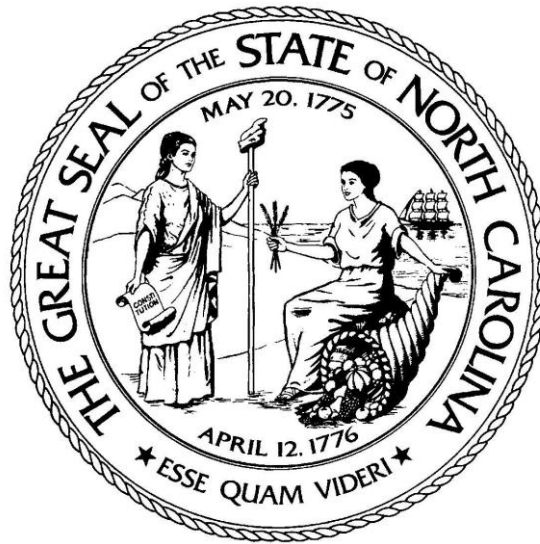


Senate Appropriations Committee on Department of Transportation

Proposed Special Provisions for H.B. 97, 2015 Appropriations Act



June 15, 2015

PART XXIX. DEPARTMENT OF TRANSPORTATION

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATION

SECTION 29.1.(a) The General Assembly authorizes and certifies anticipated revenues for the Highway Fund as follows:

| | |
|---------------------------|-------------------|
| For Fiscal Year 2017-2018 | \$1,960.9 million |
| For Fiscal Year 2018-2019 | \$1,995.5 million |
| For Fiscal Year 2019-2020 | \$2,031.0 million |
| For Fiscal Year 2020-2021 | \$2,059.3 million |

SECTION 29.1.(b) The General Assembly authorizes and certifies anticipated revenues for the Highway Trust Fund as follows:

| | |
|---------------------------|-------------------|
| For Fiscal Year 2017-2018 | \$1,365.7 million |
| For Fiscal Year 2018-2019 | \$1,389.0 million |
| For Fiscal Year 2019-2020 | \$1,417.6 million |
| For Fiscal Year 2020-2021 | \$1,445.9 million |

SECTION 29.1.(c) The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a four-year revenue forecast. The first fiscal year in the four-year forecast shall be the 2021-2022 fiscal year. The four-year revenue forecast developed under this subsection shall be used (i) to develop the four-year cash flow estimates included in the biennial budgets, (ii) to develop the Strategic Transportation Improvement Program, and (iii) by the Department of the State Treasurer to compute transportation debt capacity.

SMALL CONSTRUCTION, CONTINGENCY, AND ECONOMIC DEVELOPMENT FUNDS

SECTION 29.2.(a) Of the funds appropriated in this act to the Department of Transportation:

- (1) Two million five hundred thousand dollars (\$2,500,000) in nonrecurring funds shall be allocated in each fiscal year of the biennium for small construction projects recommended by the Chief Engineer in consultation

with the Chief Operating Officer and approved by the Secretary of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

- (2) Twelve million dollars (\$12,000,000) shall be allocated statewide in each fiscal year of the biennium for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

SECTION 29.2.(b) The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to construction. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

SECTION 29.2.(c) The funds appropriated in this act to the Economic Development fund shall be used for prioritized transportation improvements and infrastructure that expedite commercial growth as well as either job creation or job retention. Projects funded under this subsection shall be jointly approved by the Secretary of Transportation and the Secretary of Commerce in accordance with the guidelines and procedures developed under subsection (c) of Section 34.7 of S.L. 2013-360, as amended by Section 34.29 of S.L. 2014-100.

REPAIRS AND RENOVATIONS

SECTION 29.2A. There is appropriated from the Highway Fund to the Department of Transportation for the 2015-2017 fiscal biennium the following amounts for repairs and renovations:

| Repairs and Renovations – Highway Fund | 2015-2016 | 2016-2017 |
|---|--------------------|--------------------|
| High-Rise Code Compliance Renovations | \$957,000 | \$957,000 |
| Roof Repairs & Replacements – Statewide | 3,450,000 | 3,450,000 |
| Chilled Water Piping and Insulation Replacement | 612,700 | 612,700 |
| TBC: Annex Building Window Replacement | 0 | 724,000 |
| DOT Elevator Modernization | 0 | 251,000 |
| DMV Field Facilities – Window Replacement Statewide | 0 | 341,000 |
| Rowan County Renovation and Addition | 0 | 630,000 |
| TOTAL REPAIRS AND RENOVATIONS – HIGHWAY FUND | \$5,019,700 | \$6,965,700 |

REQUIRE COUNTY OR MUNICIPALITY TO PAY COSTS ASSOCIATED WITH REQUESTED PROJECT IMPROVEMENTS

SECTION 29.5.(a) G.S. 136-66.3(e) reads as rewritten:

"(e) Authorization to Participate in Project Additions. – Pursuant to an agreement with the Department of Transportation, a county or municipality ~~may~~ shall reimburse the Department of Transportation for the cost of all ~~improvements~~, improvements requested by the county or municipality, including additional right-of-way, for a street, highway improvement projects, or other transportation system improvements approved by the Board of Transportation under G.S. 143B-350(f)(4), that are in addition to those improvements that the Department of Transportation would normally include in the project. Requests for safety enhancements or increases to mobility shall not be considered improvements subject to the requirement of this subsection unless the increase or enhancement is in excess of the standard required by law."

SECTION 29.5.(b) This section is effective when it becomes law and applies to agreements entered into on or after that date.

BOARD OF TRANSPORTATION/OUT-OF-STATE TRAVEL

SECTION 29.5A. Expenditures for out-of-State travel by the Board of Transportation for the 2015-2016 fiscal year and each subsequent fiscal year shall not exceed twenty-five thousand dollars (\$25,000).

DEPARTMENT OF TRANSPORTATION OUT-OF-STATE TRAVEL

SECTION 29.7. Section 34.5 of S.L. 2014-100 reads as rewritten:

"SECTION 34.5. Expenditures for out-of-state travel by the Department of Transportation for the 2014-2015 fiscal year and ~~at each~~ subsequent fiscal ~~years~~ year shall not exceed the amount expended during the 2009-2010 fiscal year. For purposes of this section, "expenditures for out-of-state travel" includes transportation, conference, registration, and education expenses, lodging, and meals for Department of Transportation employees traveling outside of the ~~State~~ State, but does not include expenditures charged to federal projects."

DOT/OUTSIDE COUNSEL

SECTION 29.8.(a) Section 34.27 of S.L. 2013-360, as amended by Section 34.24(a) of S.L. 2014-100, is repealed.

SECTION 29.8.(b) Subsections (b), (c), and (e) of Section 34.24 of S.L. 2014-100 are repealed.

SECTION 29.8.(c) G.S. 136-103.1 is repealed.

SECTION 29.8.(d) Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"§ 136-18.03. Outside counsel.

(a) Intent. – It is the intent of the General Assembly that the Department of Transportation exercise the authority granted by this section to maximize operational and project delivery benefits attributed to the avoidance or successful defense of litigation.

(b) Authorization. – The Department of Transportation may engage the services of private counsel with the pertinent expertise to provide legal services related to any project undertaken by the Department. The Department shall supervise and manage the private counsel engaged under this section and, excluding legal services related to workers' compensation claims brought by Department employees, shall not be required to obtain written permission or approval from the Attorney General under G.S. 114-2.3.

(c) Performance Metrics. – The Department shall develop performance metrics to evaluate its utilization of in-house counsel and private counsel, to include the following:

(1) A summary of new matters opened by legal area.

(2) Case cycle times.

(3) Resolution of cases.

(4) A comparison of in-house costs to billable rates for private counsel.

(5) The process for procurement for legal services.

(d) Report. – The Department shall provide a semiannual report to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Justice and Public Safety Oversight Committee on the performance metrics set forth in subsection (c) of this section."

RIGHT-OF-WAY ACQUISITIONS/REDUCE REMNANT PROPERTY

SECTION 29.9.(a) Plan. – The Department of Administration, in collaboration with the Department of Transportation, shall develop a plan to reduce the amount of remnant property resulting from the acquisition of rights-of-way. The plan shall include a method or methods for disseminating information to contiguous or adjoining landowners and other members of the general public about (i) remnant property eligible for sale or other disposition and (ii) the process for placing a bid or offer on the remnant property, including posting the information required under this subdivision on the Web sites for both Departments.

SECTION 29.9.(b) Report. – The Departments shall jointly report to the Joint Legislative Transportation Oversight Committee by February 1, 2016, on the development of the plan required under this section. The report shall include all of the following:

- (1) An identification of all remnant property eligible for sale or other disposition.
- (2) An identification of the amount and types of costs incurred by the State from retaining remnant property.
- (3) An identification of the estimated fair market value, as determined by the Department of Administration, for each remnant property eligible for sale or other disposition.
- (4) An identification of any legal issues that may prohibit, or arise from, the sale or other disposition of other remnant property, if any.
- (5) Any other matters or information the Departments jointly deem relevant to the development of the plan.

SECTION 29.9.(c) Implementation. – The Department of Administration shall implement the plan required under this section by July 1, 2016.

SECTION 29.9.(d) This section is effective when this act becomes law.

ROADSIDE ENVIRONMENTAL UNIT/LITTER PROGRAM

SECTION 29.9A. The Department of Transportation shall reclassify two vacant positions within the Division of Highways as Office Assistant IV positions within the Roadside Environmental Unit, and the duties of the positions shall include managing the litter program. The Department shall transfer from the highway maintenance units to the Roadside Environmental Unit all functions and funding related to the litter program and lawn mowing.

VARIOUS REPORTING CHANGES

SECTION 29.12.(a) G.S. 136-89.183(a)(5) reads as rewritten:

- "(5) To fix, revise, charge, retain, enforce, and collect tolls and fees for the use of the Turnpike Projects. ~~Prior~~ Thirty days prior to the effective date of any toll or fee for use of a Turnpike Facility, the Authority shall submit a description of the proposed toll or fee to the Board of Transportation, the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations for review."

SECTION 29.12.(b) G.S. 143B-350(f)(4) reads as rewritten:

- "(4) To approve a schedule of all major transportation improvement projects and their anticipated cost. This schedule is designated the Transportation Improvement Program. The Board shall publish the schedule in a format that is easily reproducible for distribution and make copies available for ~~distribution.~~ distribution in accordance with the process established for

public records in Chapter 132 of the General Statutes. The document that contains the Transportation Improvement Program, or a separate document that is published at the same time as the Transportation Improvement Program, shall include the anticipated funding sources for the improvement projects included in the ~~Program, Program and~~ a list of any changes made from the previous year's Program, and the reasons for the changes."

SECTION 29.12.(c) G.S. 136-44.8(a1) reads as rewritten:

"(a1) In each county having unpaved roads programmed for paving, representatives of the Department of Transportation shall annually provide to the board of county commissioners in those counties a list of roads proposed for the annual paving program approved by the Board of Transportation. The paving priority list shall include the priority rating of each secondary road paving project included in the proposed paving program according to the criteria and standards adopted by the Board of Transportation. In addition to the list required under this subsection, the Department of Transportation shall annually provide to the board of county commissioners a summary of unpaved secondary road projects completed in the particular county for the prior calendar year, including an indication as to which projects were not completed on schedule and a detailed explanation as to why the projects were not completed on schedule."

SECTION 29.12.(d) G.S. 136-44.9 is repealed.

SECTION 29.12.(e) G.S. 136-28.6(h) reads as rewritten:

"(h) The Secretary shall report in writing, on a ~~quarterly~~ an annual basis, to the Joint Legislative ~~Commission on Governmental Operations~~ Transportation Oversight Committee on all agreements entered into between a private developer and the Department of Transportation for participation in private engineering and construction contracts under this section, as well as (i) agreements by counties and municipalities to participate in private engineering and construction contracts under subsection (i) of this section and (ii) pass-through funding from private developers to counties or municipalities for State transportation projects. The information in the report required by this subsection shall be set forth separately for each division of the Department of Transportation."

