. 136-44.20 reads as rewritten:

4 **"§ 136-44.20. Department of Transportation designated agency to administer and fund**
5 **public transportation programs; authority of political subdivisions.**

6 (a) The Department of Transportation is hereby designated as the agency of the State of
7 North Carolina responsible for administering all federal and/or State programs relating to public
8 transportation; and the Department is hereby granted authority to do all things required under
9 applicable federal and/or State legislation to administer properly public transportation programs
10 within North Carolina. Such authority shall include, but shall not be limited to, the power to
11 receive federal funds and distribute federal and State financial assistance for inter-city rail or bus
12 passenger service crossing one or more county lines.

13 (b) The Department of Transportation, upon approval by the Board of Transportation, is
14 authorized to provide the matching share of federal public transportation assistance programs
15 through private resources, local government funds, or State appropriations provided by the
16 General Assembly.

17 (b1) The Secretary may, subject to the appropriations made by the General Assembly for
18 any fiscal year, enter into State Full Funding Grant Agreements with a Regional Public
19 Transportation Authority (RPTA) duly created and existing pursuant to Article 26 of Chapter
20 160A, a Regional Transportation Authority (RTA) duly created and existing pursuant to Article
21 27 of Chapter 160A, or a city organized under the laws of this State as defined in G.S. 160A-1(2),
22 to provide State matching funds for "new start" fixed guideway projects in development by any
23 entity pursuant to 49 U.S.C. § 5309. These grant agreements shall be executable only upon an
24 Authority's or city's completion of and the Federal Transit Administration (FTA) approval of
25 Preliminary Engineering and Environmental Impact Studies in anticipation of federal funding
26 pursuant to 49 U.S.C. § 5309.

27 Prior to executing State Full Funding Grant Agreements, the Secretary shall submit proposed
28 grant agreements or amendments to the Joint Legislative Transportation Oversight Committee
29 for review. The agreements, consistent with federal guidance, shall define the limits of the "new
30 starts" projects within the State, commit maximum levels of State financial participation, and
31 establish terms and conditions of State financial participation.

32 State Full Funding Grant Agreements may provide for contribution of State funds in
33 multiyear allotments. The multiyear allotments shall be based upon the Department's estimates,
34 made in conjunction with an Authority or city, of the grant amount required for "new start"
35 project work to be performed in the appropriation fiscal year.

36 State funds may be used to fund fixed guideway projects developed without federal funding
37 by the Department, a Regional Public Transportation Authority (RPTA) duly created and existing
38 pursuant to Article 26 of Chapter 160A of the General Statutes, a Regional Transportation
39 Authority (RTA) duly created and existing pursuant to Article 27 of Chapter 160A of the General
40 Statutes, or a unit of local government. In addition, State funds may be used to pay administrative
41 costs incurred by the Department while participating in such fixed guideway projects.

42 (c) Nothing herein shall be construed to prevent a political subdivision of the State of
43 North Carolina from applying for and receiving direct assistance from the United States
44 government under the provisions of any applicable legislation.

45 (d) Repealed by Session Laws 2011-145, s. 28.12, effective July 1, 2011.

46 (e) The Department of Transportation is authorized to annually allocate funds to
47 qualifying public transportation systems to be used to consolidate or coordinate with other public
48 transportation systems to maximize resources, gain efficiencies, and increase access to public
49 transportation. In order to be eligible for funding under this subsection, a public transportation
50 system must submit a plan for consolidation or coordination with another public transportation
51 system. The plan must include a time line for completion and an estimated cost for completion.

1 The Department is not required to provide the full amount of the estimated cost identified in the
2 plan. The Department shall disburse the funds no later than 30 days from the date it approves the
3 plan. The amount allocated under this subsection to a public transportation system shall not
4 exceed two hundred thousand dollars (\$200,000) annually. Beginning December 1, 2017, the
5 Department shall provide an annual report to the Joint Legislative Transportation Oversight
6 Committee identifying for the year preceding the report (i) each public transportation system
7 provided funding under this subsection, (ii) the amount of funds disbursed to each public
8 transportation system, and (iii) the purpose or purposes for which each public transportation
9 system has used the funds.

