

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H

D

HOUSE BILL 1094
Committee Substitute Favorable 5/20/26
Senate Transportation Committee Substitute Adopted 6/17/26
Senate Finance Committee Substitute Adopted 6/18/26
Fifth Edition Engrossed 6/24/26
Proposed Conference Committee Substitute H1094-PCCS40767-SU-1

Short Title: Ferry Div. Audit/DOT Omnibus.

(Public)

Sponsors:

Referred to:

April 30, 2026

1 A BILL TO BE ENTITLED
2 AN ACT TO DIRECT THE OFFICE OF THE STATE AUDITOR TO CONDUCT A
3 PERFORMANCE AUDIT OF THE FERRY DIVISION OF THE DEPARTMENT OF
4 TRANSPORTATION, AS RECOMMENDED BY THE JOINT LEGISLATIVE
5 TRANSPORTATION OVERSIGHT COMMITTEE, AND TO MAKE OTHER CHANGES
6 TO LAWS RELATED TO MOTOR VEHICLES AND TRANSPORTATION.

7 The General Assembly of North Carolina enacts:

8
9 **FERRY DIVISION PERFORMANCE AUDIT**

10 **SECTION 1.(a)** The Office of the State Auditor shall conduct a performance audit
11 of the Ferry Division of the Department of Transportation, which shall include all of the
12 following:

- 13 (1) A financial audit of the Division's operations and maintenance spending and
14 budget practices.
15 (2) An evaluation of the Division's operations, capital project, and maintenance
16 activities, and suggestions for long-term strategies to maximize revenue and
17 reduce costs.
18 (3) An evaluation of the current route system and potential route and schedule
19 adjustments to maximize revenue and reduce costs.
20 (4) An evaluation of potential options to diversify revenue to support ferry capital
21 project needs and recoup operating costs.
22 (5) Other items the State Auditor deems relevant to evaluate.

23 **SECTION 1.(b)** No later than January 15, 2027, the State Auditor shall provide a
24 report of the performance audit required by this section to the Joint Legislative Transportation
25 Oversight Committee and the Fiscal Research Division.
26

27 **DIVISION OF MOTOR VEHICLES PERCENTAGE-BASED FUNDING MODEL**
28 **STUDY**

29 **SECTION 2.(a)** The Department of Transportation, Division of Motor Vehicles
30 (Division), shall study the feasibility of transitioning Division funding to a
31 percentage-of-revenue-based model. The study shall include an evaluation of:



* H 1 0 9 4 - P C C S 4 0 7 6 7 - S U - 1 *

- 1 (1) The advantages and disadvantages of the current fixed-budget appropriation
2 model, including its limitations in responding to fluctuations in Division
3 services demand.
- 4 (2) The feasibility of implementing a percentage-of-revenue-based model (i)
5 under which the Division's budget authority is tied to revenue sources
6 collected by the Division and (ii) under which the Division would have
7 authority to adjust operational and staffing expenditures to adjust with demand
8 for services and collection of revenue.
- 9 (3) Funding models used by motor vehicle agencies in other states, including
10 models that incorporate:
 - 11 a. Percentage-of-revenue-based appropriations or models.
 - 12 b. Fee retention or enterprise-style funding structures.
 - 13 c. Demand-driven or workload-based budgeting.
- 14 (4) Legal or budgetary constraints related to a change in funding models. In
15 evaluating this, the Division shall consult with the Office of State Budget and
16 Management (OSBM) to determine the impact of a new funding model on:
 - 17 a. Budget adjustment practices set forth in the State Budget Act, Chapter
18 143C of the General Statutes.
 - 19 b. The fiscal impact on the Department of Transportation and the
20 Division of having a percentage-of-revenue-based funding model
21 rather than a fixed-budget appropriation.
- 22 (5) The fiscal impact of the quadrennial adjustment to fees and rates pursuant to
23 G.S. 20-4.02, on the Division's budget, assuming a
24 percentage-of-revenue-based funding model.
- 25 (6) Potential impacts of a percentage-of-revenue-based model on the Division's:
 - 26 a. Customer service levels and wait times.
 - 27 b. Staffing and operational capacity.
 - 28 c. Technology modernization efforts.
 - 29 d. Accountability and legislative oversight.
- 30 (7) Potential fiscal impacts of a percentage-of-revenue-based model for the
31 Division on the Department of Transportation's budgeting and funding of
32 other Department operations.
- 33 (8) Performance-based pay structure for drivers license examiners.
- 34 (9) Any other information relevant to this study.

35 **SECTION 2.(b)** The Division shall submit a report of its findings and
36 recommendations, including legislative recommendations necessary to implement a
37 percentage-of-revenue-based funding model, to the Joint Legislative Transportation Oversight
38 Committee, the House of Representatives Appropriations Committee on Transportation, the
39 Senate Appropriations Committee on the Department of Transportation, the Fiscal Research
40 Division, and OSBM no later than January 1, 2027.

41 42 **ALLOW EARLY RENEWALS OF DRIVERS LICENSES**

43 **SECTION 3.(a)** G.S. 20-7(f)(3a) reads as rewritten:

44 "(3a) When to renew. – A person may apply to the Division to renew a license
45 ~~during the 180-day period at any time before the license expires. The Division~~
46 ~~may not accept an application for renewal made before the 180-day period~~
47 ~~begins. The fee for a regular drivers license renewed during the 180-day period~~
48 ~~before the license expires is the fee set out in subsection (i) of this section.~~
49 ~~The fee for a regular drivers license renewed more than 180 days before the~~
50 ~~license expires is the fee for a duplicate license set out in G.S. 20-14, plus the~~
51 ~~fee for a regular drivers license set out in subsection (i) of this section, minus~~

1 the per year fee set out in subsection (i) of this section for each full year of
2 validity remaining in the period for which the license was issued."

3 **SECTION 3.(b)** This section becomes effective October 1, 2026.
4

5 **AUTHORIZE DIVISION TO PROVIDE ELECTRONIC UNREDACTED CRASH**
6 **REPORTS TO PERSONS DIRECTLY INVOLVED IN A CRASH**

7 **SECTION 4.** G.S. 20-43.1 reads as rewritten:

8 "**§ 20-43.1. Disclosure of personal information in motor vehicle records.**

9 ...

10 (e2) As authorized in 18 U.S.C. § 2721, the Division may provide, by secure electronic
11 means, an unredacted crash report, collected pursuant to G.S. 20-166.1, to a person directly
12 involved in the crash.

13 "

14

15 **PROVIDE ADDITIONAL TIME TO RESPOND TO INSURANCE LAPSE NOTICES**

16 **SECTION 5.(a)** G.S. 20-311(a) reads as rewritten:

17 "(a) Action. – When the Division receives evidence, by a notice of termination of a motor
18 vehicle liability policy or otherwise, that the owner of a motor vehicle registered or required to
19 be registered in this State does not have financial responsibility for the operation of the vehicle,
20 the Division shall notify the owner electronically or by mail. The notice shall inform the owner
21 of the evidence demonstrating lapse and that the owner must respond to the notice within ~~40~~30
22 days of the date the notice was sent. The owner's response must explain how the owner has met
23 the duty to have continuous financial responsibility for the vehicle. Based on the owner's
24 response, the Division shall take the appropriate action listed:

25 "

26 **SECTION 5.(b)** This section becomes effective October 1, 2026, and applies to
27 notices issued on or after that date.
28

29 **ELIMINATE MANDATORY DEALER LICENSE PLATE REPLACEMENT**

30 **SECTION 6.** G.S. 20-79(c1) is repealed.
31

32 **ELIMINATE MANDATORY LICENSE PLATE REPLACEMENT AND ADDITIONAL**
33 **REFLECTIVITY STANDARDS**

34 **SECTION 6.5.** G.S. 20-63.1 reads as rewritten:

35 "**§ 20-63.1. Division shall cause plates to be reflectorized.**

36 (a) Registration Plate Standards. – The Division of Motor Vehicles is hereby authorized
37 to cause vehicle license plates for 1968 and future years to be completely treated with
38 reflectorized materials designed to increase visibility and legibility of license plates at night. ~~The~~
39 ~~Division of Motor Vehicles shall develop standards for reflectivity that use the most current~~
40 ~~technology available while maintaining a competitive bid process.~~

41 (b) ~~Registration Plate Mandatory Replacement. — All registration plates shall be replaced~~
42 ~~every seven years."~~

43

44 **FEE ADJUSTMENT AND COMMISSION CONTRACTOR CLARIFICATIONS**

45 **SECTION 7.(a)** It is the intent of this section to clarify the existing law as it pertains
46 to (i) the fee established pursuant to G.S. 20-85(a)(12) and the quadrennial adjustment for
47 inflation established pursuant to G.S. 20-4.02, (ii) the offer of commission contracts to
48 individuals pursuant to G.S. 20-63(h), and (iii) the sale of a commission contract business
49 pursuant to G.S. 20-63(h).

50 **SECTION 7.(b)** The General Assembly makes the following findings of fact:

- 1 (1) Section 20(b) of S.L. 2024-30 repealed the application fee for a certificate of
2 title prepared and delivered using a one-day title service pursuant to
3 G.S. 20-85.1.
- 4 (2) Section 20(a) of S.L. 2024-30 recodified the application fee for a certificate
5 of title prepared and delivered using a one-day title service as
6 G.S. 20-85(a)(12).
- 7 (3) Section 20(f) of S.L. 2024-30 listed without discontinuation the application
8 fee for a certificate of title prepared and delivered using a one-day title service
9 created pursuant to G.S. 20-85.1 and recodified as G.S. 20-85(a)(12) among
10 the fees subject to quadrennial adjustment for inflation by amending
11 G.S. 20-4.02(a)(10).
- 12 (4) Subsections (a), (b), and (f) of Section 20 of S.L. 2024-30 all became effective
13 July 1, 2024.
- 14 (5) The intent of the General Assembly in Section 20 of S.L. 2024-30 was to
15 recodify the application fee created by G.S. 20-85.1 as G.S. 20-85(a)(12)
16 without any discontinuation of that fee and to make that fee subject to the July
17 1, 2024, quadrennial adjustment for inflation and all subsequent quadrennial
18 adjustments for inflation.

19 **SECTION 7.(c)** Therefore, the General Assembly finds that the Division of Motor
20 Vehicles' interpretation that the fee established by G.S. 20-85(a)(12) is not subject to the July 1,
21 2024, quadrennial adjustment for inflation, and all subsequent quadrennial adjustments for
22 inflation, is inconsistent with the legislature's intentions. The Division is directed to comply with
23 the intent of Section 20 of S.L. 2024-30 and apply the July 1, 2024, quadrennial adjustment for
24 inflation and all subsequent quadrennial adjustments for inflation mandated by
25 G.S. 20-4.02(a)(10) to the fee recodified as G.S. 20-85(a)(12).