SECTION 29.12.(f) G.S. 136-66.3(f) reads as rewritten:

"(f) Report to General Assembly. – The Department shall report in writing, on a ~~monthly~~ an annual basis, to the Joint Legislative ~~Commission on Governmental Operations~~ Transportation Oversight Committee on all agreements entered into between counties, municipalities and the Department of Transportation. The report shall state in summary form the contents of ~~such~~ the agreements. The information in the report required by this subsection shall be set forth separately for each division of the Department of Transportation."

SECTION 29.12.(g) G.S. 136-28.10(c) reads as rewritten:

"(c) The Secretary of Transportation shall report ~~quarterly~~ annually to the Joint Legislative Transportation Oversight Committee on the implementation of this section. The information in the report required by this subsection shall be set forth separately for each division of the Department of Transportation."

SECTION 29.12.(h) G.S. 143B-350 is amended by adding a new subsection to read:

"(p) Reports. – Notwithstanding any other provision of law, any report required to be submitted by the Board to the General Assembly or a committee thereof is due by the 15th day of the month that the report is due."

OUTSOURCING OF PRECONSTRUCTION ACTIVITY

SECTION 29.13.(a) Section 34.13(a) of S.L. 2014-100 reads as rewritten:

"**SECTION 34.13.(a)** The Department of Transportation shall seek to increase the use of contracts to further privatize preconstruction work where practical, economical, and likely to

lead to increased efficiency. In doing so, the Department of Transportation shall meet each of the following privatization requirements:

- (1) Increase the outsourcing of all activities performed by the Department's Preconstruction and Technical Services units to seventy percent (70%) of the total cost of activities performed by those units in fiscal year ~~2014-2015, 2015-2016~~, excluding the cost of activities performed by the Turnpike Authority, the Structures Design and Management unit, and the Bridge Program.
- (2) Increase the outsourcing of all activities performed by the Department's Roadway Design unit to fifty percent (50%) of the total cost of activities performed by that unit in fiscal year ~~2014-2015, 2015-2016~~.
- (3) Increase the outsourcing of all activities performed by the Department's Project Development and Environmental Analysis unit to sixty-five percent (65%) of the total cost of activities performed by that unit in fiscal year ~~2014-2015, 2015-2016~~.
- (4) ~~The~~Based on the total expenditures for outsourced activity in fiscal year ~~2013-2014~~, the Department's Right-of-Way unit shall increase the total expenditures for outsourced activity by five percent (5%) in fiscal year ~~2014-2015, 2015-2016~~."

SECTION 29.13.(b) Section 34.13(d) of S.L. 2014-100 reads as rewritten:

"**SECTION 34.13.(d)** The Department shall report no later than October 1, ~~2014, 2015~~, and quarterly thereafter, to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division regarding its implementation of this section, including any reductions in force used to meet privatization requirements."

RECLASSIFY FUNDING SOURCE FOR CERTAIN POSITIONS

SECTION 29.14. No later than May 1, 2016, the Department of Transportation, in consultation with the Fiscal Research Division and the Office of State Budget and Management, shall reclassify to appropriation the funding source for all full-time positions that are budgeted as receipt-supported on the basis of charging to projects and shall adjust budgeted funds accordingly. Employees in the Division of Highways shall be attributed to the respective Highway Division fund codes within the Highway Fund. Notwithstanding any other provision of law, the Department of Transportation is authorized to reallocate sufficient funds from the Primary Maintenance, Secondary Maintenance, and General Maintenance Reserve fund codes to each Highway Division to pay for salary and related costs associated with the reclassified positions. Receipt-supported positions in other organizational units within the Department of Transportation shall be funded through existing fund codes and funding sources for their assigned organizational units.

DOT/STREAMLINING AND REORGANIZATION

SECTION 29.14A.(a) Intent. – It is the intent of the General Assembly to reduce costs and increase efficiencies within the Department of Transportation. To achieve this intent, the General Assembly finds that the elimination and reorganization of certain positions, units, and programs is necessary.

SECTION 29.14A.(b) Position Eliminations. – In accordance with G.S. 126-7.1, but by no later than 60 days after the effective date of this section, the Department of Transportation shall eliminate the following positions:

| <u>Position number</u> | <u>Title</u> |
|------------------------|---------------------------|
| 60026819 | Processing Assistant III |
| 60026963 | Technical Support Analyst |
| 60026961 | Technical Support Analyst |

| | | |
|----|----------|-----------------------------------|
| 1 | 60026964 | Engineering Technician |
| 2 | 60026962 | Technology Support Analyst |
| 3 | 60015475 | Engineering Technician |
| 4 | 60027682 | Processing Assistant V |
| 5 | 60024002 | Management Engineer III |
| 6 | 60029011 | Engineer |
| 7 | 60029012 | Architect Supervisor |
| 8 | 60029019 | Engineering Technician |
| 9 | 60015784 | Engineer |
| 10 | 60015785 | Environmental Specialist |
| 11 | 60018852 | Marine Welder |
| 12 | 60024003 | Technology Support Analyst |
| 13 | 60024034 | Administrative Officer II |
| 14 | 60024046 | Radio Communications Engineer |
| 15 | 60024055 | Technical Trainer II |
| 16 | 60024057 | Technical Trainer II |
| 17 | 60024058 | Technical Trainer II |
| 18 | 60024072 | Radio Engineer I |
| 19 | 60024011 | Information Processing Technician |
| 20 | 60024012 | Information Processing Technician |
| 21 | 60024041 | Information Processing Technician |
| 22 | 60024068 | Administrative Assistant III |
| 23 | 60027194 | Engineer |
| 24 | 60026559 | Engineer |
| 25 | 60026603 | Engineer |
| 26 | 60026472 | Engineer |
| 27 | 60026509 | Engineer |
| 28 | 60026843 | Engineering Supervisor |
| 29 | 60027171 | Engineering Manager |
| 30 | 60029468 | Engineer |
| 31 | 60029009 | Engineering Technician |
| 32 | 60029014 | Engineering Technician |
| 33 | 60029015 | Engineering Supervisor |
| 34 | 60029018 | Engineering Technician |
| 35 | 60025908 | Engineering Supervisor |
| 36 | 60025855 | Engineer |
| 37 | 60025937 | Engineering Supervisor |
| 38 | 60025980 | Engineer |
| 39 | 60025919 | Engineering Technician |
| 40 | 60026010 | Engineer |
| 41 | 60025859 | Engineer |
| 42 | 60025846 | Engineer |
| 43 | 60026005 | Engineering Supervisor |
| 44 | 60026015 | Engineer |
| 45 | 60025862 | Engineer |
| 46 | 60025999 | Engineer |
| 47 | 60025877 | Engineer |
| 48 | 60025945 | Engineering Supervisor |
| 49 | 60026805 | Engineering Technician |
| 50 | 60026944 | Engineering Technician |
| 51 | 60025069 | Engineering Manager |

60027023

Engineering Director

60027025

Engineer

SECTION 29.14A.(c) Vacant Positions. – The Office of State Budget and Management shall eliminate all vacant positions within units or programs of the Department of Transportation in which all filled positions have been eliminated.

SECTION 29.14A.(d) Reorganization and Consolidation. – Notwithstanding any other provision of law, the Department of Transportation may, when it deems necessary for purposes of eliminating redundancies and achieving efficiencies, reorganize or consolidate any unit or program within the Department of Transportation in which a filled position has been eliminated under this section.

SECTION 29.14A.(e) Plan for Future Position Elimination and Reorganization. – It is the intent of the General Assembly for the 2016-2017 fiscal year to reduce the number of administrative, managerial, supervisory, and oversight functions centrally or regionally based in offices of the Department of Transportation and shift decision making on project development to the highway divisions. To achieve this intent, the Department of Transportation shall submit a plan to eliminate at least ten percent (10%) of the total amount of filled positions that are centrally or regionally based as of June 30, 2015, and that perform administrative, managerial, supervisory, or oversight functions. In addition, the plan shall describe the functions performed at the centrally and regionally based offices, including justification as to why each function cannot be outsourced, consolidated, or shifted to the highway divisions. The Department of Transportation shall submit the plan required under this subsection to the chairs of the Senate Appropriations Committee on the Department of Transportation and the House of Representatives Committee on Transportation Appropriations and the Joint Legislative Transportation Oversight Committee by January 1, 2016.

SECTION 29.14A.(f) Effective Date. – This section is effective when it becomes law.

STUDY/TURNPIKE AUTHORITY PROCESSING FEE

SECTION 29.15.(a) Study. – The Department of Transportation shall study whether the amount of the processing fee set forth in G.S. 136-89.215 is in excess of the actual cost to collect and process unpaid open road tolls. The following information, set forth separately for each calendar year since the fee's enactment, shall be included within the study:

- (1) The amount of the processing fee.
- (2) The total amount of proceeds generated by the imposition of the processing fee.
- (3) The total amount of costs incurred by the Turnpike Authority to collect and process unpaid open road tolls and a description of how the Department determined the total amount of costs incurred.
- (4) An identification of whether the processing fees collected exceeded, equaled, or fell short of the costs incurred by the Turnpike Authority for collecting and processing unpaid open road tolls.

SECTION 29.15.(b) Report. – The Department shall report its findings to the Joint Legislative Transportation Oversight Committee by March 1, 2016.

ADJUST CAP ON TURNPIKE PROJECTS

SECTION 29.15A. G.S. 136-89.183(a)(2) reads as rewritten:

"§ 136-89.183. Powers of the Authority.

(a) The Authority shall have all of the powers necessary to execute the provisions of this Article, including the following:

...

(2) To study, plan, develop, and undertake preliminary design work on ~~up to nine~~ Turnpike Projects. At the conclusion of these activities, the Turnpike Authority is authorized to design, establish, purchase, construct, operate, and maintain no more than eleven projects, which shall include the following projects:following:

- a. Triangle Expressway, including segments also known as N.C. 540, Triangle Parkway, and the Western Wake Freeway in Wake and Durham Counties. The described segments constitute ~~three projects~~one project.
- b. Repealed by Session Laws 2013-183, s. 5.1, effective July 1, 2013.
- c. Monroe Connector/Bypass.
- d., e. Repealed by Session Laws 2013-183, s. 5.1, effective July 1, 2013.
- f. Repealed by Session Laws 2008-225, s. 4, effective August 17, 2008.

Any other project proposed by the Authority in addition to the projects listed in this subdivision requires prior consultation with the Joint Legislative Commission on Governmental Operations pursuant to G.S. 120-76.1 no less than 180 days prior to initiating the process required by Article 7 of Chapter 159 of the General Statutes.

With the exception of the ~~four~~two projects set forth in sub-subdivisions a. and c. of this subdivision, the Turnpike projects selected for construction by the Turnpike Authority, prior to the letting of a contract for the project, shall meet the following conditions: (i) two of the projects must be ranked in the top 35 based on total score on the Department-produced list entitled "Mobility Fund Project Scores" dated June 6, 2012, and, in addition, may be subject to G.S. 136-18(39a); (ii) of the projects not ranked as provided in (i), one may be subject to G.S. 136-18(39a); (iii) the projects shall be included in any applicable locally adopted comprehensive transportation plans; (iv) the projects shall be shown in the current State Transportation Improvement Program; and (v) toll projects must be approved by all affected Metropolitan Planning Organizations and Rural Transportation Planning Organizations for tolling."

USE OF FUNDS FOR PAVEMENT PRESERVATION PROGRAM

SECTION 29.17.(a) G.S. 136-44.17 reads as rewritten:

"§ 136-44.17. Pavement preservation program.

...

