

HOUSE APPROPRIATIONS COMMITTEE

ON

TRANSPORTATION

REPORT

ON THE

CONTINUATION AND EXPANSION BUDGETS

House Bill 97

May 14, 2015

Highway Fund

HIGHWAY FUND

	FY 15-16		FY 16-17	
Recommended Budget	\$1,918,676,424		\$1,912,223,925	
Legislative Changes				
Administration				
1 Board of Transportation Travel Expenditures	(\$5,000)	R	(\$5,000)	R
Reduces the Board of Transportation travel budget by 20% to \$20,000.				
2 Modernization of Driver Services and Vehicle Services	\$2,500,000	R	\$4,076,000	R
Provides funding for the continued modernization of Division of Motor Vehicles information technology systems, including Phase III of the State Automated Driver License System (SADLS) replacement effort.				
	\$23,956,000	NR		
Aid to Municipalities				
3 State Aid to Municipalities	(\$701,376)	R	(\$7,696,000)	R
Adjusts funding to the State Aid to Municipalities/Powell Bill based on the statutory allocation in G.S. 136-41.1(a). Budgeted funds total \$145,626,624 in FY 2015-16 and \$ 138,632,000 in FY 2016-17.				
Construction				
4 Planning Funds				
Provides planning funding for multi-state highway projects that significantly enhance the region's economic development.				
	\$695,000	NR	\$695,000	NR
5 Small Urban Construction				
Provides funding for the Small Urban Construction Fund.				
	\$2,500,000	NR	\$2,500,000	NR
Division of Motor Vehicles				
6 Tax and Tag Together Program				
Continues funding for 44 time-limited positions to support the Tax and Tag Together program through March 30, 2015. Receipts totaling \$1,500,758 non-recurring are budgeted from the administrative fee authorized in G.S. 105-330.5(b).				
	\$0	NR	\$0	NR
7 Commission Contractor Compensation	\$181,803	R	\$181,803	R
Funds a 2.3% increase to statutory compensation rates for commission contractors and provides additional funding for performance incentives associated with revised standard operating procedures.				
8 Operating Efficiencies	(\$250,000)	R	(\$250,000)	R
Reduces operating funding division-wide by \$250,000 recurring.				

Division of Technical Services**9 Product Evaluation Program**

\$138,871 R

\$138,871 R

Provides funding for one Value Management Program Engineer position (Salary: \$87,685) in the Value Management Office to accelerate the review of new technologies reviewed through the Product Evaluation Program.

1.00

1.00

Federal Aid**10 Adjustment for Federal Revenue**

(\$4,055,402) R

(\$4,055,402) R

Adjusts budgeted receipts to match anticipated federal revenue for the upcoming biennium.

Intermodal**11 (Ferry) Hatteras Alternate Route and Spill Response Requirement**

\$2,100,000 R

\$2,100,000 R

Provides funding for operating costs associated with the newly designated Hatteras Inlet route and training for new federal requirements concerning oil spill responses for vessels 400 gross tons and above.

12 (Ferry) Equipment Replacement and Water Tower Repair

Replaces deteriorating hydro-blasting equipment, repairs the water tower at the shipyard, and upgrades underground water lines.

\$700,000 NR

13 (Public Transportation) Statewide and Rural Capital Grant Programs

\$3,000,000 R

\$3,000,000 R

Increases funding for the Statewide grant program by \$1 million and for the Rural Capital grant program by \$2 million.

14 (Aviation) State Aid to Airports

\$2,500,000 R

\$2,500,000 R

Increases funding for grants-in-aid for public airport development, including aviation-related economic development projects.

Maintenance**15 (Bridge Program) Statutory Adjustment**

(\$495,270) R

(\$500,279) R

Adjusts funding for the Bridge Program based on the revised revenue forecast. The program receives the balance of funds generated from the Gasoline Inspection Fee, after deducting expenses for the Department of Revenue for collecting the tax and expenses for the Department of Agriculture for fuel inspection.