26 **SECTION 7.(d)** G.S. 20-63 reads as rewritten:

27 **"§ 20-63. Registration plates furnished by Division; requirements; replacement of regular**
28 **plates with First in Flight plates, First in Freedom plates, or National/State**
29 **Mottos plates; surrender and reissuance; displaying; preservation and cleaning;**
30 **alteration or concealment of numbers; commission contracts for issuance.**

31 ...

32 (h) Commission Contracts for Issuance of Plates and Certificates. – All registration
33 plates, registration certificates, and certificates of title issued by the Division, outside of those
34 issued from the office of the Division located in Wake, Cumberland, or Mecklenburg Counties
35 and those issued and handled through the United States mail, shall be issued insofar as practicable
36 and possible through commission contracts entered into by the Division for the issuance of the
37 plates and certificates in localities throughout North Carolina, including military installations
38 within this State, with persons, firms, corporations or governmental subdivisions of the State of
39 North Carolina. The Division shall not require a business entity to contract with the Division as
40 an individual as a prerequisite for a commission contract offer but instead the Division shall
41 accept applications for new commission contracts or renewal of existing contracts and enter into
42 contracts with commission contractors in the commission contractor's business entity name,
43 unless the commission contractor chooses to enter into a contract as an individual. If a
44 commission contractor has been required by the Division to apply for or renew a commission
45 contract in the commission contractor's individual name, the Division shall notify the contractor
46 within 30 days of that application or renewal and provide an opportunity within 30 days of the
47 notification to either (i) amend the application to reflect the contractor's business name or (ii)
48 amend and reenter the commission contract in the contractor's business name.

49 The Division shall make a reasonable effort in every locality, except as noted above, to enter
50 into a commission contract for the issuance of the plates and certificates and a record of these
51 efforts shall be maintained in the Division. In the event the Division is unsuccessful in making

1 commission contracts, it shall issue the plates and certificates through the regular employees of
2 the Division. Whenever registration plates, registration certificates, and certificates of title are
3 issued by the Division through commission contract arrangements, the Division shall provide
4 proper supervision of the distribution. Nothing contained in this subsection allows or permits the
5 operation of fewer outlets in any county in this State than are now being operated.

6 The terms of a commission contract entered under this subsection shall specify the duration
7 of the contract and either include or incorporate by reference standards by which the Division
8 may supervise and evaluate the performance of the commission contractor. The duration of an
9 initial commission contract may not exceed eight years and the duration of a renewal commission
10 contract may not exceed two years. The Division may award monetary performance bonuses, not
11 to exceed an aggregate total of ninety thousand dollars (\$90,000) annually, to commission
12 contractors based on their performance.

13 The terms of a commission contract entered under this subsection shall allow the commission
14 contractor to sell the contractor's ~~business, entire business operation,~~ as applicable, and assign
15 contractual rights to another qualified contractor prior to expiration of the contract. A qualified
16 contractor is a person, firm, corporation, or governmental subdivision of the State of North
17 Carolina, with demonstrated experience as a commission contractor in North Carolina or
18 equivalent experience in another state, as determined by the Division. ~~All~~ Upon sale, the prior
19 commission contractor's business, including (i) all of the prior commission contractor's
20 contractual rights and (ii) any Division equipment and software controlled by the prior
21 commission contractor, shall be transferred to the new commission contractor upon sale, in
22 accordance with guidelines established by the Division contractor, and the new commission
23 contractor shall continue operating the business. The Division may establish guidelines with
24 respect to the transfer of the Division's equipment and software to the new commission
25 contractor.

26 The amount of compensation payable to a commission contractor is determined on a per
27 transaction basis. The collection of the highway use tax and the removal of an inspection stop are
28 each considered a separate transaction for which one dollar and sixty-eight cents (\$1.68)
29 compensation shall be paid. The issuance of a limited registration "T" sticker and the collection
30 of property tax are each considered a separate transaction for which compensation at the rate of
31 one dollar and forty cents (\$1.40) and one dollar and sixteen cents (\$1.16) respectively, shall be
32 paid by counties and municipalities as a cost of the combined motor vehicle registration renewal
33 and property tax collection system. The performance at the same time of one or more of the
34 transactions below is considered a single transaction for which one dollar and eighty-nine cents
35 (\$1.89) compensation shall be paid:

- 36 (1) Issuance of a registration plate, a registration card, a registration sticker, or a
37 certificate of title.
- 38 (2) Issuance of a handicapped placard or handicapped identification card.
- 39 (3) Acceptance of an application for a personalized registration plate.
- 40 (4) Acceptance of a surrendered registration plate, registration card, or
41 registration renewal sticker, or acceptance of an affidavit stating why a person
42 cannot surrender a registration plate, registration card, or registration renewal
43 sticker.
- 44 (5) Cancellation of a title because the vehicle has been junked.
- 45 (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax,
46 other than the highway use tax.
- 47 (7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial
48 responsibility or receipt of the restoration fee imposed by that statute.
- 49 (8) Acceptance of a notice of failure to maintain financial responsibility for a
50 motor vehicle.
- 51 (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.

- 1 (8b), (9) Repealed by Session Laws 2013-372, s. 2(a), effective July 1, 2013.
- 2 (10) Acceptance of a temporary lien filing.
- 3 (11) Conversion of an existing paper title to an electronic lien upon request of a
- 4 primary lienholder.
- 5"

AMEND ELIGIBILITY REQUIREMENT FOR INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS SPECIAL REGISTRATION PLATE

SECTION 8. G.S. 20-79.4(b)(106) reads as rewritten:

"(106) International Association of Fire Fighters. – The plate authorized by this subdivision shall bear the logo of the International Association of Fire Fighters. The Division may not issue the plate unless it receives at least 300 applications for the plate. The plate is issuable to one of the following in accordance with G.S. 20-81.12:

- a. ~~A person who presents proof of active membership in~~ An active member of the International Association of Fire ~~Fighters for the year in which the license plate is sought.~~ Fighters.
- b. The surviving spouse of a person who was a member of the International Association of Fire Fighters, so long as the surviving spouse continues to renew the plate and does not remarry."

ELIMINATE DRIVING ELIGIBILITY CERTIFICATE REQUIREMENT FOR THE ISSUANCE OF LEARNER'S PERMITS AND PROVISIONAL DRIVERS LICENSES

SECTION 9.(a) G.S. 20-11 reads as rewritten:

"§ 20-11. Issuance of limited learner's permit and provisional drivers license to person who is less than 18 years old.

...
 (b) Level 1. – A person who is at least 15 years old but less than 18 years old may obtain a limited learner's permit if the person meets all of the following requirements:

- ...
~~(3) Has a driving eligibility certificate or a high school diploma or its equivalent.~~

...
 (d) Level 2. – A person who is at least 16 years old but less than 18 years old may obtain a limited provisional license if the person meets all of the following requirements:

- ...
~~(4) Has a driving eligibility certificate or a high school diploma or its equivalent.~~

...
 (f) Level 3. – A person who is at least 16 years old but less than 18 years old may obtain a full provisional license if the person meets all of the following requirements:

- ...
~~(3) Has a driving eligibility certificate or a high school diploma or its equivalent.~~

...
 (h) Exception for Persons 16 to 18 Who Have an Unrestricted Out-of-State License. – A person who is at least 16 years old but less than 18 years old, who was a resident of another state and has an unrestricted drivers license issued by that state, and who becomes a resident of this State may obtain one of the ~~following upon the submission of a driving eligibility certificate or a high school diploma or its equivalent:~~ following:

- ...
~~(n) Driving Eligibility Certificate.—A person who desires to obtain a permit or license issued under this section must have a high school diploma or its equivalent or must have a driving eligibility certificate. A driving eligibility certificate must meet the following conditions:~~

- 1 (1) The person who is required to sign the certificate under subdivision (4) of this
2 subsection must show that he or she has determined that one of the following
3 requirements is met:
4 a. The person is currently enrolled in school and is making progress
5 toward obtaining a high school diploma or its equivalent.
6 b. A substantial hardship would be placed on the person or the person's
7 family if the person does not receive a certificate.
8 c. The person cannot make progress toward obtaining a high school
9 diploma or its equivalent.
- 10 (1a) The person who is required to sign the certificate under subdivision (4) of this
11 subsection also must show that one of the following requirements is met:
12 a. The person who seeks a permit or license issued under this section is
13 not subject to subsection (n1) of this section.
14 b. The person who seeks a permit or license issued under this section is
15 subject to subsection (n1) of this section and is eligible for the
16 certificate under that subsection.
- 17 (2) It must be on a form approved by the Division.
- 18 (3) It must be dated within 30 days of the date the person applies for a permit or
19 license issuable under this section.
- 20 (4) It must be signed by the applicable person named below:
21 a. The principal, or the principal's designee, of the public school in which
22 the person is enrolled.
23 b. The administrator, or the administrator's designee, of the nonpublic
24 school in which the person is enrolled.
25 c. The person who provides the academic instruction in the home school
26 in which the person is enrolled.
27 c1. The person who provides the academic instruction in the home in
28 accordance with an educational program found by a court, prior to July
29 1, 1998, to comply with the compulsory attendance law.
30 d. The designee of the board of directors of the charter school in which
31 the person is enrolled.
32 e. The president, or the president's designee, of the community college
33 in which the person is enrolled.
- 34 Notwithstanding any other law, the decision concerning whether a driving eligibility
35 certificate was properly issued or improperly denied shall be appealed only as provided under
36 the rules adopted in accordance with G.S. 115C-12(28), 115D-10.70, or 115C-566, whichever is
37 applicable, and may not be appealed under this Chapter.
- 38 (n1) Lose Control; Lose License.
- 39 (1) The following definitions apply in this subsection:
40 a. Applicable State entity.—The State Board of Education for public
41 schools and charter schools, the State Board of Community Colleges
42 for community colleges, or the Secretary of Administration for
43 nonpublic schools and home schools.
44 b. Certificate.—A driving eligibility certificate that meets the conditions
45 of subsection (n) of this section.
46 c. Disciplinary action.—An expulsion, a suspension for more than 10
47 consecutive days, or an assignment to an alternative educational
48 setting for more than 10 consecutive days.
49 d. Enumerated student conduct.—One of the following behaviors that
50 results in disciplinary action:

- 1 (1) G.S. 20-9(b1).
- 2 (2) G.S. 20-13.2(c1).
- 3 (3) G.S. 115C-12(28).
- 4 (4) G.S. 115C-218.70.
- 5 (5) G.S. 115C-238.66(8).
- 6 (6) G.S. 115C-288(k).
- 7 (7) G.S. 115C-566.
- 8 (8) G.S. 115D-10.70.