(b) Eligible Activities or Treatments. – Applications eligible for funding under the pavement preservation program include the following preservation activities or treatments for asphalt pavement structures:

- (1) Chip seals, slurry seals, fog seals, sand seals, scrub seals, and cape seals.
- (2) Microsurfacing.
- (3) Profile milling not covered by resurfacing.
- (4) Asphalt rejuvenators.
- (5) Open graded asphalt friction course.
- (6) Overlays less than 1,000 feet in length.
- (7) Diamond grinding.
- (8) Joint sealing.
- (9) Dowel bar retrofit.
- (10) Partial-depth or full-depth repairs and reclamations.
- (11) Ultra-thin whitetopping.
- (12) Thin lift and sand asphalt overlays.

(13) Asphalt crack sealing.
(c) Ineligible Activities or Treatments. – The pavement preservation program shall not include the following preservation activities or treatments:

- (1) Contract resurfacing activities or major pavement rehabilitation treatments and pretreatments that are used in combination with a resurfacing treatment, such as profile milling or chip seals.
- (2) Routine maintenance activities used to maintain and preserve the condition of roads. Treatments include, but are not limited to, ~~asphalt crack sealing~~, pothole patching, rut filling, cleaning of roadside ditches and structures, shoulder maintenance, and retracing of pavement markings.
- (3) Maintenance and preservation activities performed on bridges or culverts.
- (4) Activities related to positive guidance or signal maintenance program functions.

(d) Encumbrance Schedule. – Beginning in the 2015-2016 fiscal year, the Department of Transportation shall spend or encumber all funds appropriated by the General Assembly to the Department for the pavement preservation program by June 30 of the fiscal year for which the funds were appropriated."

SECTION 29.17.(b) Subsection (k) of Section 34.11 of S.L. 2014-100 is repealed.

SECTION 29.17.(c) Subdivision (3) of subsection (l) of Section 34.11 of S.L. 2014-100 reads as rewritten:

"(3) The statewide cost per lane mile (hereafter "unit cost") along with unit cost for each division and for each type of treatment. The Department shall provide an explanation for unit costs that vary by more than ~~twenty percent~~ (20%)ten percent (10%) from the statewide unit cost."

SECTION 29.17.(d) Subsection (c) of this section is effective when this act becomes law and applies to reports submitted on or after that date.

FUNDS FOR CONTRACT RESURFACING

SECTION 29.17C.(a) Subsection (e) of Section 34.11 of S.L. 2014-100 is repealed.

SECTION 29.17C.(b) G.S. 136-44.3A reads as rewritten:

"§ 136-44.3A. Highway Maintenance Improvement Program.

...
(d) ~~Contract Maintenance Resurfacing Program Letting Schedule. – Beginning in the 2015-2016 fiscal year, and based on the amount of funds appropriated in the prior fiscal year by the General Assembly to the Department for the contract maintenance resurfacing program, the Department shall let contracts that total at least seventy percent (70%) of contract resurfacing program funds included in the certified budget annually by September 1.~~

(d1) Encumbrance Schedule. – Beginning in the 2015-2016 fiscal year, the Department of Transportation shall spend or encumber all funds appropriated by the General Assembly to the Department for the contract maintenance resurfacing program by June 30 of the fiscal year for which the funds were appropriated.

...."

STABILIZATION OF FUNDING FOR STATE AID TO MUNICIPALITIES

SECTION 29.17D. G.S. 136-41.1(a) reads as rewritten:

"(a) ~~There is annually appropriated out of the State Highway Fund a sum equal to ten and four tenths percent (10.4%) of the net amount after refunds that was produced during the fiscal year by the tax imposed under Article 36C of Chapter 105 of the General Statutes and on the equivalent amount of alternative fuel taxed under Article 36D of that Chapter. One-half~~ Upon appropriation of funds by the General Assembly to the Department of

1 Transportation for State aid to municipalities, one-half of the amount appropriated shall be
2 allocated in cash on or before October 1 of each year to the cities and towns of the State in
3 accordance with this section. The second one-half of the amount appropriated shall be allocated
4 in cash on or before January 1 of each year to the cities and towns of the State in accordance
5 with this section. ~~The appropriation from the Highway Fund shall be based on revenue~~
6 ~~collected during the fiscal year preceding the date the distribution is made.~~

7 Seventy-five percent (75%) of the funds appropriated for cities and towns shall be
8 distributed among the several eligible municipalities of the State in the percentage proportion
9 that the population of each eligible municipality bears to the total population of all eligible
10 municipalities according to the most recent annual estimates of population as certified to the
11 Secretary of Revenue by the State Budget Officer. This annual estimation of population shall
12 include increases in the population within the municipalities caused by annexations
13 accomplished through July 1 of the calendar year in which these funds are distributed.
14 Twenty-five percent (25%) of said fund shall be distributed among the several eligible
15 municipalities of the State in the percentage proportion that the mileage of public streets in
16 each eligible municipality which does not form a part of the State highway system bears to the
17 total mileage of the public streets in all eligible municipalities which do not constitute a part of
18 the State highway system.

19 It shall be the duty of the mayor of each municipality to report to the Department of
20 Transportation such information as it may request for its guidance in determining the eligibility
21 of each municipality to receive funds under this section and in determining the amount of
22 allocation to which each is entitled. Upon failure of any municipality to make such report
23 within the time prescribed by the Department of Transportation, the Department of
24 Transportation may disregard such defaulting unit in making said allotment.

25 The funds to be allocated under this section shall be paid in cash to the various eligible
26 municipalities on or before October 1 and January 1 of each year as provided in this section.
27 Provided that eligible municipalities are authorized within the discretion of their governing
28 bodies to enter into contracts for the purpose of maintenance, repair, construction,
29 reconstruction, widening, or improving streets of such municipalities at any time after January
30 1 of any calendar year in total amounts not to exceed ninety percent (90%) of the amount
31 received by such municipality during the preceding fiscal year, in anticipation of the receipt of
32 funds under this section during the next fiscal year, to be paid for out of such funds when
33 received.

34 The Department of Transportation may withhold each year an amount not to exceed one
35 percent (1%) of the total amount appropriated for distribution under this section for the purpose
36 of correcting errors in allocations: Provided, that the amount so withheld and not used for
37 correcting errors will be carried over and added to the amount to be allocated for the following
38 year.

39 The word "street" as used in this section is hereby defined as any public road maintained by
40 a municipality and open to use by the general public, and having an average width of not less
41 than 16 feet. In order to obtain the necessary information to distribute the funds herein
42 allocated, the Department of Transportation may require that each municipality eligible to
43 receive funds under this section submit to it a statement, certified by a registered engineer or
44 surveyor of the total number of miles of streets in such municipality. The Department of
45 Transportation may in its discretion require the certification of mileage on a biennial basis."
46

47 **STUDY/IMPROVING SAFETY ON SECONDARY ROADS**

48 **SECTION 29.17E.(a)** Study. – The Department of Transportation shall study ways
49 to improve safety and decrease the number of traffic accidents and fatalities occurring on
50 secondary roads. The study shall include all of the following:

- (1) An identification of the secondary roads with the highest number of traffic accidents and fatalities.
- (2) An identification of the most common causes listed for traffic accidents and fatalities occurring on secondary roads.
- (3) Any other matters or information the Department deems relevant to the completion of the study.

SECTION 29.17E.(b) Report. – The Department shall report its findings and recommendations, including any legislative proposals, to the Joint Legislative Transportation Oversight Committee by February 1, 2016.

RELOCATION COSTS/SALE OF VISITOR CENTER IN BOONE, NC

SECTION 29.17F. If the visitor center located in the Town of Boone is sold or otherwise disposed of during the 2015-2017 fiscal biennium, there is appropriated from the Special Registration Plate Account the sum of fifty thousand dollars (\$50,000) in nonrecurring funds to the North Carolina High Country Host, Inc., for the purpose of covering costs incurred from renovating or upfitting the relocated visitor center. These funds shall be in addition to any other funds the North Carolina High Country Host, Inc., may receive under G.S. 20-79.7 for the operation of a visitor center.

REPORT/USE OF COAL COMBUSTION RESIDUALS

SECTION 29.18. Report. – By January 15, 2016, the Utilities Commission shall submit a report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Transportation Oversight Committee, and the Environmental Review Commission on the incremental cost incentives related to coal combustion residuals surface impoundments for investor-owned public utilities. The report shall include all of the following:

- (1) The Utilities Commission policy on allowed incremental cost recoupment.
- (2) The impact on utility customers' rates under the current policy on allowed incremental cost recoupment.
- (3) Possible revisions to the current policy on allowed incremental cost recoupment that would promote reprocessing and other technologies that allow the reuse of coal combustion residuals stored in surface impoundments for concrete and other beneficial end uses.

RAIL DIVISION/STUDY ESTABLISHING COMMERCIAL FREIGHT RAIL SERVICE IN JACKSONVILLE

SECTION 29.21.(a) Study. – The Rail Division of the Department of Transportation, in collaboration with the Camp Lejeune Marine Corps Air Base, the Jacksonville Urban Area Metropolitan Planning Organization, the City of Jacksonville, Onslow County, and the Norfolk Southern Railway Company, shall study the feasibility and advisability of establishing a commercial freight rail service along the Camp Lejeune rail line located in Onslow County, North Carolina. The study shall include all of the following:

- (1) An evaluation of the maintenance needs of the existing rail line and any enhancements needed to support commercial freight access.
- (2) An evaluation of the use of partnership opportunities to complete long-term maintenance and enhancements in order to minimize the cost burden for all parties involved.
- (3) Any other matters that the Rail Division deems relevant to the study.

SECTION 29.21.(b) Report. – The Rail Division shall report its findings to the Chairs of the Senate Appropriations Committee on the Department of Transportation and the House of Representatives Committee on Transportation Appropriations by July 1, 2016.

PASSENGER RAIL RECEIPT-GENERATING ACTIVITIES

SECTION 29.22.(a) G.S. 136-18 is amended by adding a new subdivision to read:

"(44a) Where the Department owns or leases the passenger rail facility, owns or leases the rail equipment, or holds leasehold or license rights for the purpose of operating passenger stations, the Department may operate or contract for the following receipt-generating activities and use the proceeds to fund passenger rail operations:

a. Where the Department owns the passenger rail facility or owns or leases the rail equipment, operation of concessions on State-funded passenger trains and at passenger rail facilities to provide to passengers food, drink, and other refreshments, personal comfort items, Internet access, and souvenirs publicizing the passenger rail system.

b. Where the Department holds leasehold or license rights for the purpose of operating passenger stations, operation of concessions at rail passenger facilities to provide food, drink, and other refreshments, personal comfort items, Internet access, and souvenirs publicizing the passenger rail system, in accordance with the terms of the leasehold or license.

c. Advertising on or within the Department's passenger rail equipment or facility, including display advertising and advertising delivered to passengers through the use of video monitors, public address systems installed in passenger areas, and other electronic media.

d. The sale of naming rights to Department-owned passenger rail equipment or facilities."

SECTION 29.22.(b) G.S. 66-58(c)(21) reads as rewritten:

"(21) Any activity conducted or contracted for by the Department of Transportation that is authorized by G.S. 136-18(44a) or G.S. 136-82(f)."

FREIGHT RAIL & RAIL CROSSING SAFETY IMPROVEMENT FUND USES

SECTION 29.23. G.S. 124-5.1 reads as rewritten:

"§ 124-5.1. North Carolina Railroad Company dividends deposited to Highway Fund.

Any dividends of the North Carolina Railroad Company received by the State shall be deposited into the Freight Rail & Rail Crossing Safety Improvement Fund within the Highway Fund and administered by the Rail Division of the Department of Transportation. The Fund shall be used for the enhancement of freight rail service and railroad-roadway crossing safety, which may include the following project types:

(1) Track and associated infrastructure improvements for freight service.

(2) Grade crossing protection, elimination, and hazard removal.

(3) Signalization improvements.

(4) Assistance for projects to improve rail access to industrial, port, and military facilities and for freight intermodal facility improvements, provided that funding assistance under this subdivision shall be subject to the same limits as that for short-line railroads under G.S. 136-44.39.

(5) Corridor protection and reactivation.

The Fund may also be used to supplement funds allocated for freight rail or railroad-roadway crossing safety projects approved as part of the Transportation Improvement Program."