10 (f) The Department of Transportation shall recognize a regional council of governments
11 or regional planning commission, established under G.S. 160A-470 or G.S. 153A-391,
12 respectively, as an eligible unit of government to apply for, accept, receive, and dispense all rural
13 and urban planning, operating, and capital transit grants made available through the North
14 Carolina Department of Transportation or the Federal Transit Administration. The Department
15 is authorized to designate a council of governments or a regional planning commission as a transit
16 planning district in order to promote efficient and effective planning and coordination of transit
17 services and programs and to allocate funding to carry out planning and coordination activities.
18 A council of governments or a regional planning commission recognized for the purposes of this
19 subsection is subject to the following:

20 (1) A council of governments or regional planning commission shall not apply
21 for transit operating or capital funds to replace an existing transit agency
22 without consent of the member governments in the proposed transit service
23 area.

24 (2) A council of governments or regional planning commission shall be
25 authorized to apply for and implement mobility management activities, as
26 defined by the Federal Transit Administration, for 49 U.S.C. § 5307, 49
27 U.S.C. § 5310, and 49 U.S.C. § 5311 grant programs. Funding percentages for
28 these grants shall be allocated based on (i) eighty percent (80%) federal match
29 and twenty percent (20%) local match for capital projects, (ii) fifty percent
30 (50%) federal match and fifty percent (50%) local match for operating
31 projects, or (iii) the most recent recommended match percentages published
32 by the Federal Transit Administration for these grant programs."

33 **SECTION 41.(b)** G.S. 136-44.27 reads as rewritten:

34 "**§ 136-44.27. North Carolina Elderly and Disabled Transportation Assistance Program.**

35 (a) There is established the Elderly and Disabled Transportation Assistance Program that
36 shall provide State financed elderly and disabled transportation services for counties within the
37 State. The Department of Transportation is designated as the agency of the State responsible for
38 administering State funds appropriated to purchase elderly and disabled transportation services
39 for counties within the State. The Department shall develop appropriate procedures regarding the
40 distribution and use of these funds and shall adopt rules to implement these procedures. No funds
41 appropriated pursuant to this act may be used to cover State administration costs.

42 (b) For the purposes of this section, an elderly person is defined as one who has reached
43 the age of 60 or more years, and a disabled person is defined as one who has a physical or mental
44 impairment that substantially limits one or more major life activities, an individual who has a
45 record of such impairment, or an individual who is regarded as having such an impairment.
46 Certification of eligibility shall be the responsibility of the county.

47 (c) All funds distributed by the Department under this section are intended to purchase
48 additional transportation services, not to replace funds now being used by local governments for
49 that purpose. These funds are not to be used towards the purchase of transportation vehicles or
50 equipment. To this end, only those counties maintaining elderly and disabled transportation

1 services at a level consistent with those in place on January 1, 1987, shall be eligible for additional
2 transportation assistance funds.

3 (d) The Public Transportation Division of the Department of Transportation shall
4 distribute these funds to the counties according to the following formula: fifty percent (50%)
5 divided equally among all counties; twenty-two and one-half percent (22 1/2%) based upon the
6 number of elderly residents per county as a percentage of the State's elderly population;
7 twenty-two and one-half percent (22 1/2%) based upon the number of disabled residents per
8 county as a percentage of the State's disabled population; and, the remaining five percent (5%)
9 based upon a population density factor that recognizes the higher transportation costs in sparsely
10 populated counties.

11 (e) Funds distributed by the Department under this section shall be used by counties,
12 public transportation authorities, or regional public transportation authorities in a manner
13 consistent with transportation development plans which have been approved by the Department
14 and the Board of County Commissioners. To receive funds apportioned for a given fiscal year, a
15 county shall have an approved transportation development plan. Funds that are not obligated in
16 a given fiscal year due to the lack of such a plan will be distributed to the eligible counties based
17 upon the distribution formula prescribed by subsection (d) of this section.

18 (f) A regional public transportation authority created pursuant to Article 25 or Article 26
19 of Chapter 160A of the General Statutes may, upon written agreement with the municipalities
20 served by a public transportation authority or counties served by the regional public
21 transportation authority, apply for and receive any funds to which the member municipality or
22 counties are entitled to receive based on the distribution formula set out in subsection (d) of this
23 section.

24 (g) A regional council of governments or a regional planning commission, established
25 under G.S. 160A-470 or G.S. 153A-391, respectively, may apply for and receive any funds to
26 perform mobility management activities, as defined by the Federal Transit Administration, and
27 use funding to fill gaps in service, where they exist, by coordinating with existing transit agencies,
28 nonprofit organizations, or third-party operators."

29 **SECTION 41.(c)** This section becomes effective July 1, 2023, and applies to
30 applications for transit grants on or after that date.

31
32 **EFFECTIVE DATE**

33 **SECTION 42.** Except as otherwise provided, this act is effective when it becomes
34 law.