9 **SECTION 9.(c)** G.S. 115C-150.12C reads as rewritten:

10 **"§ 115C-150.12C. Powers and duties.**

11 A board of trustees shall adopt rules necessary for the administration of the school to
 12 implement the requirements of this Article. Each board of trustees shall have the following
 13 powers and duties:

- 14 ...
- 15 (19) ~~Driving eligibility certificates and drivers~~ Drivers education. – ~~The board of~~
 16 ~~trustees shall apply the rules and policies established by the State Board of~~
 17 ~~Education for issuance of driving eligibility certificates.~~ The board of trustees
 18 shall provide drivers education in accordance with Article 14 of this Chapter.

19"

20 **SECTION 9.(d)** The Division of Motor Vehicles shall restore the permit or license
 21 of any person whose permit or license was revoked by the Division under G.S. 20-13.2(c1) due
 22 to ineligibility for a driving eligibility certificate but who meets all other requirements for the
 23 permit or license.

24 **SECTION 9.(e)** This section becomes effective October 1, 2026.

25
 26 **AMEND COMMERCIAL DRIVERS LICENSE LAWS TO CONFORM WITH**
 27 **FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION REGULATIONS**

28 **SECTION 10.(a)** G.S. 20-37.17 reads as rewritten:

29 **"§ 20-37.17. Record check and notification of license issuance.**

30 Before issuing a commercial driver license, the Division shall obtain driving record
 31 information from the Commercial Driver License Information System (CDLIS), the National
 32 Driver Register, the Federal Motor Carrier Safety Administration's Commercial Driver's License
 33 Drug and Alcohol Clearinghouse, and from each state in which the person has been licensed.

34 Within 10 days after issuing a commercial driver license, the Division shall notify CDLIS of
 35 the issuance of the commercial driver license, providing all information necessary to ensure
 36 identification of the person."

37 **SECTION 10.(b)** G.S. 20-37.19 reads as rewritten:

38 **"§ 20-37.19. Employer responsibilities.**

39 (a) Each employer shall require the applicant to provide the information specified in
 40 G.S. 20-37.18(c).

41 (b) No employer shall knowingly allow, permit, or authorize a driver to drive a
 42 commercial motor vehicle during any period:

- 43 (1) In which the driver has had his commercial driver license suspended, revoked,
 44 or cancelled by any state, is currently disqualified from driving a commercial
 45 vehicle, or is subject to an out-of-service order in any ~~state; or~~ state.
- 46 (2) In which the driver has more than one driver ~~license; or~~ license.
- 47 (3) In which the driver, the commercial motor vehicle being operated, or the
 48 motor carrier operation, is subject to an out-of-service order.
- 49 (4) In which the driver is listed in the Federal Motor Carrier Safety
 50 Administration's Commercial Driver's License Drug and Alcohol
 51 Clearinghouse as prohibited from operating a commercial motor vehicle.

1 (c) The employer of any employee or applicant who tests positive or of any employee
2 who refuses to participate in a drug or alcohol test required under 49 C.F.R. Part 382 and 49
3 C.F.R. Part 655 must notify the Division ~~in writing within five business days and the Federal~~
4 Motor Carrier Safety Administration's Commercial Driver's License Drug and Alcohol
5 Clearinghouse following the employer's receipt of confirmation of a positive drug or alcohol test
6 or of the employee's refusal to participate in the test. ~~The notification must include the driver's~~
7 ~~name, address, drivers license number, social security number, and results of the drug or alcohol~~
8 ~~test or documentation from the employer of the refusal by the employee to take the test. A report~~
9 ~~that the driver has a negative return-to-duty test must also be reported to the Division and the~~
10 Federal Motor Carrier Safety Administration's Commercial Driver's License Drug and Alcohol
11 Clearinghouse, as required under 49 C.F.R. Part 382."

12 **SECTION 10.(c)** G.S. 20-37.20A reads as rewritten:

13 **"§ 20-37.20A. Driving record notation for testing positive in a drug or alcohol test.**

14 Upon receipt of notice pursuant to ~~G.S. 20-37.19(c) of positive result in an alcohol or drug~~
15 ~~test of a prohibited status in the Federal Motor Carrier Safety Administration's Commercial~~
16 Driver's License Drug and Alcohol Clearinghouse for a person holding a commercial drivers
17 license, and subject to any appeal of the disqualification pursuant to G.S. 20-37.20B, license or
18 commercial drivers permit, the Division shall place a notation on the driving record of the driver-
19 person. The disqualification of the driver to operate a commercial motor vehicle is effective on
20 the date of the notation. A notation of a disqualification pursuant to G.S. 20-17.4(l) shall be
21 retained on the record of a person for a period of three years following the end of any
22 disqualification of that person."

23 **SECTION 10.(d)** G.S. 20-37.20B is repealed.

24 **SECTION 10.(e)** This section becomes effective July 1, 2026, and applies to
25 commercial drivers license and commercial drivers permit disqualifications initiated on or after
26 that date.

27 **ADJUST ADMINISTRATIVE HEARING REPORT DEADLINE**

28 **SECTION 11.** G.S. 20-4.03 reads as rewritten:

29 **"§ 20-4.03. Administrative hearing fees.**

30 (a) Authorization. – The Division is authorized to charge a fee to any person who requests
31 an administrative hearing before the Division in accordance with this Chapter.

32 (b) Requirements for Requesting a Hearing. – Any request for an administrative hearing
33 before the Division must be in writing and accompanied by the total applicable administrative
34 hearing fee charged by the Division. An administrative hearing shall not be granted by the
35 Division unless the administrative hearing request complies with the requirements of this
36 subsection. Notwithstanding any provision of this Chapter to the contrary, any pending
37 revocation, suspension, civil penalty assessment, or other adverse action shall not be stayed upon
38 receipt of an administrative hearing request unless the request complies with the requirements of
39 this subsection.

40 (c) Quarterly Report. – ~~Beginning October 1, 2018, and quarterly thereafter, the~~ The
41 Division shall submit a quarterly report to the Fiscal Research Division of the General Assembly
42 Assembly, within 30 days of the end of an applicable quarter, detailing all of the following for
43 each month of the applicable quarter and for each type of administrative hearing:

44 (1) The total number of administrative hearings.

45 (2) The total amount of revenue collected.

46 (3) The total number of fee waivers granted.

47 (4) The counties where the administrative hearings were held.

48 (5) The average amount of time required to conduct an administrative hearing,
49 with the time required of hearing officers and the time required of
50 administrative personnel listed separately."
51

1
2 **REPEAL REPORTING REQUIREMENT ON INFORMATION TECHNOLOGY**
3 **MODERNIZATION PROJECTS FUNDED IN 2014-2015**

4 SECTION 12. Section 7.14(d) of S.L. 2014-100 is repealed.

5
6 **EXPAND PREPAID TOLL DISCOUNT TO INCLUDE NEW PAYMENT**
7 **TECHNOLOGIES**

8 SECTION 13. G.S. 136-89.211 reads as rewritten:

9 **"§ 136-89.211. Tolls for use of Turnpike project.**

10 In exercising its authority under G.S. 136-89.183 to set tolls for the use of a Turnpike project,
11 the Authority may not do any of the following:

- 12 (1) Set open road tolls that vary for the same class of motor vehicle depending on
13 the method by which the Authority identifies a motor vehicle that drives on
14 the Turnpike project. This does not preclude the Authority from allowing a
15 discount for a motor vehicle equipped with an electronic toll collection
16 transponder or a motor vehicle ~~that has associated with a prepaid toll~~ or account.
17
18 (2) Exempt a motor vehicle that is not a law enforcement vehicle, an emergency
19 fire or rescue vehicle, or an emergency medical services vehicle from the
20 requirement of paying a toll for the use of a Turnpike project."
21

22 **TURNPIKE AUTHORITY EXECUTIVE DIRECTOR TITLE**

23 SECTION 14.(a) G.S. 136-89.182(k) reads as rewritten:

24 "(k) Executive Director and Chief Executive Officer and Administrative Employees. –
25 The Authority Board shall appoint an Executive ~~Director~~, Director and Chief Executive Officer,
26 whose salary shall be fixed by the Authority, to serve at its pleasure. The Executive Director and
27 Chief Executive Officer shall be the Authority's chief administrative officer and shall be
28 responsible for the daily administration of the toll roads and bridges constructed, maintained, or
29 operated pursuant to this Article. The Executive Director and Chief Executive Officer or his
30 designee shall appoint, employ, dismiss, and, within the limits approved by the Authority Board,
31 fix the compensation of administrative employees as the Executive Director and Chief Executive
32 Officer deems necessary to carry out this Article."

33 SECTION 14.(b) G.S. 136-89.183(b) reads as rewritten:

34 "(b) To execute the powers provided in subsection (a) of this section, the Authority shall
35 determine its policies by majority vote of the members of the Authority Board present and voting,
36 a quorum having been established. Once a policy is established, the Authority Board shall
37 communicate it to the Executive Director and Chief Executive Officer, or the Executive
38 ~~Director's~~ Director and Chief Executive Officer's designee, who shall have the sole and exclusive
39 authority to execute the policy of the Authority. No member of the Authority Board shall have
40 the responsibility or authority to give operational directives to any employee of the Authority
41 other than the Executive Director and Chief Executive Officer or the ~~Director's~~ Executive
42 Director and Chief Executive Officer's designee."
43

44 **DEPOSIT LOGO PROGRAM REVENUE INTO THE RESERVE FOR GENERAL**
45 **MAINTENANCE**

46 SECTION 15. G.S. 136-89.56 reads as rewritten:

47 **"§ 136-89.56. Commercial ~~enterprises~~ enterprises within controlled-access facilities.**

48 (a) No commercial enterprises or activities shall be authorized or conducted by the
49 Department of Transportation, or the governing body of any city or town, within or on the
50 property acquired for or designated as a controlled-access facility, as defined in this Article,
51 except for:

- 1 (1) Materials displayed at welcome centers which shall be directly related to
2 travel, accommodations, tourist-related activities, tourist-related services, and
3 attractions. The Department of Transportation shall issue rules regulating the
4 display of these materials. These materials may contain advertisements for
5 real estate; and
- 6 (2) Vending machines permitted by the Department of Transportation and placed
7 by the Division of Services for the Blind, Department of Health and Human
8 Services, as the State licensing agency designated pursuant to Section 2(a)(5)
9 of the Randolph-Sheppard Act (20 USC 107a(a)(5)). The Department of
10 Transportation shall regulate the placing of the vending machines in highway
11 rest areas and shall regulate the articles to be dispensed. In order to permit the
12 establishment of adequate fuel and other service facilities by private owners
13 or their lessees for the users of a controlled-access facility, the Department of
14 Transportation shall permit access to service or frontage roads within the
15 publicly owned right-of-way of any controlled-access facility established or
16 designated as provided in this Article, at points which, in the opinion of the
17 Department of Transportation, will best serve the public interest. The location
18 of such fuel and other service facilities may be indicated to the users of the
19 controlled-access facilities by appropriate signs, the size, style, and
20 specifications of which shall be determined by the Department of
21 Transportation.