USE OF PROCEEDS GENERATED FROM SHIPYARD

SECTION 29.23A. G.S. 136-82 reads as rewritten:

"§ 136-82. Department of Transportation to establish and maintain ferries.

(d) Use of Toll Proceeds. – The Department of Transportation shall credit the proceeds from tolls collected on North Carolina Ferry System routes and certain receipts generated under subsection (f) of this section to reserve accounts within the Highway Fund for each of the Highway Divisions in which system terminals are located and fares are earned. For the purposes of this subsection, fares are earned based on the terminals from which a passenger trip originates and terminates. Commuter pass receipts shall be credited proportionately to each reserve account based on the distribution of trips originating and terminating in each Highway Division. The proceeds credited to each reserve account shall be used exclusively for prioritized North Carolina Ferry System ferry passenger vessel replacement projects in the Division in which the proceeds are earned. Proceeds may be used to fund ferry passenger vessel replacement projects or supplement funds allocated for ferry passenger vessel replacement projects approved in the Transportation Improvement Program.

(f) Authority to Generate Certain Receipts. – The Department of Transportation, notwithstanding any other provision of law, may operate or contract for the following receipt-generating activities ~~and~~ and, except as otherwise provided in subsection (f1) of this section, use the proceeds for ferry passenger vessel replacement projects in the manner set forth in subsection (d) of this section:

(f1) Use of Receipts Generated From Shipyard. – The Department of Transportation shall credit the proceeds from receipts generated under subsection (f) of this section from activities performed by the North Carolina State Shipyard to a reserve account within the Highway Fund to be used exclusively for improvements to the Shipyard, including equipment and associated infrastructure. Notwithstanding the restrictions on the use of proceeds set forth in subsections (d) and (f) of this section, the Department may use a proportional amount of the proceeds credited to each reserve account described in subsection (d) of this section to replace or repair equipment in accordance with this subsection if there is an insufficient amount of funds in the reserve account within the Highway Fund for the Shipyard.

SET FEE FOR PRIORITY BOARDING ON FERRY

SECTION 29.23B.(a) G.S. 136-82(f) is amended by adding a new subdivision to read:

"(3a) Issuance of annual passes to individual passengers that entitle the passengers to priority when boarding a ferry passenger vessel. The Department of Transportation shall charge an annual fee of one hundred fifty dollars (\$150.00) for each pass issued under this subdivision. The fee shall be in addition to any applicable ferry toll. In addition to the purposes set forth in this subsection, proceeds from fees collected under this subdivision may be used for operating expenses of the route in which the fee was collected. Notwithstanding any other provision of law, the Department of Transportation shall not provide free of charge annual passes to individual passengers that entitle the passengers to priority when boarding a ferry passenger vessel."

SECTION 29.23B.(b) This section becomes effective July 1, 2015, and applies to passes issued on or after that date.

RFI AND STUDY/PRIVATIZATION OF FERRY SYSTEM

1 **SECTION 29.23C.(a)** Intent. – The General Assembly finds that the privatization
2 of the North Carolina Ferry System would provide a more cost-effective service model for the
3 citizens of the State. Therefore, it is the intent of the General Assembly to ascertain market
4 interest for the private operation of the North Carolina Ferry System or its component parts.

5 **SECTION 29.23C.(b)** Request for Information. – The Board of Transportation
6 shall issue a request for information (RFI) for the privatization of the North Carolina Ferry
7 System.

8 **SECTION 29.23C.(c)** Report. – The Board of Transportation shall report to the
9 Joint Legislative Transportation Oversight Committee and the Fiscal Research Division no later
10 than February 1, 2016, on the results of the RFI and whether it is more cost-effective to
11 privatize the North Carolina Ferry System.

12 **SECTION 29.23C.(d)** Study. – The Joint Legislative Transportation Oversight
13 Committee shall study the feasibility and desirability of privatizing the North Carolina Ferry
14 System. The study shall include ownership, governance, and regulatory issues related to (i)
15 potential privatization of the North Carolina Ferry System and (ii) privately owned ferries
16 currently operating in North Carolina. The Joint Legislative Transportation Oversight
17 Committee shall report its findings and any legislative proposals to the 2016 Regular Session of
18 the 2015 General Assembly.

19 20 **USE OF FUNDS APPROPRIATED TO DIVISION OF AVIATION**

21 **SECTION 29.27.** Of the funds appropriated in this act to the Division of Aviation
22 of the Department of Transportation, the Division shall allocate (i) the sum of three million five
23 hundred thousand dollars (\$3,500,000) in nonrecurring funds for the 2015-2016 fiscal year to
24 the Cape Fear Regional Jetport to be used for improvements to the Jetport and (ii) the sum of
25 one million dollars (\$1,000,000) in nonrecurring funds for the 2015-2016 fiscal year to the
26 Albert J. Ellis Airport to be used for the establishment of an air traffic control tower. The
27 remaining funds appropriated in this act to the Division may be used for time-sensitive,
28 aviation-related economic development projects.

29 30 **ADJUST MUNICIPAL VEHICLE TAX**

31 **SECTION 29.27A.(a)** G.S. 20-97 reads as rewritten:

32 **"§ 20-97. Taxes credited to Highway Fund; municipal vehicle taxes.**

33 (a) State Taxes to Highway Fund. – All taxes levied under this Article are
34 compensatory taxes for the use and privileges of the public highways of this State. The taxes
35 collected shall be credited to the State Highway Fund. Except as provided in this section, no
36 county or municipality shall levy any license or privilege tax upon any motor vehicle licensed
37 by the State.

38 ~~(b) General Municipal Vehicle Tax. – Cities and towns may levy a tax of not more than~~
39 ~~five dollars (\$5.00) per year upon any vehicle resident in the city or town. The proceeds of the~~
40 ~~tax may be used for any lawful purpose.~~

41 (b1) Municipal Vehicle Tax. – A city or town may levy an annual municipal vehicle tax
42 upon any vehicle resident in the city or town. The aggregate annual municipal vehicle tax
43 levied, including any annual municipal vehicle tax authorized by local legislation, may not
44 exceed thirty dollars (\$30.00) per vehicle. A city or town may use the net proceeds from the
45 municipal vehicle tax as follows:

46 (1) General purpose. – Not more than five dollars (\$5.00) of the tax levied may
47 be used for any lawful purpose.

48 (2) Public transportation. – Not more than five dollars (\$5.00) of the tax levied
49 may be used for financing, constructing, operating, and maintaining local
50 public transportation systems. This subdivision only applies to a city or town
51 that operates a public transportation system as defined in G.S. 105-550.

(3) Public streets. – The remainder of the tax levied may be used for maintaining, repairing, constructing, reconstructing, widening, or improving public streets in the city or town that do not form a part of the State highway system.

~~(c) **Municipal Vehicle Tax for Public Transportation.** – A city or town that operates a public transportation system as defined in G.S. 105-550 may levy a tax of not more than five dollars (\$5.00) per year upon any vehicle resident in the city or town. The tax authorized by this subsection is in addition to the tax authorized by subsection (b) of this section. A city or town may not levy a tax under this section, however, to the extent the rate of tax, when added to the general motor vehicle taxes levied by the city or town under subsection (b) of this section and under any local legislation, would exceed thirty dollars (\$30.00) per year. The proceeds of the tax may be used only for financing, constructing, operating, and maintaining local public transportation systems. Cities and towns shall use the proceeds of the tax to supplement and not to supplant or replace existing funds or other resources for public transportation systems. This subsection does not apply to the cities and towns in Gaston County.~~

(d) **Municipal Taxi Tax.** – Cities and towns may levy a tax of not more than fifteen dollars (\$15.00) per year upon each vehicle operated in the city or town as a taxicab. The proceeds of the tax may be used for any lawful purpose.

(e) **No Additional Local Tax.** – No county, city or town may impose a franchise tax, license tax, or other fee upon a motor carrier unless the tax is authorized by this section."

SECTION 29.27A.(b) This section is effective when it becomes law. This section does not change, repeal, or affect any local modifications to G.S. 20-97(b) enacted on or before the effective date.

ADJUST DISTRIBUTION OF REVENUE FROM MOTOR FUEL EXCISE TAX RATE

SECTION 29.27B.(a) G.S. 105-449.125 reads as rewritten:

"§ 105-449.125. Distribution of tax revenue among various funds and accounts.

The Secretary shall allocate the amount of revenue collected under this Article from an excise tax of one-half cent (1/2¢) a gallon to the following funds and accounts in the fraction indicated:

| <u>Fund or Account</u> | <u>Amount</u> |
|---------------------------------------|-------------------------|
| Commercial Leaking Petroleum | |
| Underground Storage Tank Cleanup Fund | Nineteen thirty-seconds |
| Noncommercial Leaking Petroleum | |
| Underground Storage Tank Cleanup Fund | Three thirty-seconds |
| Water and Air Quality Account | Five-sixteenths. |

The Secretary shall allocate ~~seventy-five percent (75%)~~ seventy percent (70%) of the remaining excise tax revenue collected under this Article to the Highway Fund and shall allocate ~~twenty-five percent (25%)~~ thirty percent (30%) to the Highway Trust Fund.

The Secretary shall charge a proportionate share of a refund allowed under this Article to each fund or account to which revenue collected under this Article is credited. The Secretary shall credit revenue or charge refunds to the appropriate funds or accounts on a monthly basis."

SECTION 29.27B.(b) G.S. 105-449.125, as amended by subsection (a) of this section, reads as rewritten:

"§ 105-449.125. Distribution of tax revenue among various funds and accounts.

The Secretary shall allocate the amount of revenue collected under this Article from an excise tax of one-half cent (1/2¢) a gallon to the following funds and accounts in the fraction indicated:

| <u>Fund or Account</u> | <u>Amount</u> |
|---------------------------------------|-------------------------|
| Commercial Leaking Petroleum | |
| Underground Storage Tank Cleanup Fund | Nineteen thirty-seconds |

1 ~~Nonecommercial Leaking Petroleum~~

2 ~~Underground Storage Tank Cleanup Fund~~

Three thirty-seconds

3 ~~Water and Air Quality Account~~

Five-sixteenths.

4 The Secretary shall allocate seventy percent (70%) of the remaining excise tax revenue
5 collected under this Article to the Highway Fund and shall allocate thirty percent (30%) to the
6 Highway Trust Fund.

7 The Secretary shall charge a proportionate share of a refund allowed under this Article to
8 each fund or account to which revenue collected under this Article is credited. The Secretary
9 shall credit revenue or charge refunds to the appropriate funds or accounts on a monthly basis."

10 **SECTION 29.27B.(c)** Subsection (b) of this section becomes effective July 1,
11 2016, and applies to revenue collected on or after that date.

12 **INCREASE AND ADJUST DMV FEES**

13 **SECTION 29.30.(a)** G.S. 20-7(i1) reads as rewritten:

14 "(i1) Restoration Fee. – Any person whose drivers license has been revoked pursuant to
15 the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of fifty
16 dollars (\$50.00). A person whose drivers license has been revoked under G.S. 20-17(a)(2) shall
17 pay a restoration fee of one hundred dollars (\$100.00). The fee shall be paid to the Division
18 prior to the issuance to such person of a new drivers license or the restoration of the drivers
19 license. The restoration fee shall be paid to the Division in addition to any and all fees which
20 may be provided by law. This restoration fee shall not be required from any licensee whose
21 license was revoked or voluntarily surrendered for medical or health reasons whether or not a
22 medical evaluation was conducted pursuant to this Chapter. The fifty-dollar (\$50.00) fee, and
23 the ~~first fifty dollars (\$50.00)~~ seventy-five dollars (\$75.00) of the one-hundred-dollar (\$100.00)
24 fee, shall be deposited in the Highway Fund. Twenty-five dollars (\$25.00) of the
25 one-hundred-dollar (\$100.00) fee shall be used to fund a statewide chemical alcohol testing
26 program administered by the Forensic Tests for Alcohol Branch of the Chronic Disease and
27 Injury Section of the Department of Health and Human Services. ~~The remainder of the~~
28 ~~one-hundred-dollar (\$100.00) fee shall be deposited in the General Fund.~~ The Office of State
29 Budget and Management shall annually report to the General Assembly the amount of fees
30 deposited in the General Fund and transferred to the Forensic Tests for Alcohol Branch of the
31 Chronic Disease and Injury Section of the Department of Health and Human Services under
32 this subsection.