16 Contract Resurfacing

Increases funding to the Contract Resurfacing Program. Budgeted funds total \$496,211,376 in FY 2015-16 and \$623,463,528 in FY 2016-17.

\$87,417,442 NR

\$214,669,594 NR

17 Reserve for General Maintenance

Increases funding to the Reserve for General Maintenance. Budgeted funds total \$45,560,850 in FY 2015-16 and \$46,163,761 in FY 2016-17.

\$602,911 NR

18 Secondary Road Maintenance and Improvement Program

Increases funding to the Secondary Road Maintenance and Improvement Program. Budgeted funds total \$279,815,851 in FY 2015-16 and \$267,111,874 in FY 2016-17.

\$12,703,977 NR

Reserves**19 Reserve for Administrative Reduction - Position Reductions**

Reduces funding for 50 filled administrative positions to reach directed outsourcing targets.

(\$2,076,644) R

(\$2,076,644) R

-50.00

-50.00

20 Capital, Repairs and Renovations

Funds capital improvements, repair, and renovation projects included in the Department of Transportation's 2015-21 Capital Improvements Plan.

\$0 NR

\$11,512,600 NR

Revenue Availability**21 Temporary Plate Fee**

Budgets estimated revenue from a \$5 increase to the fee for a 10-day temporary tag and the elimination of the 10-day trip permit. Projected revenue is \$792,710 for FY 2015-16 and \$804,740 for FY 2016-17.

22 Shallow Draft Navigation Channel Dredging & Lake Maintenance Fund

Reduces Highway Fund revenue by \$3.33 million in FY 2015-16 and \$4.33 million in FY 2016-17 to reflect the crediting of one-half percent (0.5%) of motor fuel tax revenue to the Shallow Draft Navigation Channel & Lake Dredging Fund.

23 Division of Motor Vehicles (DMV) Fees

Incorporates Part V of HB 927 to increase DMV fees across-the-board by 50 percent, effective January 1, 2016. Highway Fund revenue is projected to increase by \$132.2 million in FY 2015-16 and by \$289.9 million in FY 2016-17 based on these adjustments.

24 Motor Fuel Excise Tax Rate Adjustment

Effective January 1, 2016, reduces the motor fuel excise tax rate on gasoline to 33 cents per gallon and increases the motor fuel excise tax rate on diesel fuel to 36 cents per gallon. The rates will be adjusted annually per G.S. 105-449.80(a) beginning January 1, 2017. Highway Fund revenue is projected to decrease by \$22.9 million in FY 2015-16 and decrease by \$21.5 million in FY 2016-17 based on this adjustment.

Transfers**25 General Fund**

Increases the recurring transfer to General Fund availability by \$3.7 million.

\$3,700,000 R

\$3,700,000 R

26 Sales Tax Exemption

Adjusts the amount required from the Highway Fund to reimburse the State's General Fund for the department's sales tax exemption on purchases per G.S. 105-164.44D.

\$983,726 R

\$2,017,621 R

FY 15-16**FY 16-17****27 Base Budget Adjustments to Other State Agencies**

\$8,217 R

\$8,217 R

Adjusts the following transfers to other state agencies:

- increases funding for the Department of Revenue by \$1,313 in FY 2015-16 and \$6,322 in FY 2016-17 for collection of the Gasoline Inspection Fee;
- increases funding for the Department of Agriculture by \$5,283 in FY 2015-16 and \$5,283 in FY 2016-17 for the administration of fuel inspections;
- reduces funding for the Department of Public Health by \$21,451 recurring to match the base budget for the Alcohol Forensic Test Program; and,
- increases funding for the Motor Carrier Safety Program administered by the State Highway Patrol by \$23,072 recurring.

Additionally, reduces budgeted receipts for the Department of Revenue, Fuel Tax Compliance by \$30,032 due to a reduction in rent expenses.