22 (b) The location of fuel, gas, food, lodging, camping, and attraction facilities may be
23 indicated to the users of the controlled-access facilities by appropriate logos placed on signs
24 owned, controlled, and erected within the right-of-way of fully and partially controlled-access
25 highways by, or pursuant to contract with, the Department of Transportation. The Department
26 shall contract with a private entity to administer the erection of signs and placement of logos, as
27 authorized by this subsection. The responsibilities of the private entity shall include the
28 following: acquisition and erection of signs; design, manufacture, and placement of logos on
29 signs; maintenance of signs and logos; receipt and response to information requests concerning
30 the program; and management of the financial transactions related to the program. The owners,
31 operators or lessees of fuel, gas, food, lodging, camping, and attraction facilities who wish to
32 place a logo identifying their business or service on a sign shall furnish a logo meeting the size,
33 style and specifications determined by the Department of Transportation and shall pay a fee set
34 by the vendor and approved by the Board of Transportation. The fee set by the vendor shall be
35 determined based on market rates for the number of vehicles that pass by the sign, reflecting the
36 value of the visibility and access provided to the participating businesses and to cover the initial
37 costs of signs, sign installation, and maintenance, and the costs of administering the logo sign
38 program. Nothing in this subsection shall be construed to authorize any Department contractor
39 to conduct any commercial activity upon signs erected and maintained within the right-of-way
40 of fully and partially controlled-access highways pursuant to this subsection. Funds generated
41 from fees established by the Department pursuant to this subsection and returned to the
42 Department shall be deposited into the Reserve for General Maintenance in the Highway Fund."

43 44 AMEND TRUCK LANE RESTRICTION

45 SECTION 16.(a) G.S. 20-146(f) reads as rewritten:

46 "(f) Except when entering or exiting the highway or avoiding a ~~hazard or to pass, hazard,~~
47 a motor vehicle having a gross vehicle weight rating (GVWR) of 26,001 pounds or more shall
48 not operate in the left most lane of a controlled-access highway with six or more ~~lanes.~~lanes,
49 unless the Department has passed an ordinance and installed signage with different restrictions.
50 For purposes of this subsection only, "hazard" is defined as any condition, object, or

1 circumstance, present on or near the roadway, that poses a potential risk to the safe operation of
2 a commercial vehicle."

3 **SECTION 16.(b)** This section becomes effective December 1, 2026, and applies to
4 offenses committed on or after that date.

6 **SPEED LIMIT IN RESIDENTIAL AREAS**

7 **SECTION 17.(a)** G.S. 20-141 reads as rewritten:

8 "**§ 20-141. Speed restrictions.**

9 ...

10 (b) Except as otherwise provided in this Chapter, it shall be unlawful to operate a vehicle
11 in excess of the following speeds:

12 (1) Thirty-five miles per hour inside municipal corporate ~~limits~~-limits, except as
13 provided in subdivision (3) of this subsection, for all vehicles.

14 (2) Fifty-five miles per hour outside municipal corporate ~~limits~~-limits, except as
15 provided in subdivision (3) of this subsection, for all vehicles except for
16 school buses and school activity buses.

17 (3) Twenty-five miles per hour on any roadway that is unpaved or not marked
18 with a centerline.

19"

20 **SECTION 17.(b)** This section becomes effective December 1, 2026, and applies to
21 offenses committed on or after that date.

23 **AUTHORIZE THE CITY OF DURHAM TO SET A MUNICIPAL DEFAULT SPEED** 24 **LIMIT**

25 **SECTION 17.5.(a)** G.S. 20-141 is amended by adding a new subsection to read:

26 "(e2) Notwithstanding the speed limits set in subsection (b) of this section or any other
27 provision of law to the contrary, a municipality may, by ordinance, establish a lower default
28 speed limit of not less than 20 miles per hour on streets within the corporate limits of the
29 municipality that are not part of the State highway system. A default speed limit established
30 pursuant to this subsection shall apply to every street within the designated area without requiring
31 the posting of individual speed limit signs on each street segment, provided the municipality
32 erects conspicuous gateway signs at each primary point of vehicular entry into the municipality,
33 or into any defined zone within the municipality, in conformance with the Manual on Uniform
34 Traffic Control Devices, giving notice of the applicable default speed limit. Higher or lower
35 speeds limits posted on individual streets pursuant to subsection (e) of this section shall supersede
36 the default speed limit on those streets. A default speed limit established pursuant to this
37 subsection is effective upon adoption of an ordinance by the municipality and erection of the
38 required gateway signs. The municipality shall maintain a publicly accessible map identifying
39 all streets subject to the default speed limit and all streets on which a different speed limit has
40 been posted pursuant to subsection (e) of this section. Upon written notice from the municipality
41 identifying streets or areas for which a default speed limit has been established pursuant to this
42 subsection, the Department of Transportation shall post the applicable statutory speed limit, not
43 to exceed 35 miles per hour, on State highway system streets, except those designated as part of
44 the Interstate Highway System or other controlled access highway, located within the identified
45 area, unless a different speed limit has been established pursuant to subsection (f) of this section.
46 Nothing in this subsection shall be construed to authorize a municipality to establish or modify
47 speed limits on streets that are part of the State highway system, except as otherwise provided in
48 this section."

49 **SECTION 17.5.(b)** This section applies to the City of Durham only.

EXPEDITED REVIEW OF CITY OF DURHAM STATE HIGHWAY SPEED LIMIT REQUESTS

SECTION 17.6.(a) As used in this section, "request" means a written submission by a municipality to the Department of Transportation pursuant to G.S. 20-141(f) seeking the establishment or modification of a speed limit on a street located within the corporate limits of the municipality that is part of the State highway system. A request shall be submitted by the municipality to both the Division Engineer and the State Traffic Engineer, either by certified mail or by electronic transmission, with delivery confirmation. A request is deemed received on the date the Department confirms receipt.

SECTION 17.6.(b) The Department shall complete an initial review of a request within 30 days of the date of receipt, as determined by subsection (a) of this section. Upon completion of the initial review, the Department shall do one of the following:

- (1) Approve the requested speed limit change and execute a concurring ordinance in accordance with G.S. 20-141(f), if the Department determines, based on engineering and traffic data and the exercise of engineering judgment, that the requested speed limit is reasonable and safe.
- (2) Issue a written notice of concern to the municipality that identifies: the Department's specific concerns with the request; any additional engineering investigations, traffic studies, speed analyses, or crash evaluations necessary to support the request; and the conditions, if any, under which the Department could reasonably agree to the requested speed limit.

Issuance of a notice of concern constitutes final Department action for purposes of this section, unless the municipality submits a revised or supplemented request or files an appeal. A municipality may appeal a notice of concern issued under subdivision (2) of this subsection to the State Traffic Engineer within 30 days of receipt of the notice. The State Traffic Engineer shall respond within 30 days of receipt of the appeal with either an approval of the request or a written notice of concern that meets the requirements of subdivision (2) of this subsection. A written notice from the State Traffic Engineer constitutes final Department action for purposes of this section, unless the municipality submits a revised or supplemental request.

SECTION 17.6.(c) If the Department fails to take action pursuant to subsection (b) of this section within 90 days of the date of receipt of a request, or within 90 days of the date of receipt of a revised or supplemented request, the request is deemed approved.

SECTION 17.6.(d) Upon approval of a request pursuant to this section, the Department shall execute a concurring ordinance within 60 days and shall erect appropriate speed limit signs on the affected State highway system streets within 60 days thereafter, in accordance with G.S. 20-141(f) and the Manual on Uniform Traffic Control Devices. A speed limit approved under this section is effective when the Department has erected the required signs.

SECTION 17.6.(e) Nothing in this section shall be construed to authorize a municipality to unilaterally establish or modify speed limits on streets that are part of the State highway system, or to require the Department to approve a speed limit that is not reasonable and safe under the conditions found to exist upon the affected highway, as required by G.S. 20-141(f).

SECTION 17.6.(f) This section applies to the City of Durham only.

INCREASE PROJECT LIMIT FOR PROJECT DELIVERY METHOD PILOT PROGRAM

SECTION 18. Section 34.13(b) of S.L. 2018-5, as amended by Section 21 of S.L. 2022-68 and Section 3 of S.L. 2024-15, reads as rewritten:

"SECTION 34.13.(b) Pilot Project. – Notwithstanding any provision of Chapter 136 of the General Statutes to the contrary, the Department of Transportation may establish and implement a pilot project to award contracts for up to ~~10 projects~~ 15 projects for the construction of transportation projects on a construction manager-general contractor basis. The Department may

1 only award a contract under this section if (i) the cost of the project is determined by the
2 Department to be less than seven hundred fifty million dollars (\$750,000,000), (ii) the
3 Department determines that it is in the public interest to use the construction manager-general
4 contractor basis for the project, (iii) the Department prequalifies the contractor that will be
5 awarded the contract, (iv) the Department complies with the pre-award reporting requirement set
6 forth in subsection (c) of this section, and (v) the Department has established and implemented
7 guidelines as required under subsection (d) of this section."
8

9 **CLARIFY THE DEFINITION OF ELECTRIC ASSISTED BICYCLE AND**
10 **AUTHORIZE LOCAL GOVERNMENT REGULATION**

11 **SECTION 19.(a)** G.S. 20-4.01(7a) reads as rewritten:

12 "(7a) Electric Assisted Bicycle. – A bicycle with two or three wheels that is
13 equipped with a seat or saddle for use by the rider, fully operable pedals for
14 human propulsion, and an electric motor of no more than 750 ~~watts, whose~~
15 ~~maximum speed on a level surface when powered solely by such a motor is~~
16 ~~no greater than 20 miles per hour.~~ watts that meets the requirements of one of
17 the following three classes:

- 18 a. Class 1 electric assisted bicycle. – A bicycle equipped with a motor
19 that provides assistance only when the rider is pedaling and ceases to
20 assist once the bicycle reaches a speed of 20 miles per hour.
21 b. Class 2 electric assisted bicycle. – A bicycle equipped with a motor
22 that may propel the bicycle without pedaling but ceases to assist once
23 the bicycle reaches a speed of 20 miles per hour.
24 c. Class 3 electric assisted bicycle. – A bicycle equipped with a motor
25 that provides assistance only when the rider is pedaling and ceases to
26 assist once the bicycle reaches a speed of 28 miles per hour."