33 ~~Effective with the 2011-2012 fiscal year, from the funds deposited in the General Fund~~
34 ~~under this subsection the sum of five hundred thirty seven thousand four hundred fifty five~~
35 ~~dollars (\$537,455) shall be transferred annually to the Board of Governors of The University of~~
36 ~~North Carolina to be used for the operating expenses of the Bowles Center for Alcohol Studies~~
37 ~~at The University of North Carolina at Chapel Hill."~~

38 **SECTION 29.30.(a1)** G.S. 20-7, as amended by subsection (a) of this section,
39 reads as rewritten:

40 "**§ 20-7. Issuance and renewal of drivers licenses.**

41 ...

42 (i) Fees. – The fee for a regular drivers license is the amount set in the following table
43 multiplied by the number of years in the period for which the license is issued:

| 44 Class of Regular License | 45 Fee for Each Year |
|-----------------------------------|------------------------------------|
| 46 Class A | 47 \$4.00 <u>\$5.00</u> |
| 47 Class B | 48 \$4.00 <u>\$5.00</u> |
| 48 Class C | 49 \$4.00 <u>\$5.00</u> |

50 The fee for a motorcycle endorsement is ~~one dollar and seventy-five cents (\$1.75)~~ two dollars
51 (\$2.00) for each year of the period for which the endorsement is issued. The appropriate fee
shall be paid before a person receives a regular drivers license or an endorsement.

(i1) Restoration Fee. – Any person whose drivers license has been revoked pursuant to the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of ~~fifty dollars (\$50.00)~~ sixty dollars (\$60.00). A person whose drivers license has been revoked under G.S. 20-17(a)(2) shall pay a restoration fee of ~~one hundred dollars (\$100.00)~~ one hundred twenty dollars (\$120.00). The fee shall be paid to the Division prior to the issuance to such person of a new drivers license or the restoration of the drivers license. The restoration fee shall be paid to the Division in addition to any and all fees which may be provided by law. This restoration fee shall not be required from any licensee whose license was revoked or voluntarily surrendered for medical or health reasons whether or not a medical evaluation was conducted pursuant to this Chapter. The ~~fifty-dollar (\$50.00)~~ sixty-dollar (\$60.00) fee, and the first ~~seventy five dollars (\$75.00)~~ ninety-five dollars (\$95.00) of the ~~one hundred dollar (\$100.00)~~ one-hundred-twenty-dollar (\$120.00) fee, shall be deposited in the Highway Fund. Twenty-five dollars (\$25.00) of the ~~one hundred dollar (\$100.00)~~ one-hundred-twenty-dollar (\$120.00) fee shall be used to fund a statewide chemical alcohol testing program administered by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services. The Office of State Budget and Management shall annually report to the General Assembly the amount of fees transferred to the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services under this subsection.

...
(l) Learner's Permit. – A person who is at least 18 years old may obtain a learner's permit. A learner's permit authorizes the permit holder to drive a specified type or class of motor vehicle while in possession of the permit. A learner's permit is valid for a period of 18 months after it is issued. The fee for a learner's permit is ~~fifteen dollars (\$15.00)~~ eighteen dollars (\$18.00). A learner's permit may be renewed, or a second learner's permit may be issued, for an additional period of 18 months. The permit holder must, while operating a motor vehicle over the highways, be accompanied by a person who is licensed to operate the motor vehicle being driven and is seated beside the permit holder.

...."
SECTION 29.30.(b) G.S. 20-11(j) reads as rewritten:

"(j) Duration and Fee. — A limited learner's permit expires on the eighteenth birthday of the permit holder. A limited provisional license expires on the eighteenth birthday of the license holder. A limited learner's permit or limited provisional license issued under this section that expires on a weekend or State holiday shall remain valid through the fifth regular State business day following the date of expiration. A full provisional license expires on the date set under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is ~~fifteen dollars (\$15.00)~~ eighteen dollars (\$18.00). The fee for a full provisional license is the amount set under G.S. 20-7(i)."

SECTION 29.30.(c) G.S. 20-14 reads as rewritten:

"§ 20-14. Duplicate licenses.

A person may obtain a duplicate of a license issued by the Division by paying a fee of ~~ten dollars (\$10.00)~~ twelve dollars (\$12.00) and giving the Division satisfactory proof that any of the following has occurred:

- (1) The person's license has been lost or destroyed.
- (2) It is necessary to change the name or address on the license.
- (3) Because of age, the person is entitled to a license with a different color photographic background or a different color border.
- (4) The Division revoked the person's license, the revocation period has expired, and the period for which the license was issued has not expired."

SECTION 29.30.(d) G.S. 20-16(e) reads as rewritten:

"(e) The Division may conduct driver improvement clinics for the benefit of those who have been convicted of one or more violations of this Chapter. Each driver attending a driver improvement clinic shall pay a fee of ~~fifty dollars (\$50.00)~~ sixty dollars (\$60.00)."

SECTION 29.30.(e) G.S. 20-26(c) reads as rewritten:

"(c) The Division shall furnish copies of license records required to be kept by subsection (a) of this section in accordance with G.S. 20-43.1 to other persons for uses other than official upon prepayment of the following fees:

- | | | |
|-----|--|----------------------------------|
| (1) | Limited extract copy of license record, | |
| | for period up to three years | \$8.00 <u>\$10.00</u> |
| (2) | Complete extract copy of license record | 8.00 <u>10.00</u> |
| (3) | Certified true copy of complete license record | 11.00 <u>13.00</u> |

All fees received by the Division under this subsection shall be credited to the Highway Fund."

SECTION 29.30.(f) G.S. 20-37.15(a1) reads as rewritten:

"(a1) The application must be accompanied by a nonrefundable application fee of ~~thirty dollars (\$30.00)~~ thirty-six dollars (\$36.00). This fee does not apply in any of the following circumstances:

- | | |
|-----|--|
| (1) | When an individual surrenders a commercial driver learner's permit issued by the Division when submitting the application. |
| (2) | When the application is to renew a commercial drivers license issued by the Division. |

This fee shall entitle the applicant to three attempts to pass the written knowledge test without payment of a new fee. No application fee shall be charged to an applicant eligible for a waiver under G.S. 20-37.13(c)."

SECTION 29.30.(g) G.S. 20-37.16(d) reads as rewritten:

"(d) The fee for a Class A, B, or C commercial drivers license is ~~fifteen dollars (\$15.00)~~ eighteen dollars (\$18.00) for each year of the period for which the license is issued. The fee for each endorsement is ~~three dollars (\$3.00)~~ four dollars (\$4.00) for each year of the period for which the endorsement is issued. The fees required under this section do not apply to employees of the Driver License Section of the Division who are designated by the Commissioner."

SECTION 29.30.(h) G.S. 20-42(b) reads as rewritten:

"(b) The Commissioner and officers of the Division designated by the Commissioner may prepare under the seal of the Division and deliver upon request a certified copy of any document of the Division for a fee. The fee for a document, other than an accident report under G.S. 20-166.1, is ~~ten dollars (\$10.00)~~ twelve dollars (\$12.00). The fee for an accident report is ~~five dollars (\$5.00)~~ six dollars (\$6.00). A certified copy shall be admissible in any proceeding in any court in like manner as the original thereof, without further certification. The certification fee does not apply to a document furnished for official use to a judicial official or to an official of the federal government, a state government, or a local government."

SECTION 29.30.(i) G.S. 20-85(a) reads as rewritten:

"(a) The following fees are imposed concerning a certificate of title, a registration card, or a registration plate for a motor vehicle. These fees are payable to the Division and are in addition to the tax imposed by Article 5A of Chapter 105 of the General Statutes.

- | | | |
|-----|--|-----------------------------------|
| (1) | Each application for certificate of title | \$40.00 <u>\$48.00</u> |
| (2) | Each application for duplicate or corrected certificate of title | 15.00 <u>18.00</u> |
| (3) | Each application of reposessor for certificate of title | 15.00 <u>18.00</u> |
| (4) | Each transfer of registration | 15.00 <u>18.00</u> |
| (5) | Each set of replacement registration plates | 15.00 <u>18.00</u> |
| (6) | Each application for duplicate registration card | 15.00 <u>18.00</u> |
| (7) | Each application for recording supplementary lien | 15.00 <u>18.00</u> |

- (8) Each application for removing a lien from a certificate of title ~~15.00~~18.00
- (9) Each application for certificate of title for a motor vehicle transferred to a manufacturer, as defined in G.S. 20-286, or a motor vehicle retailer for the purpose of resale ~~15.00~~18.00
- (10) Each application for a salvage certificate of title made by an insurer or by a used motor vehicle dealer pursuant to subdivision (b)(2) or subsection (e) of G.S. 20-109.1 ~~15.00~~18.00
- (11) Each set of replacement Stock Car Racing Theme plates issued under G.S. 20-79.4 25.00."

SECTION 29.30.(j) G.S. 20-85.1(b) reads as rewritten:

"(b) The Commissioner and the employees of the Division designated by the Commissioner may prepare and deliver upon request a certificate of title, charging a fee of ~~seventy-five dollars (\$75.00)~~ninety dollars (\$90.00) for one-day title service, in lieu of the title fee required by G.S. 20-85(a). The fee for one-day title service must be paid by cash or by certified check. This fee shall be credited to the Highway Trust Fund."

SECTION 29.30.(k) G.S. 20-87 reads as rewritten:

"§ 20-87. Passenger vehicle registration fees.

These fees shall be paid to the Division annually for the registration and licensing of passenger vehicles, according to the following classifications and schedules:

- (1) For-Hire Passenger Vehicles. – The fee for a passenger vehicle that is operated for compensation and has a capacity of 15 passengers or less is ~~seventy-eight dollars (\$78.00)~~ninety-four dollars (\$94.00). The fee for a passenger vehicle that is operated for compensation and has a capacity of more than 15 passengers is ~~one dollar and forty cents (\$1.40)~~one dollar and seventy cents (\$1.70) per hundred pounds of empty weight of the vehicle.
- (2) U-Drive-It Vehicles. – U-drive-it vehicles shall pay the following tax:
- | | | |
|---------------|------------------------------|-------------------------------------|
| Motorcycles: | 1-passenger capacity | \$18.00 <u>\$22.00</u> |
| | 2-passenger capacity | 22.00 <u>26.00</u> |
| | 3-passenger capacity | 26.00 <u>31.00</u> |
| Automobiles: | 15 or fewer passengers | \$51.00 <u>\$61.00</u> |
| Buses: | 16 or more passengers | \$2.00 <u>\$2.40</u> per |
| | | hundred |
| | | pounds of |
| | | empty weight |
| Trucks under | | |
| 7,000 pounds | | |
| that do not | | |
| haul products | | |
| for hire: | 4,000 pounds..... | \$41.50 <u>\$50.00</u> |
| | 5,000 pounds..... | \$51.00 <u>\$61.00</u> |
| | 6,000 pounds..... | \$61.00 <u>\$73.00</u> |
| ... | | |

Provided, that a fee of only ~~one dollar (\$1.00)~~ one dollar and twenty cents (\$1.20) shall be charged for any vehicle given by the federal government to any veteran on account of any disability suffered during war so long as such vehicle is owned by the original donee or other veteran entitled to receive such gift under Title 38, section 252, United States Code Annotated.