28 North Carolina State Ports Authority

Provides \$21.9 million in FY 2015-16 and \$53.7 million in FY 2016-17 for the modernization of Port of Wilmington and Port of Morehead City infrastructure and facilities, to include roadway, railroad, and dredging projects at the discretion of the Secretary of Transportation which enhance direct access to the seaports.

\$21,854,360 NR

\$53,667,399 NR

Total Legislative Changes

\$7,528,925 R

\$3,139,187 R

\$149,826,779 NR

\$283,647,504 NR

Total Position Changes

-49.00

-49.00

Revised Budget

\$2,076,032,128

\$2,199,010,616

Highway Trust Fund

	HIGHWAY TRUST FUND	
	FY 15-16	FY 16-17
Recommended Budget	\$1,162,046,663	\$1,162,046,663

Legislative Changes

Construction

29 Strategic Transportation Investments

\$51,996,179	R	(\$7,727,688)	R
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Modifies funding to Strategic Transportation Investments to \$1,069,963,212 in FY 2015-16 and \$1,010,239,345 in FY 2016-17.

Debt

30 Reserve for Debt Service - Transportation Bond

Establishes a Reserve for Debt Service. If the transportation bond is approved by the voters, this reserve shall be used to fund the debt service. If the bond is not voter approved, the funds will be re-budgeted during the 2016-17 budget process.

\$50,000,000	NR
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31 Adjustment for Debt Service Obligation

(\$10,995,116)	R	\$1,397,412	R
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Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.

Revenue Availability

32 Division of Motor Vehicles (DMV) Fees

Incorporates Part V of HB 927 to temporarily adjust DMV fee distributions between the Highway Trust Fund and the Highway Fund. Highway Trust Fund revenue is projected to decrease by \$5.2 million in FY 2015-16 and by \$8.3 million in FY 2016-17 based on this adjustment.

33 Motor Fuel Excise Tax Rate Adjustment

Effective January 1, 2016, reduces the motor fuel excise tax rate on gasoline to 33 cents per gallon and increases the motor fuel excise tax rate on diesel fuel to 36 cents per gallon. The rates will be adjusted annually per G.S. 105-449.80(a) beginning January 1, 2017. Highway Trust Fund revenue is projected to decrease by \$7.6 million in FY 2015-16 and decrease by \$7.2 million in FY 2016-17 based on this adjustment.

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Total Legislative Changes	\$41,001,063	R	(\$6,330,276) R
			\$50,000,000 NR
Total Position Changes			
Revised Budget	\$1,203,047,726		\$1,205,716,387
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Turnpike Authority

Budget Code: 64208

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$86,299,540	\$0
Receipts	\$86,299,540	\$0
Positions	13.00	0.00

Legislative Changes**Requirements:**

Adjustment to Debt Service	\$18,046,000	R	\$21,435,000	R
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule, as recommended by the Governor's Recommended Budget for FY 2015-17.	\$0	NR	\$0	NR
	0.00		0.00	
Subtotal Legislative Changes	\$18,046,000	R	\$21,435,000	R
	\$0	NR	\$0	NR
	0.00		0.00	

Receipts:

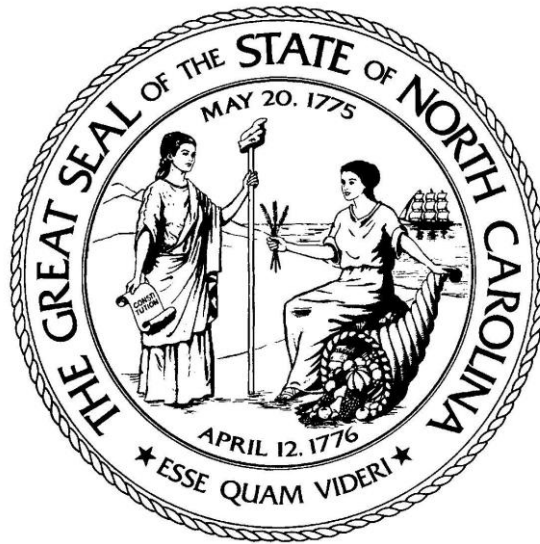
Adjustment for Debt Service	\$18,046,000	R	\$21,435,000	R
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule, as recommended by the Governor's Recommended Budget for FY 2015-17.	\$0	NR	\$0	NR
Subtotal Legislative Changes	\$18,046,000	R	\$21,435,000	R
	\$0	NR	\$0	NR