27 **SECTION 19.(b)** Article 3 of Chapter 20 of the General Statutes is amended by
28 adding a new section to read:

29 **"§ 20-171.3. Electric assisted bicycles.**

30 (a) Except as otherwise provided in G.S. 160A-300, 160A-300.2, 153A-245.1, and as
31 regulated by the Department of Natural and Cultural Resources in State parks, historical sites, or
32 other properties within the jurisdiction of the Department, the operation of an electric assisted
33 bicycle, as defined in G.S. 20-4.01, is permitted on all roadways, bicycle lanes, and multiuse
34 paths.

35 (b) A person under the age of 18 operating or riding as a passenger on a Class 3 electric
36 assisted bicycle shall wear a helmet that meets federal safety standards."

37 **SECTION 19.(c)** Article 15 of Chapter 160A of the General Statutes is amended by
38 adding a new section to read:

39 **"§ 160A-300.2. Regulation of electric assisted bicycles.**

40 (a) A city may regulate the use of electric assisted bicycles, as defined in G.S. 20-4.01,
41 on any multiuse path or sidewalk within municipal limits. This authority includes the following:

- 42 (1) Restricting the use of a class or classes of electric assisted bicycles.
43 (2) Establishing speed limits.

44 (b) A city may require the use of a helmet by a person under the age of 18 operating or
45 riding as a passenger on a Class 1 or Class 2 electric assisted bicycle."

46 **SECTION 19.(d)** Article 12 of Chapter 153A of the General Statutes is amended by
47 adding a new section to read:

48 **"§ 153A-245.1. Regulation of electric assisted bicycles.**

49 A county may regulate the use of an electric assisted bicycle in accordance with
50 G.S. 160A-300.2. Nothing in this section shall be deemed to restrict or repeal the authority of a
51 city to regulate the use of an electric assisted bicycle."

1 **SECTION 19.(e)** The Department of Transportation shall develop educational
2 materials on the proper use and safety considerations of electric assisted bicycles.

3 **SECTION 19.(f)** This section becomes effective December 1, 2026, and applies to
4 offenses committed on or after that date.

5
6 **PERSONAL DELIVERY DEVICE AMENDMENTS**

7 **SECTION 20.(a)** G.S. 20-4.01(28a) reads as rewritten:

8 "(28a) Personal delivery device. – An electrically powered device intended for
9 transporting cargo that is equipped with automated driving technology that
10 enables device operation with or without the remote support and supervision
11 of a human and that does not exceed (i) a weight of 500 pounds, excluding
12 cargo, (ii) a length of ~~40-55~~ inches, and (iii) a width of ~~30-36~~ inches."

13 **SECTION 20.(b)** G.S. 20-175.16 reads as rewritten:

14 **"§ 20-175.16. Personal delivery devices authorized; operation; equipment.**

15 (a) A business entity may operate a personal delivery device in a pedestrian area or on a
16 highway, ~~with the rights and duties applicable to a pedestrian under this Chapter, subject to the~~
17 ~~requirements and restrictions of this Part.~~ bicycle lane, shoulder, parking lot, or any similar area.
18 Except as authorized in this Part, no person may operate a personal delivery device in a pedestrian
19 area or on a highway in this State.

20 (b) Operation of a personal delivery device shall comply with all of the following:

21 (1) ~~The personal delivery device shall be monitored by an A human operator who~~
22 ~~is shall be able to monitor and exercise remote control over the navigation and~~
23 operation of the personal delivery device.

24 (2) The personal delivery device may not be operated in a pedestrian area at a
25 speed greater than 10 miles per ~~hour~~ hour or at a speed greater than 20 miles
26 per hour in other areas.

27 (3) ~~The personal delivery device may not be operated on a highway except as~~
28 ~~necessary to cross a highway or along a highway if a sidewalk is not provided~~
29 ~~or accessible.~~ When operating along a highway under this subdivision, the
30 following additional restrictions apply:

31 a. The personal delivery device shall be operated on the shoulder or as
32 close as practicable to the extreme right of the highway in the direction
33 of authorized traffic movement and shall yield the right-of-way to all
34 vehicles.

35 b. ~~The personal delivery device may not be operated on a highway at a~~
36 ~~speed greater than 20 miles per hour.~~

37 c. The personal delivery device may not be operated on a highway with
38 a speed limit greater than ~~35-55~~ miles per hour.

39 (4) The personal delivery device shall obey all applicable traffic and pedestrian
40 control devices and signs.

41 (5) The personal delivery device shall yield the right-of-way to all human
42 pedestrians.

43 (6) The personal delivery device shall not unreasonably interfere with any vehicle
44 or pedestrian.

45 (7) The personal delivery device shall not transport materials regulated under the
46 Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 – 5128) that
47 require placarding pursuant to Subpart F of 49 C.F.R. Part 172 (49 C.F.R. §§
48 172.500 – 172.560).

49 (c) A personal delivery device shall be equipped with all of the following:

50 (1) A marker that clearly states the name and contact information of the owner
51 and a unique identification number.

- 1 (2) A braking system that enables the device to come to a controlled stop.
2 (3) When operated at night, lights on the front and rear of the personal delivery
3 device that are visible and recognizable under normal atmospheric conditions
4 from at least 500 feet on all sides of the personal delivery device.

5 (d) A personal delivery device has all of the rights and duties applicable to a pedestrian
6 in a pedestrian area and to an operator of a bicycle in other areas, except for those that by their
7 nature cannot apply to a personal delivery device or that place an unreasonable burden on the
8 operation of a personal delivery device.

9 ~~(d)~~(e) A violation of this section is an infraction."

10 **SECTION 20.(c)** This section becomes effective December 1, 2026, and applies to
11 offenses committed on or after that date.

12
13 **AUTHORIZE COUNTIES TO LEVY SPECIAL ASSESSMENTS FOR THE**
14 **FINANCING OF IMPROVEMENTS TO COMMERCIAL STREETS**

15 **SECTION 21.(a)** G.S. 153A-205 reads as rewritten:

16 **"§ 153A-205. Improvements to ~~subdivision and residential~~ streets.**

17 (a) A county may finance the local share of the cost of improvements made under the
18 supervision of the Department of Transportation to ~~subdivision and residential streets that are a~~
19 ~~part of the State-maintained system~~ State-maintained secondary streets located in the county and
20 outside of a city and shall levy and collect pursuant to the procedures of Article 9 of Chapter
21 153A of the General Statutes special assessments against benefited property to recoup that
22 portion of the costs financed by the county. The local share is that share required by policies of
23 the Department of Transportation and may be paid by the county from funds not otherwise
24 limited as to use by law. Land owned, leased, or controlled by a railroad company is exempt from
25 such assessments to the same extent that it would be exempt from street assessments of a city
26 under G.S. 160A-222. No project may be commenced under this section unless it has been
27 approved by the Department of Transportation.

28 (b) A county may finance the local share of the cost of improvements made under the
29 supervision of the Department of Transportation to ~~subdivision and residential~~ the following
30 types of streets located in the county and outside of a city in order within recorded public
31 right-of-way, to bring those streets up to the standards of the Department of Transportation so
32 that they may become a part of be considered for addition to the State-maintained system and
33 system:

- 34 (1) Subdivision and residential streets that are located in the county and outside
35 of a city but excluding apartment and condominium complexes.
36 (2) Industrial access or commercial complex streets that are located inside a
37 census designated place boundary, as defined by the United States Census
38 Bureau, but excluding streets that support larger parking lot networks,
39 regional malls, strip malls, apartment complexes, or condominium complexes.

40 A county shall levy and collect pursuant to the procedures of Article 9 of Chapter 153A of
41 the General Statutes special assessments against benefited property to recoup that portion of the
42 costs financed by the county. The local share is that share required by policies of the Department
43 of Transportation and may be paid by the county from funds not otherwise limited as to use by
44 law. Land owned, leased, or controlled by a railroad company is exempt from such assessments
45 to the same extent that it would be exempt from street assessments of a city under G.S. 160A-222.
46 No project may be commenced under this section unless it has been approved by the Department
47 of Transportation.

48 (c) Before a county may finance all or a portion of the cost of improvements to a
49 ~~subdivision or residential street,~~ street eligible under subsection (a) or (b) of this section, it must
50 receive a petition for the improvements signed by at least seventy-five percent (75%) of the
51 owners of property to be assessed, who must represent at least seventy-five percent (75%) of all

1 the lineal feet of frontage of the lands abutting on the street or portion thereof to be improved.
 2 The petition shall state that portion of the cost of the improvement to be assessed, which shall be
 3 the local share required by policies of the Department of Transportation. A county may treat as
 4 a unit and consider as one street two or more connecting State-maintained ~~subdivision or~~
 5 ~~residential-secondary~~ streets in a petition filed under this subsection calling for the improvement
 6 of ~~subdivision or residential~~ State-maintained secondary streets subject to property owner sharing
 7 in the cost of improvement under policies of the Department of Transportation.

8 Property owned by the United States shall not be included in determining the lineal feet of
 9 frontage on the improvement, nor shall the United States be included in determining the number
 10 of owners of property abutting the improvement. Property owned by the State of North Carolina
 11 shall be included in determining frontage and the number of owners only if the State has
 12 consented to assessment as provided in G.S. 153A-189. Property owned, leased, or controlled by
 13 railroad companies shall be included in determining frontage and the number of owners to the
 14 extent the property is subject to assessment under G.S. 160A-222. Property owned, leased, or
 15 controlled by railroad companies that is not subject to assessment shall not be included in
 16 determining frontage or the number of owners.

17 No right of action or defense asserting the invalidity of street assessments on grounds that the
 18 county did not comply with this subsection in securing a valid petition may be asserted except in
 19 an action or proceeding begun within 90 days after the day of publication of the notice of adoption
 20 of the preliminary assessment resolution.