(6) Private Motorcycles. – The base fee on private passenger motorcycles shall be ~~fifteen dollars (\$15.00);~~ eighteen dollars (\$18.00); except that when a motorcycle is equipped with an additional form of device designed to transport persons or property, the base fee shall be ~~twenty-two dollars (\$22.00);~~ twenty-six dollars (\$26.00). An additional fee of three dollars (\$3.00) is imposed on each private motorcycle registered under this subdivision in addition to the base fee. The revenue from the additional fee, in addition to any other funds appropriated for this purpose, shall be used to fund the Motorcycle Safety Instruction Program created in G.S. 115D-72.

(9) House Trailers. – In lieu of other registration and license fees levied on house trailers under this section or G.S. 20-88, the registration and license fee on house trailers shall be ~~eleven dollars (\$11.00)~~ thirteen dollars (\$13.00) for the license year or any portion thereof.

(11) Any vehicle fee determined under this section according to the weight of the vehicle shall be increased by the sum of ~~three dollars (\$3.00)~~ four dollars (\$4.00) to arrive at the total fee.

(13) Additional fee for certain electric vehicles. – At the time of an initial registration or registration renewal, the owner of a plug-in electric vehicle that is not a low-speed vehicle and that does not rely on a nonelectric source of power shall pay a fee in the amount of ~~one hundred dollars (\$100.00)~~ one hundred twenty dollars (\$120.00) in addition to any other required registration fees."

SECTION 29.30.(1) G.S. 20-88 reads as rewritten:

"§ 20-88. Property-hauling vehicles.

(b) The following fees are imposed on the annual registration of self-propelled property-hauling vehicles; the fees are based on the type of vehicle and its weight:

SCHEDULE OF WEIGHTS AND RATES

Rates Per Hundred Pound Gross Weight

| | Farmer Rate |
|-----------------------------------|---------------------------------|
| Not over 4,000 pounds | \$0.29 <u>\$0.35</u> |
| 4,001 to 9,000 pounds inclusive | .40 <u>.48</u> |
| 9,001 to 13,000 pounds inclusive | .50 <u>.60</u> |
| 13,001 to 17,000 pounds inclusive | .68 <u>.82</u> |
| Over 17,000 pounds | .77 <u>.92</u> |

Rates Per Hundred Pound Gross Weight

| | General Rate |
|-----------------------------------|---------------------------------|
| Not over 4,000 pounds | \$0.59 <u>\$0.71</u> |
| 4,001 to 9,000 pounds inclusive | .84 <u>.97</u> |
| 9,001 to 13,000 pounds inclusive | 1.00 <u>1.20</u> |
| 13,001 to 17,000 pounds inclusive | 1.36 <u>1.63</u> |
| Over 17,000 pounds | 1.54 <u>1.85</u> |

(1) The minimum fee for a vehicle licensed under this subsection is ~~twenty-four dollars (\$24.00)~~twenty-nine dollars (\$29.00) at the farmer rate and ~~twenty-eight dollars (\$28.00)~~thirty-four dollars (\$34.00) at the general rate.

...

(6) There shall be paid to the Division annually the following fees for "wreckers" as defined under G.S. 20-4.01(50): a wrecker fully equipped weighing 7,000 pounds or less, ~~seventy-five dollars (\$75.00)~~ninety dollars (\$90.00); wreckers weighing in excess of 7,000 pounds shall pay ~~one hundred forty-eight dollars (\$148.00)~~one hundred seventy-eight dollars (\$178.00). Fees to be prorated monthly. Provided, further, that nothing herein shall prohibit a licensed dealer from using a dealer's license plate to tow a vehicle for a customer.

(c) The fee for a semitrailer or trailer is ~~nineteen dollars (\$19.00)~~twenty-three dollars (\$23.00) for each year or part of a year. The fee is payable each year. Upon the application of the owner of a semitrailer or trailer, the Division may issue a multiyear plate and registration card for the semitrailer or trailer for a fee of ~~seventy-five dollars (\$75.00)~~ninety dollars (\$90.00). A multiyear plate and registration card for a semitrailer or trailer are valid until the owner transfers the semitrailer or trailer to another person or surrenders the plate and registration card to the Division. A multiyear plate may not be transferred to another vehicle.

The Division shall issue a multiyear semitrailer or trailer plate in a different color than an annual semitrailer or trailer plate and shall include the word "multiyear" on the plate. The Division may not issue a multiyear plate for a house trailer.

...

(i) Any vehicle fee determined under this section according to the weight of the vehicle shall be increased by the sum of ~~three dollars (\$3.00)~~four dollars (\$4.00) to arrive at the total fee.

...."

SECTION 29.30.(m) G.S. 20-289(a) reads as rewritten:

"(a) The license fee for each fiscal year, or part thereof, shall be as follows:

(1) For motor vehicle dealers, distributors, distributor branches, and wholesalers, ~~seventy dollars (\$70.00)~~eighty-four dollars (\$84.00) for each place of business.

(2) For manufacturers, ~~one hundred fifty dollars (\$150.00)~~one hundred eighty dollars (\$180.00) and for each factory branch in this State, ~~one hundred dollars (\$100.00)~~one hundred twenty dollars (\$120.00).

(3) For motor vehicle sales representatives, ~~fifteen dollars (\$15.00)~~eighteen dollars (\$18.00).

(4) For factory representatives, or distributor representatives, ~~fifteen dollars (\$15.00)~~eighteen dollars (\$18.00).

(5) Repealed by Session Laws 1991, c. 662, s. 4."

SECTION 29.30.(n) G.S. 20-385(a) reads as rewritten:

"(a) The fees listed in this section apply to a motor carrier. These fees are in addition to any fees required under the Unified Carrier Registration Agreement.

(1) Repealed by Session Laws 2007-492, s. 5, effective August 30, 2007.

(2) Application by an intrastate motor carrier for a certificate of exemption 45.0054.00

(3) Certification by an interstate motor carrier that it is not regulated by the United States Department of Transportation 45.0054.00

(4) Application by an interstate motor carrier for an emergency trip permit 18.0022.00."

SECTION 29.30.(o) G.S. 44A-4(b)(1) reads as rewritten:

"(b) Notice and Hearings. –

(1) If the property upon which the lien is claimed is a motor vehicle that is required to be registered, the lienor following the expiration of the relevant time period provided by subsection (a) shall give notice to the Division of Motor Vehicles that a lien is asserted and sale is proposed and shall remit to the Division a fee of ~~ten dollars (\$10.00)~~ twelve dollars (\$12.00). The Division of Motor Vehicles shall issue notice by certified mail, return receipt requested, to the person having legal title to the property, if reasonably ascertainable, to the person with whom the lienor dealt if different, and to each secured party and other person claiming an interest in the property who is actually known to the Division or who can be reasonably ascertained. The notice shall state that a lien has been asserted against specific property and shall identify the lienor, the date that the lien arose, the general nature of the services performed and materials used or sold for which the lien is asserted, the amount of the lien, and that the lienor intends to sell the property in satisfaction of the lien. The notice shall inform the recipient that the recipient has the right to a judicial hearing at which time a determination will be made as to the validity of the lien prior to a sale taking place. The notice shall further state that the recipient has a period of 10 days from the date of receipt in which to notify the Division by certified mail, return receipt requested, that a hearing is desired and that if the recipient wishes to contest the sale of his property pursuant to such lien, the recipient should notify the Division that a hearing is desired. The notice shall state the required information in simplified terms and shall contain a form whereby the recipient may notify the Division that a hearing is desired by the return of such form to the Division. The Division shall notify the lienor whether such notice is timely received by the Division. In lieu of the notice by the lienor to the Division and the notices issued by the Division described above, the lienor may issue notice on a form approved by the Division pursuant to the notice requirements above. If notice is issued by the lienor, the recipient shall return the form requesting a hearing to the lienor, and not the Division, within 10 days from the date the recipient receives the notice if a judicial hearing is requested. If the certified mail notice has been returned as undeliverable and the notice of a right to a judicial hearing has been given to the owner of the motor vehicle in accordance with G.S. 20-28.4, no further notice is required. Failure of the recipient to notify the Division or lienor, as specified in the notice, within 10 days of the receipt of such notice that a hearing is desired shall be deemed a waiver of the right to a hearing prior to the sale of the property against which the lien is asserted, and the lienor may proceed to enforce the lien by public or private sale as provided in this section and the Division shall transfer title to the property pursuant to such sale. If the Division or lienor, as specified in the notice, is notified within the 10-day period provided above that a hearing is desired prior to sale, the lien may be enforced by sale as provided in this section and the Division will transfer title only pursuant to the order of a court of competent jurisdiction.

If the certified mail notice has been returned as undeliverable, or if the name of the person having legal title to the vehicle cannot reasonably be ascertained and the fair market value of the vehicle is less than eight hundred dollars (\$800.00), the lienor may institute a special proceeding in the county

where the vehicle is being held, for authorization to sell that vehicle. Market value shall be determined by the schedule of values adopted by the Commissioner under G.S. 105-187.3.

In such a proceeding a lienor may include more than one vehicle, but the proceeds of the sale of each shall be subject only to valid claims against that vehicle, and any excess proceeds of the sale shall be paid immediately to the Treasurer for disposition pursuant to Chapter 116B of the General Statutes.

The application to the clerk in such a special proceeding shall contain the notice of sale information set out in subsection (f) hereof. If the application is in proper form the clerk shall enter an order authorizing the sale on a date not less than 14 days therefrom, and the lienor shall cause the application and order to be sent immediately by first-class mail pursuant to G.S. 1A-1, Rule 5, to each person to whom notice was mailed pursuant to this subsection. Following the authorized sale the lienor shall file with the clerk a report in the form of an affidavit, stating that the lienor has complied with the public or private sale provisions of G.S. 44A-4, the name, address, and bid of the high bidder or person buying at a private sale, and a statement of the disposition of the sale proceeds. The clerk then shall enter an order directing the Division to transfer title accordingly.

If prior to the sale the owner or legal possessor contests the sale or lien in a writing filed with the clerk, the proceeding shall be handled in accordance with G.S. 1-301.2."

SECTION 29.30.(p) Article 1 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-4.02. Quadrennial adjustment of certain fees.

(a) Adjustment for Inflation. – Beginning July 1, 2020, and every four years thereafter, the Division shall adjust the fees charged pursuant to the statutes listed in this subsection for inflation in accordance with the Consumer Price Index computed by the Bureau of Labor Statistics, rounded to the nearest twenty-five cents (25¢):

(1) G.S. 20-7.

(2) G.S. 20-11.

(3) G.S. 20-14.

(4) G.S. 20-16.

(5) G.S. 20-26.

(6) G.S. 20-37.15.

(7) G.S. 20-37.16.

(8) G.S. 20-42(b).

(9) G.S. 20-85(a)(1) through (10).

(10) G.S. 20-85.1.

(11) G.S. 20-87, except for the additional fee set forth in G.S. 20-87(6) for private motorcycles.

(12) G.S. 20-88.

(13) G.S. 20-289.

(14) G.S. 20-385.

(15) G.S. 44A-4(b)(1).

(b) Computation. – In determining the rate of inflation to use when adjusting the fees pursuant to subsection (a) of this section, the Division shall base the rate on the percent change in the annual Consumer Price Index over the preceding four-year period.

(c) Rules. – The provisions of Chapter 150B of the General Statutes shall not apply to the adjustment of fees required by this section.

(d) Consultation and Publication. – At least 90 days prior to adjusting the fees pursuant to subsection (a) of this section, the Division shall (i) consult with the Joint Legislative Commission on Governmental Operations, (ii) provide a report to the chairs of the Senate Appropriations Committee on the Department of Transportation and the House of Representatives Committee on Transportation Appropriations, and (iii) publish notice of the fees that will be in effect in the offices of the Division and on the Division's Web site."

SECTION 29.30.(q) G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(27) The Division of Motor Vehicles with respect to fee adjustments under G.S. 20-4.02."

SECTION 29.30.(r) Subsections (a) and (r) of this section become effective July 1, 2015. Subsections (p) and (q) of this section become effective July 1, 2020. The remainder of this section becomes effective January 1, 2016, and applies to issuances, renewals, restorations, and requests on or after that date.