House Appropriations Committee on Transportation

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$104,345,540	\$21,435,000
Revised Total Receipts	\$104,345,540	\$21,435,000
Change in Fund Balance	\$0	\$0
Total Positions	13.00	0.00
Unappropriated Balance Remaining	\$0	\$0

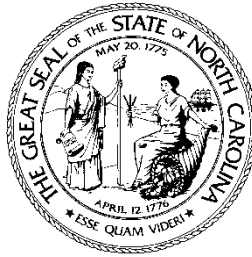
House Appropriations Committee on Transportation

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



May 14, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, TRANSPORTATION PACKAGE

MAY 13, 2015

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CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATION	
2015-TRANS-H31-P [V9], ML, MODIFIED 5/12/15 4:31 PM.....	1
SMALL CONSTRUCTION AND CONTINGENCY FUNDS	
2015-TRANS-H29-P [V5], ML, MODIFIED 5/12/15 4:46 PM.....	1
PRIORITIZATION 4.0 WORKGROUP CRITERIA/STI REVISIONS	
2015-TRANS-H20-P [V5], ML, MODIFIED 5/13/15 10:09 AM	5
INCREASE AMOUNT OF MOTOR FUEL TAX RATE DIVERSION TO SHALLOW DRAFT FUND	
2015-TRANS-H19-P [V4], ML, MODIFIED 5/12/15 4:54 PM.....	5
REQUIRE COUNTY OR MUNICIPALITY TO PAY COSTS ASSOCIATED WITH REQUESTED PROJECT IMPROVEMENTS	
2015-TRANS-H18-P [V4], ML, MODIFIED 5/12/15 4:55 PM.....	5
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2015-TRANS-H35-P [V4], ML, MODIFIED 5/12/15 4:31 PM.....	5
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2015-TRANS-H16-P [V6], ML, MODIFIED 5/12/15 4:57 PM.....	6
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RIGHT-OF-WAY ACQUISITIONS/REDUCE UNECONOMIC REMNANT PROPERTY	
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2015-TRANS-H13-P [V8], ML, MODIFIED 5/12/15 4:09 PM.....	7
PRODUCT EVALUATION PROGRAM/INCREASE INNOVATION	
2015-TRANS-H11-P [V8], ML, MODIFIED 5/12/15 5:01 PM.....	7
VARIOUS REPORTING CHANGES	
2015-TRANS-H8-P [V6], ML, MODIFIED 5/12/15 3:45 PM.....	9
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2015-TRANS-H5-P [V5], ML, MODIFIED 5/13/15 11:09 AM	9
ESTABLISHMENT OF "DOT REPORT" PROGRAM	