21 (d) This section is intended to provide a means of assisting in financing improvements to
 22 ~~subdivision and residential~~ State-maintained secondary streets ~~that are on the State highway~~
 23 ~~system or that will, as a result of the improvements, become a part of the system. or to streets~~
 24 ~~defined in subsection (b) of this section that, once improved, may be considered for addition to~~
 25 ~~the State highway system.~~ By financing improvements under this section, a county does not
 26 thereby acquire or assume any responsibility for the street or streets involved, and a county has
 27 no liability arising from the construction of such an improvement or the maintenance of such a
 28 street. Nothing in this section shall be construed to alter the conditions and procedures under
 29 which State system streets or other public streets are transferred to municipal street systems
 30 pursuant to G.S. 136-66.1 and 136-66.2 upon annexation by, or incorporation of, a municipality."

31 **SECTION 21.(b)** G.S. 159-48 reads as rewritten:

32 "**§ 159-48. For what purposes bonds may be issued.**

33 ...

34 (c) Each county may borrow money and issue its bonds under this Article in evidence of
 35 the debt for the purpose of, in the case of subdivisions (1) through (4b) of this subsection, paying
 36 any capital costs of any one or more of the purposes and, in the case of subdivisions (5) and (6)
 37 of this subsection, to finance the cost of the purpose:

38 ...

39 (4a) Providing improvements to ~~subdivision and residential~~ streets pursuant to
 40 G.S. 153A-205.

41"

42
 43 **REQUIRE PRIVATE ENTITY TO ADMINISTER TOURIST-ORIENTED**
 44 **DIRECTIONAL SIGN PROGRAM**

45 **SECTION 22.(a)** G.S. 136-140.15 reads as rewritten:

46 "**§ 136-140.15. Scope of operations.**

47 (a) Program. – The Department of Transportation shall contract with a private entity to
 48 administer a tourist-oriented directional signs (TODS) program. The responsibilities of the
 49 vendor contracted by the Department include the following: design, manufacture, and erection
 50 of signs; maintenance of signs; receipt and response to information requests concerning the
 51 program; and management of the financial transactions related to the program. A business or

1 facility participating in the TODS program shall pay a fee set by the vendor and approved by the
2 Board of Transportation. The fee set by the vendor shall be determined based on market rates for
3 the number of vehicles that pass by the sign, reflecting the value of the visibility and access
4 provided to the participating businesses and to cover the initial costs of the signs, the sign
5 installation and maintenance, and the costs of administering the TODS program.

6 (b) Definitions. – The following definitions apply in this Article:

7 (1) TODS. – Tourist-oriented directional signs (TODS) are guide signs that
8 display the business identification of and directional information for
9 tourist-oriented businesses and tourist-oriented facilities or for classes of
10 businesses or facilities that are tourist-oriented.

11 (2) Tourist-oriented business. – A business, the substantial portion of whose
12 products or services is of significant interest to tourists. The term may include
13 a business involved with seasonal agricultural products. When used in this
14 Article, the term "business" means a tourist-oriented business.

15 (3) Tourist-oriented facility. – A business, service, or activity facility that derives
16 a major portion of income or visitors during the normal business season from
17 road users not residing in the immediate area of the facility. When used in this
18 Article, the term "facility" means a tourist-oriented facility.

19 (c) Limitation. – ~~The Department vendor~~ shall not install TODS for a business or facility
20 if the signs would be required at intersections where, due to the number of conflicting locations
21 of other highway signs or traffic control devices or other physical or topographical features of
22 the roadside, their presence would be impractical or unfeasible or result in an unsafe or hazardous
23 condition.

24 (d) Duplication. – If a business or facility is currently shown on another official highway
25 guide sign, such as a logo sign or supplemental guide sign, on the same approach to an
26 intersection where a TODS panel for that business or facility would be located, the business or
27 facility may elect to keep the existing highway guide sign or have it removed and participate in
28 the TODS program. If the business or facility elects to retain the existing highway guide sign,
29 the business or facility is ineligible for the TODS program at that intersection."

30 **SECTION 22.(b)** G.S. 136-140.18 reads as rewritten:

31 **"§ 136-140.18. Temporary modification of TODS panels.**

32 (a) The ~~Department vendor~~ shall allow a participating business or facility to close for
33 remodeling or to repair damage from fire or other natural disaster if its TODS panels are covered
34 or removed while the business or facility is closed. No refund of fees or extension of the time
35 remaining in the contract for participation will be provided for the period of closure.

36 (b) The ~~Department vendor~~ may, at its discretion, remove or cover TODS panels for
37 roadway construction or maintenance, for routine maintenance of the TODS assembly, for traffic
38 research study, or for any other reason it considers appropriate. Businesses or facilities are not
39 entitled to any refunds of fee amounts for the period that the TODS panels are covered or removed
40 under this subsection unless the period exceeds seven days.

41 (c) The TODS panels for seasonal businesses or facilities shall have an appropriate
42 message added during the period in which the businesses or facilities are open to the public as
43 part of their normal seasonal operation."

44 **SECTION 22.(c)** G.S. 136-140.19 reads as rewritten:

45 **"§ 136-140.19. Board of Transportation to adopt rules to implement the TODS program.**

46 The Board of Transportation shall adopt rules to implement the TODS program created by
47 this Article. The rules shall include all of the following:

48 (1) ~~The Board shall set fees to cover the initial costs of signs, sign installation,~~
49 ~~and maintenance, and the costs of administering the program.~~ Fees set by the
50 vendor in accordance with G.S. 136-140.15(a) must be approved by the
51 Board.

- 1 (2) The Board shall establish a standard for the size, color, and letter height of the
- 2 TODS as specified in the National Manual of Uniform Traffic Control
- 3 Devices for Streets and Highways.
- 4 (3) TODS shall not be placed more than five miles from the business or facility.
- 5 (4) TODS shall not be placed where prohibited by local ordinance.
- 6 (5) The number of TODS panels shall not exceed six per intersection with only
- 7 one business or facility on each panel.
- 8 (6) If a business or facility is not directly on a State highway, it is eligible for
- 9 TODS panels only if both of the following requirements are met:
- 10 a. It is located on a street that directly connects with a State road.
- 11 b. It is located so that only one directional sign, placed on a State road,
- 12 will lead the tourist to the business or facility.
- 13 (7) A TODS shall not be placed immediately in advance of the business or facility
- 14 if the business or facility and its on-premise advertising signs are readily
- 15 visible from the roadway.
- 16 (8) The Board shall limit the placement of TODS to highways other than fully
- 17 controlled access highways and to rural areas in and around towns or cities
- 18 with a population of less than 40,000."

19 **SECTION 22.(d)** No later than 120 days after the effective date of this section, the
 20 Department shall contract with a vendor in accordance with this section. The Department may
 21 contract with the same vendor that administers the Logo Sign Program pursuant to
 22 G.S. 136-89.56(b).

23
 24 **RAISE INSURANCE MINIMUMS FOR TAXICABS OPERATING AT**
 25 **INTERNATIONAL AIRPORTS AND REQUIRE DESIGNATION AS INSURANCE**
 26 **CERTIFICATE HOLDERS**

27 **SECTION 23.(a)** G.S. 20-280 reads as rewritten:

28 **"§ 20-280. Filing proof of financial responsibility with governing board of municipality or**
 29 **county.**

30 (a) ~~Within 30 days after March 27, 1951, every~~ Proof of Financial Responsibility Filing.
 31 ~~– Every~~ person, firm or corporation engaging in the business of operating a taxicab or taxicabs
 32 within a municipality shall file with the governing board of the municipality in which such
 33 business is operated proof of financial responsibility as hereinafter defined.

34 No governing board of a municipality shall hereafter issue any certificate of convenience and
 35 necessity, franchise, license, permit or other privilege or authority to any person, firm or
 36 corporation authorizing such person, firm or corporation to engage in the business of operating a
 37 taxicab or taxicabs within the municipality unless such person, firm or corporation first files with
 38 said governing board proof of financial responsibility as hereinafter defined.

39 ~~Within 30 days after the ratification of this section, every~~ Every person, firm or corporation
 40 engaging in the business of operating a taxicab or taxicabs without the corporate limits of a
 41 municipality or municipalities, shall file with the board of county commissioners of the county
 42 in which such business is operated proof of financial responsibility as hereinafter defined.

43 No person, firm or corporation shall hereafter engage in the business of operating a taxicab
 44 or taxicabs without the corporate limits of a municipality or municipalities in any county unless
 45 such person, firm or corporation first files with the board of county commissioners of the county
 46 in which such business is operated proof of financial responsibility as hereinafter defined.

47 (b) Proof of Financial Responsibility Definition and Limits. – As used in this section
 48 "proof of financial responsibility" shall mean a certificate of any insurance carrier duly
 49 authorized to do business in the State of North Carolina certifying that there is in effect a policy
 50 of liability insurance insuring the owner and operator of the taxicab business, his agents and
 51 employees while in the performance of their duties against loss from any liability imposed by

1 law for damages including damages for care and loss of services because of bodily injury to or
2 death of any person and injury to or destruction of property caused by accident and arising out
3 of the ownership, use or operation of such taxicab or taxicabs, subject to limits (exclusive of
4 interests and costs) with respect to each such motor vehicle as follows: one hundred thousand
5 dollars (\$100,000) because of bodily injury to or death of one person in any one accident and,
6 subject to said limit for one person, three hundred thousand dollars (\$300,000) because of bodily
7 injury to or death of two or more persons in any one accident, and fifty thousand dollars (\$50,000)
8 because of injury to or destruction of property of others in any one accident.

9 (b1) Additional Requirements for Taxicabs Operating at International Airports. – Every
10 person, firm, or corporation engaging in the business of operating a taxicab or taxicabs providing
11 service to an international airport pursuant to a permit issued by the airport operator, as defined
12 in G.S. 20-280.1, within this State shall maintain a policy of liability insurance insuring the owner
13 and operator of the taxicab business, their agents, and employees, while in the performance of
14 their duties, against loss from liability caused by accident and arising out of the ownership, use,
15 or operation of such taxicab or taxicabs, subject to limits (exclusive of interests and costs) with
16 respect to each such motor vehicle, in the minimum amount of one million dollars (\$1,000,000)
17 per occurrence. Every person, firm, or corporation engaging in the business of operating a taxicab
18 or taxicabs subject to this subsection, in addition to filing proof of financial responsibility
19 pursuant to subsection (a) of this section, shall provide proof of financial responsibility pursuant
20 to this subsection to the airport operator issuing a permit to the business operating a taxicab and
21 shall designate the airport operator as a holder of a certificate of insurance for the purposes of
22 receiving notices concerning the policy of insurance in accordance with G.S. 58-3-149(e). For
23 the purposes of this subsection, "international airport" means an airport designated as an
24 international airport pursuant to 19 C.F.R. § 122.11.