DMV HEARING FEE SCHEDULE IMPLEMENTATION DATE

SECTION 29.30A. Subsection (c) of Section 34.9 of S.L. 2014-100 reads as rewritten:

"**SECTION 34.9.(c)** From funds appropriated to the Department of Transportation, Information Technology Section for the 2014-2015 fiscal year, the Department shall implement modifications to supporting information technology systems necessary to timely implement the hearing fee schedule required by subsection (a) of this section. The Department shall implement the hearing fee schedule required by subsection (a) of this section by no later than January 1, 2016.~~July 1, 2017.~~"

DISTRIBUTION OF FUNDS IN SPECIAL REGISTRATION PLATE ACCOUNT

SECTION 29.30B. G.S. 20-79.7(c)(3) reads as rewritten:

"(3) The Division shall transfer fifty percent (50%) of the remaining revenue in the Special Registration Plate Account quarterly, and funds are hereby appropriated, as follows: to the Department of Transportation to be used solely for the purpose of beautification of highways. These funds shall be administered by the Department of Transportation for beautification purposes not inconsistent with good landscaping and engineering principles. The Division shall transfer the remaining revenue in the Special Registration Plate Account quarterly to the Highway Fund.

a. ~~Thirty three percent (33%) to the account of the Department of Commerce to aid in financing out of state print and other media advertising under the program for the promotion of travel and industrial development in this State.~~

b. ~~Fifty percent (50%) to the Department of Transportation to be used solely for the purpose of beautification of highways. These funds shall be administered by the Department of Transportation for beautification purposes not inconsistent with good landscaping and engineering principles.~~

c. ~~Seventeen percent (17%) to the account of the Department of Health and Human Services to promote travel accessibility for disabled persons in this State. These funds shall be used to collect and update site information on travel attractions designated by the Department of Commerce in its publications, to provide technical assistance to travel attractions concerning accommodation of disabled tourists, and to develop, print, and promote the publication ACCESS NORTH~~

CAROLINA as provided in G.S. 168-2. Any funds allocated for these purposes that are neither spent nor obligated at the end of the fiscal year shall be transferred to the Department of Administration for removal of man-made barriers to disabled travelers at State funded travel attractions. Guidelines for the removal of man-made barriers shall be developed in consultation with the Department of Health and Human Services."

ENFORCING PENALTIES FOR LAPSE IN FINANCIAL RESPONSIBILITY

SECTION 29.31.(a) G.S. 20-311 reads as rewritten:

"§ 20-311. Action by the Division when notified of a lapse in financial responsibility.

(a) Action. – When the Division receives evidence, by a notice of termination of a motor vehicle liability policy or otherwise, that the owner of a motor vehicle registered or required to be registered in this State does not have financial responsibility for the operation of the vehicle, the Division shall send the owner a letter. The letter shall notify the owner of the evidence and inform the owner that the owner shall respond to the letter within 10 days of the date on the letter and explain how the owner has met the duty to have continuous financial responsibility for the vehicle. Based on the owner's response, the Division shall take the appropriate action listed:

- (1) Division correction. – If the owner responds within the required time and the response establishes that the owner has not had a lapse in financial responsibility, the Division shall correct its records.
- (2) Penalty only. – If the owner responds within the required time and the response establishes all of the following, the Division shall assess the owner a penalty in the amount set in subsection (b) of this section:
 - a. The owner had a lapse in financial responsibility, but the owner now has financial responsibility.
 - b. The vehicle was not involved in an accident during the lapse in financial responsibility.
 - c. The owner did not operate the vehicle or allow the vehicle to be operated during the lapse with knowledge that the owner had no financial responsibility for the vehicle.
- (3) Penalty and revocation. – If the owner responds within the required time and the response establishes ~~any~~either of the following, the Division shall assess the owner a penalty in the amount set in subsection (b) of this section and revoke the registration of the owner's vehicle for the period set in subsection (c) of this section:
 - a. The owner had a lapse in financial responsibility and still does not have financial responsibility.
 - b. The owner now has financial responsibility even though the owner had a lapse, but the response also establishes any of the following:
 1. The vehicle was involved in an accident during the lapse,
~~the lapse.~~
 2. The owner operated the vehicle during the lapse with knowledge that the owner had no financial responsibility for the vehicle, or both vehicle.
 3. The owner allowed the vehicle to be operated during the lapse with knowledge that the owner had no financial responsibility for the vehicle.
- (4) ~~Revocation pending response.~~ Penalty and revocation for failure to respond.
– ~~If~~Except as otherwise provided in this subdivision, if the owner does not

respond within the required time, the Division shall assess a penalty in the applicable amount set forth in subsection (b) of this section and shall revoke the registration of the owner's vehicle for the period set in subsection (c) of this section. When the owner responds, the Division shall take the appropriate action listed in subdivisions (1) through (3) of this subsection as if the response had been timely. If the owner does not respond within the required time, but later responds and establishes that the owner has not had a lapse in financial responsibility, the Division shall correct its records, rescind any revocation under this subdivision of the registration of the owner's vehicle, and the owner shall not be responsible for any fee or penalty arising under this section from the owner's failure to timely respond.

(b) Penalty Amount. – The following table determines the amount of a penalty payable under this section by an owner who has had a lapse in financial responsibility; the amount is based on the number of times the owner has been assessed a penalty under this section during the three-year period before the date the owner's current lapse began:

| Number of Lapses in Previous Three Years | Penalty Amount |
|--|----------------|
| None | \$50.00 |
| One | \$100.00 |
| Two or More | \$150.00 |

(c) Revocation Period. – The revocation period for a revocation based on a response that establishes that a vehicle owner does not have financial responsibility is indefinite and ends when the owner obtains financial responsibility or transfers the vehicle to an owner who has financial responsibility. The revocation period for a revocation based on a response that establishes the occurrence of an accident during a lapse in financial responsibility or the knowing operation of a vehicle without financial responsibility is 30 days. The revocation period for a revocation based on failure of a vehicle owner to respond is indefinite and ends when the owner ~~responds~~ (i) establishes that the owner has not had a lapse in financial responsibility, (ii) obtains financial responsibility, or (iii) transfers the vehicle to an owner who has financial responsibility, whichever occurs first.

(d) Revocation Notice. – When the Division revokes the registration of an owner's vehicle, it shall notify the owner of the revocation. The notice shall inform the owner of the following:

- (1) That the owner shall return the vehicle's registration plate and registration card to the Division, if the owner has not done so already, and that failure to do so is a Class 2 misdemeanor under G.S. 20-45.
- (2) That the vehicle's registration plate and registration card are subject to seizure by a law enforcement officer.
- (3) That the registration of the vehicle cannot be renewed while the registration is revoked.
- (4) That the owner shall pay any penalties ~~assessed~~ assessed within 30 days of the date of the notice, a restoration fee, and the fee for a registration plate when the owner applies to the Division to register a vehicle whose registration was revoked.
- (5) That failure of an owner to pay any penalty or fee assessed pursuant to this section shall result in the Division withholding the registration renewal of any motor vehicle registered in that owner's name.

(e) Registration After Revocation. – A vehicle whose registration has been revoked may not be registered during the revocation period in the name of the owner, a child of the owner, the owner's spouse, or a child of the owner's spouse. This restriction does not apply to a spouse who is living separate and apart from the owner. At the end of a revocation period, a vehicle owner who has financial responsibility may apply to register a vehicle whose

1 registration was revoked. The owner shall provide proof of current financial responsibility and
2 pay any penalty assessed, a restoration fee of fifty dollars (\$50.00), and the fee for a
3 registration plate. Pursuant to G.S. 20-54, failure of an owner to pay any penalty or fee assessed
4 pursuant to this section shall result in the Division withholding the registration renewal of any
5 motor vehicle registered in that owner's name.

6 ...
7 (g) Military Waiver. – Notwithstanding the penalty and restoration fee provisions of
8 this section, any monetary penalty or restoration fee shall be waived for any person who, at the
9 time of notification of a lapse in ~~coverage~~, financial responsibility, was deployed as a member
10 of the Armed Forces of the United States outside of the continental United States for a total of
11 45 or more days. In addition, no insurance points under the Safe Driver Incentive Plan shall be
12 assessed for any violation for which a monetary penalty or restoration fee is waived pursuant to
13 this subsection. ~~Any~~ All of the following apply to a person qualifying under this subsection
14 shall: subsection:

15 (1) ~~Have~~ The person shall have an affirmative defense to any criminal charge
16 based upon the failure to return any registration card or registration plate to
17 the ~~Division~~; Division.
18 (2) Upon reregistration, the person shall receive without cost from the Division
19 all necessary registration cards or ~~plates; and~~ plates.
20 (3) Upon notice of revocation, the person shall be permitted to transfer the
21 vehicle's registration immediately to his or her spouse, child, or spouse's
22 child, notwithstanding the provisions of subsection (e) of this section.

23 (h) Applicability. – The penalty and revocation imposed under this section do not apply
24 when the sole owner of a vehicle dies and that owner had financial responsibility for the vehicle
25 as of the date of the owner's death."

26 **SECTION 29.31.(b)** G.S. 20-54 is amended by adding a new subdivision to read:

27 "(12) The owner of the vehicle has failed to pay any penalty or fee imposed
28 pursuant to G.S. 20-311."

29 **SECTION 29.31.(c)** G.S. 20-311(h), as enacted by subsection (a) of this section, is
30 effective when this act becomes law. The remainder of this section becomes effective
31 December 1, 2015, and applies to lapses in financial responsibility occurring on or after that
32 date.

33 **LPA CONTRACT STANDARDS**

34 **SECTION 29.32.(a)** G.S. 20-63(h) reads as rewritten:

35 "(h) Commission Contracts for Issuance of Plates and Certificates. – All registration
36 plates, registration certificates, and certificates of title issued by the Division, outside of those
37 issued from the office of the Division located in Wake, Cumberland, or Mecklenburg Counties
38 and those issued and handled through the United States mail, shall be issued insofar as
39 practicable and possible through commission contracts entered into by the Division for the
40 issuance of the plates and certificates in localities throughout North Carolina, including military
41 installations within this State, with persons, firms, corporations or governmental subdivisions
42 of the State of North Carolina. The Division shall make a reasonable effort in every locality,
43 except as noted above, to enter into a commission contract for the issuance of the plates and
44 certificates and a record of these efforts shall be maintained in the Division. In the event the
45 Division is unsuccessful in making commission contracts, it shall issue the plates and
46 certificates through the regular employees of the Division. Whenever registration plates,
47 registration certificates, and certificates of title are issued by the Division through commission
48 contract arrangements, the Division shall provide proper supervision of the distribution.
49 Nothing contained in this subsection allows or permits the operation of fewer outlets in any
50 county in this State than are now being operated.
51

~~Commission contracts entered into by the Division under this subsection shall provide for the payment of compensation.~~ The terms of a commission contract entered under this subsection shall specify the duration of the contract and either include or incorporate by reference standards by which the Division may supervise and evaluate the performance of the commission contractor. The duration of an initial commission contract may not exceed eight years and the duration of a renewal commission contract may not exceed two years. The Division may award monetary performance bonuses, not to exceed an aggregate total of ninety thousand dollars (\$90,000) annually, to commission contractors based on their performance.