SP-Package-05-13-15-09-06-57-PM [v1], Modified 5/13/15 9:07 PM

2015-TRANS-H12-P [V4], ML, MODIFIED 5/12/15 4:58 PM.....	12
STUDY/TURNPIKE AUTHORITY PROCESSING FEE	
2015-TRANS-H37-P [V9], ML, MODIFIED 5/12/15 4:29 PM.....	12
USE OF FUNDS FOR PAVEMENT PRESERVATION PROGRAM	
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REPORT/USE OF COAL COMBUSTION RESIDUALS	
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BONUS ALLOCATION FOR MID-CURRITUCK BRIDGE PROJECT	
2015-TRANS-H2-P [V5], ML, MODIFIED 5/12/15 3:56 PM.....	14
UTILITY RELOCATION	
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RAIL DIVISION/STUDY ESTABLISHING COMMERCIAL FREIGHT RAIL SERVICE IN JACKSONVILLE	
2015-TRANS-H3-P [V4], ML, MODIFIED 5/12/15 3:44 PM.....	15
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FREIGHT RAIL & RAIL CROSSING SAFETY IMPROVEMENT FUND USES	
2015-TRANS-H21-P [V7], ML, MODIFIED 5/12/15 4:53 PM.....	16
FERRY TOLLS/REMOVE EXEMPTION FROM CHAPTER 150B	
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REMOVE FERRY VESSEL REPLACEMENT FROM STI/BRIDGE PROGRAM REVISIONS	
2015-TRANS-H36-P [V6], ML, MODIFIED 5/12/15 4:33 PM.....	19
CLARIFY APPLICABILITY OF STI TO ACQUISITION OF WALK-ON ONLY FERRY VESSELS FOR OCRACOE/HATTERAS FERRY ROUTE	
2015-TRANS-H26-P [V5], ML, MODIFIED 5/12/15 4:50 PM.....	19
USE OF FUNDS APPROPRIATED TO DIVISION OF AVIATION	
2015-TRANS-H33-P [V12], ML, MODIFIED 5/13/15 3:39 PM.....	19
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2015-TRANS-H39-P [V6], ML, MODIFIED 5/13/15 10:27 AM	21
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2015-TRANS-H10-P [V6], ML, MODIFIED 5/12/15 3:50 PM.....	35
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Special Provision 2015-TRANS-H30 [v7], ML, Modified 5/13/15 8:36 PM

Requested by: Representative

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATION

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

For Fiscal Year 2017-2018	\$2,202.6 million
For Fiscal Year 2018-2019	\$2,245.5 million
For Fiscal Year 2019-2020	\$2,289.9 million
For Fiscal Year 2020-2021	\$2,334.9 million

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

For Fiscal Year 2017-2018	\$1,295.3 million
For Fiscal Year 2018-2019	\$1,316.0 million
For Fiscal Year 2019-2020	\$1,342.7 million
For Fiscal Year 2020-2021	\$1,373.5 million

SECTION #.(c) The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop an eight-year revenue forecast. The first fiscal year in the eight-year forecast shall be the 2017-2018 fiscal year. The eight-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.

Special Provision 2015-TRANS-H31-P [v9], ML, Modified 5/12/15 4:31 PM

Requested by: Representative

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION #.(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 for small construction projects recommended by the Chief Engineer in consultation with the Chief Operating Officer and approved by the Secretary of the Department 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 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 #.(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.

Special Provision 2015-TRANS-H29-P [v5], ML, Modified 5/12/15 4:46 PM

Requested by: Representative

1 **PRIORITIZATION 4.0 WORKGROUP CRITERIA/STI REVISIONS**

2 **SECTION #.(a)** The Prioritization 4.0 Workgroup, established in accordance with
3 G.S. 136-189.11(h), shall (i) include peak average daily traffic data in the Congestion formula,
4 (ii) expand consideration in Multimodal formula given to projects abutting a multimodal
5 terminal to include projects within a certain proximity of a multimodal terminal, and (iii)
6 include the improvement of hurricane evacuation routes and procedures in the Safety formula.

7 **SECTION #.(b)** G.S. 136-189.11(g)(1) reads as rewritten:

8 "(1) The quantitative criteria used in each highway and nonhighway project
9 scoring, including the methodology used to define each ~~criteria, the criteria~~
10 ~~presented to the Board of Transportation for approval, criteria~~ and any
11 adjustments made to finalize the criteria."