25 (c) Repealed by Session Laws 2017-137, s. 2.5, effective January 1, 2018."

26 **SECTION 23.(b)** This section becomes effective July 1, 2027.

27

28 **TRAFFIC IMPACT ANALYSIS CRITERIA**

29 **SECTION 24.(a)** G.S. 136-93.1A(f) reads as rewritten:

30 "(f) Criteria. – The Department shall develop and use criteria for determining (i) the scope
31 of a traffic impact analysis, (ii) the completeness of a traffic impact analysis, and (iii) whether to
32 approve or reject a traffic impact analysis. Criteria for the scope of a traffic impact analysis must
33 include use of a population growth factor equal to or greater than the average of the highest three
34 years of growth over the previous five years in the county in which a development is located. If
35 a development is located in more than one county, a population growth factor equal to or greater
36 than the highest average of the counties in which the development is located must be used. The
37 Department shall post the criteria on its website. Prior to amending the criteria, the Department
38 shall consult with a working group that consists of engineers, local government representatives,
39 local transportation planning organization representatives, and other interested stakeholders
40 identified by the Department. The Department shall provide at least 90 days' notice prior to the
41 effective date of any amendments to the criteria. The notice required under this subsection may
42 be satisfied by publishing the proposed amendments on the Department's website."

43 **SECTION 24.(b)** This section becomes effective October 1, 2026.

44

45 **ELECTRIC MEMBERSHIP CORPORATION AND MUNICIPALLY OWNED**

46 **ELECTRIC ENTERPRISE UTILITY RELOCATION COSTS**

47 **SECTION 25.** G.S. 136-18(10) reads as rewritten:

48 "(10) To make proper and reasonable rules, regulations, and ordinances for the
49 placing or erection of telephone, telegraph, electric, and other lines, above or
50 below ground, wireless facilities, signboards, fences, gas, water, sewerage,
51 oil, or other pipelines, and other similar obstructions that may, in the opinion

1 of the Department of Transportation, contribute to the hazard upon any of the
2 highways or in any way interfere with the highways, and to make reasonable
3 rules and regulations for the proper control thereof. And whenever the order
4 of the Department of Transportation shall require the removal of, or changes
5 in, the location of telephone, telegraph, electric, or other lines, wireless
6 facilities, signboards, fences, gas, water, sewerage, oil, or other pipelines, or
7 other similar obstructions, the owners thereof shall at their own expense,
8 except as provided in G.S. 136-19.5(c), move or change them to conform to
9 the order of the Department of Transportation. Any violation of these rules
10 and regulations or noncompliance with these orders constitutes a Class 1
11 misdemeanor. For purposes of this subdivision, "wireless facilities" has the
12 definition set forth in G.S. 160D-931. Whenever the Department of
13 Transportation requires the relocation of equipment or facilities for the
14 provision of public utility service, owned or operated by an electric
15 membership corporation formed under and in compliance with all provisions
16 in Article 2 of Chapter 117 of the General Statutes or owned or operated by a
17 municipally owned electric enterprise, located outside of an existing
18 Department of Transportation right-of-way, the Department of Transportation
19 shall reimburse the electric membership corporation or municipally owned
20 electric enterprise for the non-betterment costs of moving those utilities,
21 including the cost of acquiring new easements, if the electric membership
22 corporation or municipally owned electric enterprise demonstrates a
23 compensable interest in the property upon which the equipment or facilities to
24 be moved are located. For purposes of reimbursement to electric membership
25 corporations and municipally owned electric enterprises required under this
26 subdivision, a compensable property interest includes any property ownership
27 right, including an easement, a property right taken by act or omission of a
28 condemnor listed in G.S. 40A-3, including by inverse condemnation, or any
29 other property interest recognized by law. For purposes of this subdivision,
30 "municipally owned electric enterprise" shall mean an enterprise owned or
31 operated pursuant to Chapter 160A of the General Statutes or an enterprise
32 owned or operated by a public works authority or public utilities commission
33 created pursuant to a local act of the General Assembly. The Department has
34 the authority to make rules and policies for implementation of this provision."
35

36 DEVELOPER FLEXIBILITY FOR PERFORMANCE GUARANTEES

37 SECTION 26.(a) G.S. 136-93 reads as rewritten:

38 "§ 136-93. Openings, structures, pipes, trees, and issuance of permits.

39 (a) No opening or other interference whatsoever shall be made in any State road or
40 highway other than streets not maintained by the Department of Transportation in cities and
41 towns, nor shall any structure be placed thereon, nor shall any structure which has been placed
42 thereon be changed or removed except in accordance with a written permit from the Department
43 of Transportation or its duly authorized officers, who shall exercise complete and permanent
44 control over such roads and highways. No State road or State highway, other than streets not
45 maintained by the Department of Transportation in cities and towns, shall be dug up for laying
46 or placing pipes, conduits, sewers, wires, railways, or other objects, and no obstruction placed
47 thereon, without a written permit as hereinbefore provided for, and then only in accordance with
48 the regulations of said Department of Transportation or its duly authorized officers or employees;
49 and the work shall be under the supervision and to the satisfaction of the Department of
50 Transportation or its officers or employees, and the entire expense of replacing the highway in
51 as good condition as before shall be paid by the persons, firms, or corporations to whom the

1 permit is given, or by whom the work is done. The Department of Transportation, or its duly
2 authorized officers, may, in its discretion, before granting a permit under the provisions of this
3 section, require the applicant to file a satisfactory ~~bond, payable to performance guarantee in~~
4 favor of the State of North Carolina, in such an amount as may be deemed sufficient by the
5 Department of Transportation or its duly authorized officers, conditioned upon the proper
6 compliance with the requirements of this section by the person, firm, or corporation granted such
7 permit. At the election of the applicant, the Department shall accept a performance guarantee in
8 the form of a surety bond, irrevocable letter of credit, or any other instrument approved by the
9 Department that provides equivalent security to a surety bond or irrevocable letter of credit. Any
10 person making any opening in a State road or State highway, or placing any structure thereon, or
11 changing or removing any structure thereon without obtaining a written permit as herein
12 provided, or not in compliance with the terms of such permit, or otherwise violating the
13 provisions of this section, shall be guilty of a Class 1 misdemeanor: Provided, this section shall
14 not apply to railroad crossings. The railroads shall keep up said crossings as now provided by
15 law.

16"

17 **SECTION 26.(b)** This section is effective when it becomes law and applies to permit
18 applications filed on or after that date.

19 20 **PROHIBIT PLANTING OF INVASIVE SPECIES IN HIGHWAY RIGHT-OF-WAY** 21 **AND STATE PARKS**

22 **SECTION 27.(a)** G.S. 136-18(9) reads as rewritten:

23 "(9) In consultation with university system and community college horticulture
24 programs and the North Carolina Forestry Association, the Department shall
25 use seeds and plants the U.S. Department of Agriculture has classified as
26 native to a state or county in the Southeastern United States, including
27 cultivars and varieties thereof that were not bred to have reduced reproductive
28 structures, with a strong preference for plants the U.S. Department of
29 Agriculture has classified as native to North Carolina, in the highway
30 right-of-way in the promotion of erosion control, landscaping, and general
31 protection of the highways, except that the Department may use (i) nonnative
32 grasses, plants, and seeds for the purpose of soil and slope stabilization for
33 erosion control and (ii) nonnative turf grasses. For purposes of this
34 subdivision, the Southeastern United States means the states of Alabama,
35 Georgia, North Carolina, South Carolina, Tennessee, Virginia, and the
36 following counties in Florida: Bay, Calhoun, Escambia, Gulf, Holmes,
37 Jackson, Okaloosa, Santa Rosa, Walton, and Washington. The Department
38 shall not plant an invasive species, as determined by the North Carolina Forest
39 Service, in the highway right-of-way. The Department shall also have the
40 power to acquire by gift or otherwise land for and to construct, operate, and
41 maintain roadside parks, picnic areas, picnic tables, scenic overlooks, and
42 other appropriate turnouts for the safety and convenience of highway users;
43 and to cooperate with municipal or county authorities, federal agencies, civic
44 bodies, and individuals in the furtherance of those objectives. None of the
45 roadside parks, picnic areas, picnic tables, scenic overlooks, or other turnouts,
46 or any part of the highway right-of-way shall be used for commercial purposes
47 except for any of the following:

- 48 a. Materials displayed in welcome centers in accordance with
49 G.S. 136-89.56.
- 50 b. Vending machines permitted by the Department of Transportation and
51 placed by the Division of Services for the Blind of the Department of

1 Health and Human Services, as the State licensing agency designated
2 pursuant to Section 2(a)(5) of the Randolph-Sheppard Act (20 U.S.C.
3 107a(a)(5)). The Department of Transportation shall regulate the
4 placing of the vending machines in highway rest areas and shall
5 regulate the articles to be dispensed.

6 c. Activities permitted by a local government pursuant to an ordinance
7 meeting the requirements of G.S. 136-27.4.

8 Every other use or attempted use of any of these areas for commercial
9 purposes constitutes a Class 1 misdemeanor, and each day's use constitutes a
10 separate offense."

11 **SECTION 27.(b)** G.S. 143B-135.59 reads as rewritten:

12 **"§ 143B-135.59. State Parks System native plant requirement and preference.**

13 In consultation with university system and community college horticulture programs and the
14 North Carolina Forestry Association, the Department of Natural and Cultural Resources shall
15 require the use of seeds and plants the U.S. Department of Agriculture has classified as native to
16 a state or county in the Southeastern United States, including cultivars and varieties thereof that
17 were not bred to have reduced reproductive structures, with a strong preference for plants the
18 U.S. Department of Agriculture has classified as native to North Carolina, on all lands that are
19 part of the State Parks System as defined in G.S. 143B-135.44. Exempt from this requirement
20 are (i) nonnative seeds and plants used in landscaping for locations where the primary purpose is
21 crop cultivation, crop and horticulture research, science, botanical gardens, plantings for wildlife
22 by the Wildlife Resources Commission, and zoos and (ii) nonnative turf grass. For purposes of
23 this section, the Southeastern United States means the states of Alabama, Georgia, North
24 Carolina, South Carolina, Tennessee, Virginia, and the following counties in Florida: Bay,
25 Calhoun, Escambia, Gulf, Holmes, Jackson, Okaloosa, Santa Rosa, Walton, and Washington. No
26 invasive species, as determined by the North Carolina Forest Service, may be planted on lands
27 that are part of the State Parks System."