The amount of compensation payable to a commission contractor is determined on a per transaction basis. The collection of the highway use tax is considered a separate transaction for which one dollar and ~~twenty seven cents (\$1.27)~~ thirty cents (\$1.30) compensation shall be paid. The issuance of a limited registration "T" sticker and the collection of property tax are each considered a separate transaction for which compensation at the rate of one dollar and ~~twenty seven cents (\$1.27)~~ thirty cents (\$1.30) and one dollar and ~~six cents (\$1.06)~~ eight cents (\$1.08) respectively, shall be paid by counties and municipalities as a cost of the combined motor vehicle registration renewal and property tax collection system. The performance at the same time of one or more of the transactions below is considered a single transaction for which one dollar and ~~forty three cents (\$1.43)~~ forty-six cents (\$1.46) compensation shall be paid:

- (1) Issuance of a registration plate, a registration card, a registration sticker, or a certificate of title.
- (2) Issuance of a handicapped placard or handicapped identification card.
- (3) Acceptance of an application for a personalized registration plate.
- (4) Acceptance of a surrendered registration plate, registration card, or registration renewal sticker, or acceptance of an affidavit stating why a person cannot surrender a registration plate, registration card, or registration renewal sticker.
- (5) Cancellation of a title because the vehicle has been junked.
- (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax, other than the highway use tax.
- (7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial responsibility or receipt of the restoration fee imposed by that statute.
- (8) Acceptance of a notice of failure to maintain financial responsibility for a motor vehicle.
- (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- (8b), (9) Repealed by Session Laws 2013-372, s. 2(a), effective July 1, 2013.
- (10) Acceptance of a temporary lien filing.
- (11) Conversion of an existing paper title to an electronic lien upon request of a primary lienholder."

SECTION 29.32.(b) All commission contracts entered into by the Division of Motor Vehicles under G.S. 20-63(h) after the effective date of this subsection shall specify the duration of the contract and include or incorporate by reference the standards required under subsection (a) of this section. No later than July 1, 2018, all other commission contracts entered into by the Division of Motor Vehicles shall specify the duration of the contract and include or incorporate by reference the standards required under subsection (a) of this section.

SECTION 29.32.(c) This section becomes effective July 1, 2015, and applies to transactions on or after that date.

DMV/UMSTEAD ACT CLARIFICATION

SECTION 29.33. G.S. 66-58(c) is amended by adding a new subdivision to read:

"(c) The provisions of subsection (a) shall not prohibit:

...

(22) The operation by the Division of Motor Vehicles of digital advertising and automated teller machines in offices of the Division or contract license plate agencies."

HIGHWAY USE TAX CLARIFICATION

SECTION 29.34.(a) G.S. 105-187.6(c) reads as rewritten:

"(c) Out-of-state Vehicles. – A maximum tax of one hundred fifty dollars (\$150.00) applies when a certificate of title is issued for a motor vehicle that, at the time of applying for a certificate of title, is and has been titled in the name of the owner of the motor vehicle in another state for at least 90 days prior to the date of application for a certificate of title in this State."

SECTION 29.34.(b) This section is effective when this act becomes law.

ADJUST MAXIMUM HIGHWAY USE TAX IMPOSED FOR CERTAIN MOTOR VEHICLES

SECTION 29.34A.(a) G.S. 105-187.3(a1) reads as rewritten:

"(a1) Tax Rate. – The tax rate is three percent (3%). The maximum tax is ~~one two~~ thousand dollars ~~(\$1,000) (\$2,000)~~ for each certificate of title issued for a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in G.S. 20-4.01. ~~The maximum tax is one thousand five hundred dollars (\$1,500) G.S. 20-4.01, and for each certificate of title issued for a recreational vehicle that is not subject to the one thousand dollar (\$1,000) maximum tax.~~ vehicle. The tax is payable as provided in G.S. 105-187.4."

SECTION 29.34A.(b) G.S. 105-187.6(c), as amended by Section 29.34 of this act, reads as rewritten:

"(c) Out-of-state Vehicles. – A maximum tax of ~~one two~~ hundred fifty dollars ~~(\$150.00) (\$250.00)~~ applies when a certificate of title is issued for a motor vehicle that, at the time of applying for a certificate of title, is and has been titled in the name of the owner of the motor vehicle in another state for at least 90 days prior to the date of application for a certificate of title in this State."

SECTION 29.34A.(c) This section becomes effective January 1, 2016, and applies to sales made on or after that date.

ELIMINATE 10-DAY TRIP PERMIT AND INCREASE TEMPORARY TAG FEE

SECTION 29.35.(a) G.S. 20-183.4C reads as rewritten:

"§ 20-183.4C. When a vehicle must be inspected; 10-day ~~trip permit~~ temporary license plate.

...

(b) ~~Permit~~ Temporary License Plate. – The Division may issue a ~~10-day trip permit temporary license plate under and in accordance with G.S. 20-50(b) that is valid for 10 days to a person that authorizes the person to drive a vehicle whose inspection authorization or registration has expired. The permit may only be issued when the person has furnished proof of financial responsibility. The permit must describe the vehicle whose inspection authorization or registration has expired. The permit authorizes the person to drive the described vehicle for a period not to exceed 10 days from the date of issuance.~~

...."

SECTION 29.35.(b) G.S. 20-50(b) reads as rewritten:

"(b) The Division may issue a temporary license plate for a vehicle. A temporary license plate is valid for the period set by the Division. The period may not be less than 10 days nor more than 60 days.

1 A person may obtain a temporary license plate for a vehicle by filing an application with
2 the Division and paying the required fee. An application must be filed on a form provided by
3 the Division.

4 The fee for a temporary license plate that is valid for 10 days is ~~five~~ten dollars
5 ~~(\$5.00)-(\$10.00)~~. The fee for a temporary license plate that is valid for more than 10 days is the
6 amount that would be required with an application for a license plate for the vehicle. If a person
7 obtains for a vehicle a temporary license plate that is valid for more than 10 days and files an
8 application for a license plate for that vehicle before the temporary license plate expires, the
9 person is not required to pay the fee that would otherwise be required for the license plate.

10 A temporary license plate is subject to the following limitations and conditions:

- 11 (1) It may be issued only upon proper proof that the applicant has met the
12 applicable financial responsibility requirements.
- 13 (2) It expires on midnight of the day set for expiration.
- 14 (3) It may be used only on the vehicle for which issued and may not be
15 transferred, loaned, or assigned to another.
- 16 (4) If it is lost or stolen, the person who applied for it must notify the Division.
- 17 (5) It may not be issued by a dealer.
- 18 (6) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 that apply to license
19 plates apply to temporary license plates insofar as possible."

20 **SECTION 29.35.(c)** Ten-day trip permits issued under G.S. 20-183.4C(b) prior to
21 the effective date of this section shall remain valid for the duration of the issuance.

22 **SECTION 29.35.(d)** This section becomes effective July 1, 2015, and applies to
23 temporary license plates issued on or after that date.

24 25 **TECHNICAL CORRECTION/REMOTE RENEWAL OF DRIVERS LICENSE**

26 **SECTION 29.36.** G.S. 20-7(f)(6) reads as rewritten:

27 "(6) Remote renewal. – The Subject to the following requirements and
28 limitations, the Division may offer remote renewal of a drivers license issued
29 by the Division. ~~For purposes of this subdivision, "remote renewal" means~~
30 ~~renewal of a drivers license by mail, telephone, electronic device, or other~~
31 ~~secure means approved by the Commissioner.~~Division:

- 32 a. Requirements. – To be eligible for remote renewal under this
33 subdivision, a person must meet all of the following requirements:
 - 34 1. The license holder possesses a valid, unexpired Class C
35 drivers license that was issued when the person was at least
36 18 years old.
 - 37 2. The license holder's current license includes no restrictions
38 other than a restriction for corrective lenses.
 - 39 3. The license holder attests, in a manner designated by the
40 Division, that (i) the license holder is a resident of the State
41 and currently resides at the address on the license to be
42 renewed, (ii) the license holder's name as it appears on the
43 license to be renewed has not changed, and (iii) all other
44 information required by the Division for an in-person renewal
45 under this Article has been provided completely and
46 truthfully.
 - 47 4. The most recent renewal was an in-person renewal and not a
48 remote renewal under this subdivision.
 - 49 5. The license holder is otherwise eligible for renewal under this
50 subsection.

- b. Waiver of requirements. – When renewing a drivers license pursuant to this subdivision, the Division may waive the examination and photograph that would otherwise be required for the renewal.
- c. Duration of remote renewal. – A renewed drivers license issued to a person by remote renewal under this subdivision expires according to the following schedule:
1. For a person at least 18 years old but less than 66 years old, on the birthday of the licensee in the eighth year after issuance.
 2. For a person at least 66 years old, on the birthday of the licensee in the fifth year after issuance.
- d. Rules. – The Division shall adopt rules to implement this subdivision.
- e. Federal law. – Nothing in this subdivision shall be construed to supersede any more restrictive provisions for renewal of drivers licenses prescribed by federal law or regulation.
- f. Definition. – For purposes of this subdivision, "remote renewal" means renewal of a drivers license by mail, telephone, electronic device, or other secure means approved by the Commissioner."

VISITOR CENTERS FUNDING TECHNICAL CORRECTION

SECTION 29.36A. G.S. 20-79.7(c)(2)d. reads as rewritten:

"(c) Use of Funds in Special Registration Plate Account. –

...

(2) From the funds remaining in the Special Registration Plate Account after the deductions in accordance with subdivision (1) of this subsection, there is annually appropriated from the Special Registration Plate Account the sum of one million three hundred thousand dollars (\$1,300,000) to provide operating assistance for the Visitor Centers:

...

d. ~~in the Town of Boone, Watauga County,~~ ninety-two thousand eight hundred fifty-seven dollars (\$92,857);

...."

STOP LAMPS ON MOTOR VEHICLE/CLARIFICATION

SECTION 29.36B.(a) G.S. 20-129(g), as amended by Section 1 of S.L. 2015-31, reads as rewritten:

"(g) No person shall sell or operate on the highways of the State any motor vehicle manufactured after December 31, 1955, and on or before December 31, 1970, unless it shall be equipped with a stop lamp on the rear of the vehicle. No person shall sell or operate on the highways of the State any motor vehicle, manufactured after December 31, 1970, unless it shall be equipped with stop lamps, one on each side of the rear of the vehicle. No person shall sell or operate on the highways of the State any motorcycle or motor-driven cycle, manufactured after December 31, ~~1970, 1955,~~ unless it shall be equipped with a stop lamp on the rear of the motorcycle or motor-driven cycle. The stop lamps shall emit, reflect, or display a red or amber light visible from a distance of not less than 100 feet to the rear in normal sunlight, and shall be actuated upon application of the service (foot) brake. The stop lamps may be incorporated into a unit with one or more other rear lamps."

SECTION 29.36B.(b) This section becomes effective October 1, 2015, and applies to offenses committed on or after that date.

**POSITIONS IN SUPPORT OF THE COMBINED MOTOR VEHICLE
REGISTRATION AND PROPERTY TAX COLLECTION SYSTEM**

SECTION 29.37. Section 24.10(a) of S.L. 2012-142 reads as rewritten:

"SECTION 24.10.(a) Upon request from the Department of Transportation and notwithstanding any other provision of law to the contrary, the Office of State Budget and Management may authorize the creation of time-limited, full-time equivalent positions within the Department of Transportation and its Division of Motor Vehicles in excess of the positions authorized by this act for the sole purposes of implementing and administering the combined motor vehicle registration and property tax collection system, in accordance with the funding authorizations in G.S. 105-330.5 and G.S. 105-330.10. Positions created under this authorization shall terminate no later than ~~June 30, 2014~~June 30, 2017. Following the approval of a request, the Office of State Budget and Management shall direct the transfer of funds from the Combined Motor Vehicle and Registration Account, also known as the Division of Motor Vehicles Taxation Interest Fund for Integrated Computer System, to support personnel and related operating costs for the positions approved under this section."

DMV/TITLE AND LICENSE PERSONAL WATERCRAFT

SECTION 29.38. G.S. 20-39(e) reads as rewritten:

"(e) The Commissioner is authorized to cooperate with and provide assistance to the Environmental Management Commission, or appropriate local government officials, and to develop, adopt, and ensure enforcement of necessary rules and regulations, regarding programs of motor vehicle emissions inspection/maintenance required for areas in which ambient air pollutant concentrations exceed National Ambient Air Quality Standards. The Commissioner is further authorized to allow offices of the Division that provide vehicle titling and registration services and commission contractors of the Division under G.S. 20-63 to serve, upon agreement with the Wildlife Resources Commission, as vessel agents under G.S. 75A-5.2."