

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H.B. 975
May 1, 2024
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30436-MWa-103

Short Title: Spcl Economic Development Fund for Rail. (Public)

Sponsors: Representative Reives.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A SPECIAL ECONOMIC DEVELOPMENT FUND FOR RAIL.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Article 2D of Chapter 136 of the General Statutes reads as rewritten:
5 "Article 2D.

6 "Railroad ~~Revitalization~~.Development.

7 ...

8 **"§ 136-44.41. Special Economic Development Fund for Rail.**

9 (a) Creation. – The Special Economic Development Fund for Rail (Fund) is established
10 as a special fund within the Department of Transportation to be administered by the Division of
11 Rail in accordance with this Article.

12 (b) Purpose. – The purpose of the Fund is primarily for rail construction, rail
13 improvements, industry rail connections, railcar and locomotive acquisition, and railyard
14 construction. A portion of the Fund may also be used for project preparation uses such as
15 preliminary engineering and due diligence.

16 (c) Source. – The Fund shall consist of funds transferred to the Fund and revenue
17 generated by Fund investments and interest. Unexpended funds appropriated to the Fund shall
18 not revert.

19 (d) Uses. – Funds in the Fund shall be used in accordance with the purpose of this section.

20 (e) Cost-Sharing. – An allocation of funds under this section shall be in accordance with
21 the following requirements:

22 (1) No more than sixty percent (60%) of the annual allocations from the Fund
23 shall be for the State match on federal grant applications.

24 (2) No more than thirty percent (30%) of the annual allocations from the Fund
25 shall be for project preparation uses such as preliminary engineering and due
26 diligence.

27 (f) Criteria. – The Division shall establish procedures and criteria and adopt rules for
28 allocating funds from the Fund in accordance with the purpose of this section and the following
29 criteria:

30 (1) The rail project is projected to increase capital investment, jobs, and revenue,
31 independently determined by the Department.

32 (2) Allocations shall be competitive and, after consultation with the Department
33 of Commerce, awarded to proposals with the greatest projected economic
34 impact benefitting North Carolina.

35 (g) Administrative Costs. – The Department may use no more than three percent (3%) of
36 the Fund for administrative costs.



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1 (h) Report. – No later than March 1, 2025, the Division shall submit an initial report on
2 the implementation of this section to the Joint Legislative Commission on Governmental
3 Operations, the Joint Legislative Transportation Oversight Committee, and the Fiscal Research
4 Division and thereafter shall submit an annual report no later than December 1 of each year. The
5 report shall include the following information: use of funds, projects approved, and estimated
6 economic impact."

7 **SECTION 2.** There is appropriated from the General Fund to the Special Economic
8 Development Fund for Rail the sum of one hundred million dollars (\$100,000,000) in
9 nonrecurring funds.

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