28 **SECTION 27.(c)** This section becomes effective October 1, 2026.

29
30 **REQUIRE THE DIVISION OF MOTOR VEHICLES TO ESTABLISH OR AMEND**
31 **RULES TO RESTRUCTURE ENROLLMENT CONTRACT REFUNDS FOR**
32 **COMMERCIAL TRUCK DRIVER TRAINING SCHOOLS**

33 **SECTION 28.(a)** The Division of Motor Vehicles, of the Department of
34 Transportation, is authorized to and shall within 180 days of the effective date of this section,
35 with stakeholder input and participation, establish or amend rules restructuring enrollment
36 contract refunds for commercial driver training schools that are subject to permitting by the
37 Division to engage in the business of giving instruction in the driving of commercial motor
38 vehicles. At a minimum, rules for enrollment contract refunds shall provide for the following:

- 39 (1) A one hundred percent (100%) refund of payments and cancellation of any
40 evidence of indebtedness if the student officially withdraws before the first
41 scheduled instruction hour of the course or class section in which the student
42 enrolled. Notwithstanding subdivision (4) of this subsection, the delivery to a
43 student of, or the provision of student access to, the certified home study or
44 digital course materials described in subdivision (4) of this subsection shall
45 not terminate the student's eligibility for a one hundred percent (100%) refund
46 if the student officially withdraws within five business days after the materials
47 are first delivered or made accessible to the student and before the first
48 scheduled in-person instruction hour.
- 49 (2) A seventy-five percent (75%) refund of payments, less disclosed
50 nonrefundable fees, and complete cancellation of any evidence of
51 indebtedness if the student officially withdraws before receiving ten percent

1 (10%) of the scheduled instruction hours of the course or class section in
2 which the student enrolled.

3 (3) No refund and cancellation of any evidence of indebtedness shall be provided
4 once ten percent (10%) of the scheduled instruction hours of the course or
5 class section in which the student enrolled have been received.

6 (4) For purposes of determining the percentage of instruction hours received
7 under subdivisions (2) and (3) of this subsection, instruction hours shall
8 include theory instruction hours delivered through home study or digital
9 course materials that have been certified by the Commissioner of Motor
10 Vehicles as satisfying the entry-level driver training theory instruction
11 curriculum required under the applicable course of instruction. The delivery
12 to a student of, or the provision of student access to, such certified materials
13 shall be deemed receipt of the corresponding theory instruction hours.

14 **SECTION 28.(b)** Rules established or amended pursuant to this section shall apply
15 to enrollment contracts entered into on or after rules required by this section become effective.

16 **SECTION 28.(c)** This section is effective when it becomes law and expires on the
17 date rules required by this section become effective.

18
19 **REQUIRE THE DIVISION OF MOTOR VEHICLES TO ESTABLISH OR AMEND**
20 **RULES TO DEVELOP AN 80-HOUR CLASS B CDL CURRICULUM FOR**
21 **COMMERCIAL TRUCK DRIVER TRAINING SCHOOLS**

22 **SECTION 29.(a)** The Division of Motor Vehicles, of the Department of
23 Transportation, is authorized to and shall within 180 days of the effective date of this section,
24 establish or amend rules to create a two-week course curriculum intended for Class B commercial
25 drivers license applicants, for commercial driver training schools that are subject to permitting
26 by the Division to engage in the business of giving instruction in the driving of commercial motor
27 vehicles. At a minimum, rules for a Class B commercial drivers license curriculum shall cover
28 all topics required by 40 C.F.R. Part 380 applicable to Class B commercial motor vehicle
29 operation and include all of the following:

30 (1) Twenty-five minimum hours of classroom instruction, labs, and testing.

31 (2) Twenty-five minimum hours of field instruction.

32 (3) Ten minimum hours of highway behind-the-wheel training.

33 (4) Twenty minimum hours of highway behind-the-wheel observation.

34 **SECTION 29.(b)** This section is effective when it becomes law and expires on the
35 date rules required by this section become effective.

36
37 **AMEND COLLEGIATE INSIGNIA PLATE AUTHORIZATION TO INCLUDE**
38 **COMMUNITY COLLEGES**

39 **SECTION 30.(a)** G.S. 20-79.4(b)(52) reads as rewritten:

40 "(52) Collegiate Insignia Plate. – Issuable to the registered owner of a motor vehicle
41 in accordance with G.S. 20-81.12. The plate may bear a phrase or an insignia
42 representing a public or private college or ~~university~~university or a
43 community college."

44 **SECTION 30.(b)** G.S. 20-81.12(b30) reads as rewritten:

45 "(b30) Collegiate Insignia Plates. – Except for a collegiate insignia plate for a public military
46 college or university, the Division must receive 300 or more applications for a collegiate insignia
47 license plate for a college or university or community college before a collegiate license plate
48 may be developed. For a collegiate insignia license plate for a public military college or
49 university, the Division must receive 100 or more applications before a collegiate license plate
50 may be developed. The color, design, and material for the plate must be approved by both the
51 Division and the alumni or alumnae association of the appropriate college or ~~university~~.

1 university or community college. The Division must transfer quarterly the money in the
 2 Collegiate and Cultural Attraction Plate Account derived from the sale of in-State collegiate
 3 insignia plates to the Board of Governors of The University of North Carolina for in-State, public
 4 colleges and ~~universities and universities,~~ to the respective board of trustees for in-State, private
 5 colleges and ~~universities—universities,~~ and to the State Board of Community Colleges for
 6 community colleges, in proportion to the number of collegiate plates sold representing that
 7 institution for use for academic enhancement."
 8

9 **AUTHORIZE SEMIQUINCENTENNIAL SPECIAL REGISTRATION PLATE**

10 **SECTION 31.(a)** G.S. 20-79.4(b) reads as rewritten:

11 "(b) Types. – The Division shall issue the following types of special registration plates:

12 ...

13 (Q) America's Semiquincentennial. – Issuable to a registered owner of a motor
 14 vehicle, the plate shall bear the phrase "America 250" and other imagery
 15 commemorating the semiquincentennial. The Division must receive 300 or
 16 more applications for the plate before it may be developed.

17"

18 **SECTION 31.(b)** The plate authorized by this section is not subject to the
 19 requirements to establish a new special registration plate in G.S. 20-79.3A. The Revisor of
 20 Statutes is authorized to alphabetize, number, and renumber the special registration plates listed
 21 in G.S. 20-79.4(b) to ensure that all of the special registration plates are listed in alphabetical
 22 order and numbered accordingly.

23 **SECTION 31.(c)** This section is effective when it becomes law, but the Division is
 24 not required to issue plates in accordance with the authorization enacted in this section until 180
 25 days after the date the Division has received the required number of paid applications and the
 26 final artwork for the plate has been approved.

27
 28 **AUTHORIZE GUY HARVEY FOUNDATION SPECIAL REGISTRATION PLATE**

29 **SECTION 32.(a)** G.S. 20-79.4(b) reads as rewritten:

30 "(b) Types. – The Division shall issue the following types of special registration plates:

31 ...

32 (Q) Guy Harvey Foundation. – Issuable to a registered owner of a motor vehicle
 33 in accordance with G.S. 20-81.12. The plate shall bear the phrase "Protect Our
 34 Oceans."

35"

36 **SECTION 32.(b)** G.S. 20-79.7 reads as rewritten:

37 **"§ 20-79.7. Fees for special registration plates and distribution of the fees.**

38 ...

39 (a1) Fees. – All other special registration plates are subject to the regular motor vehicle
 40 registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

Special Plate	Additional Fee Amount
---------------	-----------------------

41 ...

Greensboro Symphony Guild	Expired July 1, 2016
<u>Guy Harvey Foundation</u>	<u>\$30.00</u>
Historical Attraction	\$30.00

42 ...

43 (b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and
 44 Cultural Attraction Plate Account are established within the Highway Fund. The Division must
 45 credit the additional fee imposed for the special registration plates listed in subsection (a1) of this
 46 section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural
 47
 48
 49
 50
 51

1 Attraction Plate Account (CCAPA), the North Carolina Land and Water Fund (NCLWF), which
 2 is established under G.S. 143B-135.234, and the Parks and Recreation Trust Fund, which is
 3 established under G.S. 143B-135.56, as follows:

4	<u>Special Plate</u>	<u>SRPA</u>	<u>CCAPA</u>	<u>NCLWF</u>	<u>PRTF</u>
5	...				
6	Guilford Battleground Company	\$10	\$10	0	0
7	<u>Guy Harvey Foundation</u>	<u>\$10</u>	<u>\$20</u>	<u>0</u>	<u>0</u>
8	Harley Owners' Group	\$10	\$10	0	0
9"				

10 **SECTION 32.(c)** G.S. 20-81.12 is amended by adding a new subsection to read:

11 "(Q) Guy Harvey Foundation. – The Division must receive 300 or more applications for
 12 the Guy Harvey Foundation plate before the plate may be developed. The Division shall transfer
 13 quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the
 14 sale of Guy Harvey Foundation plates equally to the University of North Carolina at Wilmington,
 15 North Carolina State University, the University of North Carolina at Chapel Hill, and East
 16 Carolina University, to be used to support their marine biology programs."

17 **SECTION 32.(d)** The plate authorized by this section is not subject to the
 18 requirements to establish a new special registration plate in G.S. 20-79.3A. The Revisor of
 19 Statutes is authorized to alphabetize, number, and renumber the special registration plates listed
 20 in G.S. 20-79.4(b), 20-79.7(a1) and (b), and 20-81.12 to ensure that all of the special registration
 21 plates are listed in alphabetical order and numbered accordingly.

22 **SECTION 32.(e)** This section is effective when it becomes law, but the Division is
 23 not required to issue plates in accordance with the authorization enacted in this section until 180
 24 days after the date the Division has received the required number of paid applications and the
 25 final artwork for the plate has been approved.

26
 27 **MAKE TECHNICAL CORRECTION RELATED TO MOTOR VEHICLE DEALERS**

28 **SECTION 32.5.(a)** If Senate Bill 595, 2025 Regular Session, becomes law, then
 29 G.S. 105-187.1(a)(6), as amended by Section 7.1(a) of that act, reads as rewritten:

30 "(6) Retailer. – A retailer as defined in G.S. 105-164.3 who is engaged in the
 31 business of selling motor vehicles, offering short-term or long-term leases or
 32 rentals, long-term leases or rentals, rentals of motor vehicles, or vehicle
 33 subscriptions for motor vehicles."

34 **SECTION 32.5.(b)** This section becomes effective October 1, 2026.

35
 36 **EFFECTIVE DATE**

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