12 **SECTION #.(c)** G.S. 136-189.11(h) reads as rewritten:

13 "(h) Improvement of Prioritization Process. – The Department shall endeavor to
14 continually improve the methodology and criteria used to score highway and non-highway
15 projects pursuant to this Article, including the use of normalization techniques, and methods to
16 strengthen the data collection process. The Department is directed to continue the use of a
17 workgroup process to develop improvements to the prioritization process. Workgroup
18 participants shall include, but not be limited to, the North Carolina League of Municipalities,
19 the North Carolina Association of County Commissioners, the North Carolina Metropolitan
20 Mayors Coalition, and the North Carolina Council of Regional Governments. The workgroup,
21 led by the Prioritization Office, shall contain a minimum of four representatives each from the
22 North Carolina Association of Municipal Planning Organizations and the North Carolina
23 Association of Rural Planning Organizations, and these members will be selected by a vote of
24 each organization. Department participants in the workgroup shall not exceed half of the total
25 group. Beginning December 1, 2016, the Department shall report annually to the Joint
26 Legislative Transportation Oversight Committee on any changes made to the highway or
27 non-highway prioritization process and the resulting impact to the State Transportation
28 Improvement Program. The General Assembly members and staff may attend all workgroup
29 meetings related to the prioritization process, all subgroup meetings of the workgroup, and
30 have access to all related workgroup or subgroup documents. Notwithstanding any provision of
31 law to the contrary, activities and decisions of the workgroup established under this subsection
32 shall not be subject to review or approval by the Board of Transportation."

33 **SECTION #.(d)** G.S. 136-189.11(d) reads as rewritten:

34 "(d) Transportation Investment Strategy Formula. – Funds subject to the Formula shall
35 be distributed as follows:

36 ...

37 (2) Regional Impact Projects. – Thirty percent (30%) of the funds subject to this
38 section shall be used for Regional Impact Projects and allocated by
39 population of Distribution Regions based on the most recent estimates
40 certified by the Office of State Budget and Management:

41 a. Criteria. – A combination of transportation-related quantitative
42 criteria, qualitative criteria, and local input shall be used to rank
43 Regional Impact Projects involving highways that address
44 cost-effective needs from a region-wide perspective and promote
45 economic growth. Local input is defined as the rankings identified by
46 the Department's Transportation Division Engineers, Metropolitan
47 Planning Organizations, and Rural Transportation Planning
48 Organizations. In determining local input, greater weight shall be
49 given to the rankings identified by Metropolitan Planning
50 Organizations and Rural Transportation Planning Organizations.

1 Transportation Division Engineer local input scoring shall take into
2 account public comments. The Department shall ensure that the
3 public has a full opportunity to submit public comments, by widely
4 available notice to the public, an adequate time period for input, and
5 public hearings. Board of Transportation input shall be in accordance
6 with G.S. 136-189.11(g)(1) and G.S. 143B-350(g). The criteria
7 utilized for selection of Regional Impact Projects shall be based
8 thirty percent (30%) on local input and seventy percent (70%) on
9 consideration of a numeric scale of 100 points based on the following
10 quantitative criteria:

- 11 1. Benefit cost.
- 12 2. Congestion.
- 13 3. Safety.
- 14 4. Freight.
- 15 5. Multimodal.
- 16 6. Pavement condition.
- 17 7. Lane width.
- 18 8. Shoulder width.
- 19 9. Accessibility and connectivity to employment centers, tourist
20 destinations, or military installations.

21 (3) Division Need Projects. – Thirty percent (30%) of the funds subject to this
22 section shall be allocated in equal share to each of the Department divisions,
23 as defined in G.S. 136-14.1, and used for Division Need Projects.

24 a. Criteria. – A combination of transportation-related quantitative
25 criteria, qualitative criteria, and local input shall be used to rank
26 Division Need Projects involving highways that address
27 cost-effective needs from a Division-wide perspective, provide
28 access, and address safety-related needs of local communities. Local
29 input is defined as the rankings identified by the Department's
30 Transportation Division Engineers, Metropolitan Planning
31 Organizations, and Rural Transportation Planning Organizations. In
32 determining local input, greater weight shall be given to the rankings
33 identified by Metropolitan Planning Organizations and Rural
34 Transportation Planning Organizations. Transportation Division
35 Engineer local input scoring shall take into account public comments.
36 The Department shall ensure that the public has a full opportunity to
37 submit public comments, by widely available notice to the public, an
38 adequate time period for input, and public hearings. Board of
39 Transportation input shall be in accordance with
40 G.S. 136-189.11(g)(1) and G.S. 143B-350(g). The criteria utilized for
41 selection of Division Need Projects shall be based fifty percent
42 (50%) on local input and fifty percent (50%) on consideration of a
43 numeric scale of 100 points based on the following quantitative
44 criteria, except as provided in sub-subdivision b. of this subdivision:

- 45 1. Benefit cost.
- 46 2. Congestion.
- 47 3. Safety.
- 48 4. Freight.
- 49 5. Multimodal.
- 50 6. Pavement condition.

7. Lane width.
 8. Shoulder width.
 9. Accessibility and connectivity to employment centers, tourist destinations, or military installations.
 - b. Alternate criteria. – Funding from the following programs shall be included in the computation of each of the Department division equal shares but shall be subject to alternate quantitative criteria:
 1. Federal Surface Transportation Program-Direct Attributable funds expended on eligible projects in the Division Need Projects category.
 2. Federal Transportation Alternatives funds appropriated to the State.
 3. Federal Railway-Highway Crossings Program funds appropriated to the State.
 4. Projects requested from the Department in support of a time-critical job creation opportunity, when the opportunity would be classified as transformational under the Job Development Investment Grant program established pursuant to G.S. 143B-437.52, provided that the total State investment in each fiscal year for all projects funded under this sub-subdivision shall not exceed ten million dollars (\$10,000,000) in the aggregate and five million dollars (\$5,000,000) per project.
 5. Federal funds for municipal road projects.
 - c. Bicycle and pedestrian limitation. – The Department shall not provide financial support for independent bicycle and pedestrian improvement projects, except for federal funds administered by the Department for that purpose. This sub-subdivision shall not apply to funds allocated to a municipality pursuant to G.S. 136-41.1 that are committed by the municipality as matching funds for federal funds administered by the Department and used for bicycle and pedestrian improvement projects. This limitation shall not apply to funds authorized for projects in the State Transportation Improvement Program that are scheduled for construction as of October 1, 2013, in State fiscal year 2012-2013, 2013-2014, or 2014-2015.
- (4) Criteria for nonhighway projects. – Nonhighway projects subject to this subsection shall be evaluated through a separate prioritization process established by the Department that complies with all of the following:
- a. The criteria used for selection of projects for a particular transportation mode shall be based on a minimum of four quantitative criteria.
 - b. Local input shall include rankings of projects identified by the Department's Transportation Division Engineers, Metropolitan Planning Organizations, and Rural Transportation Planning Organizations. In determining local input, greater weight shall be given to the rankings identified by Metropolitan Planning Organizations and Rural Transportation Planning Organizations. Transportation Division Engineer local input scoring shall take into account public comments. The Department shall ensure that the public has a full opportunity to submit public comments, by widely

1 available notice to the public, an adequate time period for input, and
2 public hearings. Board of Transportation input shall be in accordance
3 with G.S. 136-189.11(g)(1) and G.S. 143B-350(g).

- 4 c. The criteria shall be based on a scale not to exceed 100 points that
5 includes no bonus points or other alterations favoring any particular
6 mode of transportation."

7 **SECTION #.(e)** This section is effective when this act becomes law.
8

Special Provision 2015-TRANS-H20-P [v5], ML, Modified 5/13/15 10:09 AM

9 **Requested by: Representative**

10 ***INCREASE AMOUNT OF MOTOR FUEL TAX RATE DIVERSION TO SHALLOW***
11 ***DRAFT FUND***

12 **SECTION #.** G.S. 105-449.126(b) reads as rewritten:

13 "(b) The Secretary shall credit to the Shallow Draft Navigation Channel Dredging and
14 Lake Maintenance Fund ~~one-sixth of one percent (1/6 of 1%)~~ one-half percent (1/2%) of the
15 amount that is allocated to the Highway Fund under G.S. 105-449.125 and is from the excise
16 tax on motor fuel. Revenue credited to the Shallow Draft Navigation Channel Dredging and
17 Lake Maintenance Fund under this section may be used only for the dredging activities
18 described in G.S. 143-215.73F. The Secretary shall credit revenue to the Shallow Draft
19 Navigation Channel Dredging and Lake Maintenance Fund on a quarterly basis. The Secretary
20 must make the distribution within 45 days of the end of each quarter."
21

Special Provision 2015-TRANS-H19-P [v4], ML, Modified 5/12/15 4:54 PM

22 **Requested by: Representative**

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

25 **SECTION #.(a)** G.S. 136-66.3(e) reads as rewritten:

26 "(e) Authorization to Participate in Project Additions. – Pursuant to an agreement with
27 the Department of Transportation, a county or municipality ~~may~~ shall reimburse the Department
28 of Transportation for the cost of all ~~improvements~~ improvements requested by the county or
29 municipality, including additional right-of-way, for a street, highway improvement projects, or
30 other transportation system improvements approved by the Board of Transportation under
31 G.S. 143B-350(f)(4), that are in addition to those improvements that the Department of
32 Transportation would normally include in the project."

33 **SECTION #.(b)** This section is effective when it becomes law and applies to
34 agreements entered into on or after that date.
35

Special Provision 2015-TRANS-H18-P [v4], ML, Modified 5/12/15 4:55 PM

36 **Requested by: Representative**

37 ***EXPAND USES OF BRIDGE PROGRAM FUNDS***

38 **SECTION #.** Section 34.18 of S.L. 2014-100 reads as rewritten:

39 **"SECTION 34.18.(a)** The Department of Transportation shall rename the "system
40 preservation program" (fund center 1500/157839) the "bridge program." Funds allocated to this
41 program shall be used for improvements to culverts associated with a component of the State
42 highway system and improvements to structurally deficient and functionally obsolete bridges.
43 All projects funded under this program, with the exception of inspection, pre-engineering,
44 contract preparation, contract administration and oversight, and planning activities, shall be
45 outsourced to private contractors."
46

Special Provision 2015-TRANS-H35-P [v4], ML, Modified 5/12/15 4:31 PM

1 **Requested by: Representative**

2 ***DEPARTMENT OF TRANSPORTATION OUT-OF-STATE TRAVEL***

3 **SECTION #.** Section 34.5 of S.L. 2014-100 reads as rewritten:

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

11 **Special Provision 2015-TRANS-H16-P [v6], ML, Modified 5/12/15 4:57 PM**

12 **Requested by: Representative**

13 ***DOT/OUTSIDE COUNSEL***

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

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

18 **SECTION #.(c)** G.S. 136-103.1 is repealed.

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

21 **"§ 136-18.03. Outside counsel.**

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

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

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

- 33 (1) A summary of new matters opened by legal area.
34 (2) Case cycle times.
35 (3) Resolution of cases.
36 (4) A comparison of in-house costs to billable rates for private counsel.
37 (5) The process for procurement for legal services.

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

41 **Special Provision 2015-TRANS-H15-P [v6], ML, Modified 5/12/15 4:58 PM**

42 **Requested by: Representative**

43 ***RIGHT-OF-WAY ACQUISITIONS/REDUCE UNECONOMIC REMNANT PROPERTY***

44 **SECTION #.(a)** G.S. 136-44.11 is amended by adding a new subsection to read:

45 **"(c)** Notwithstanding any other provision of law, the Department shall reduce the total
46 size of each acquired right-of-way by three percent (3%) for the purpose of minimizing the
47 amount of uneconomic remnant property in the State."

1 **SECTION #.(b)** This section becomes effective July 1, 2015, and applies to
2 right-of-ways acquired on or after that date.
3

Special Provision 2015-TRANS-H14-P [v6], ML, Modified 5/12/15 4:09 PM

4 **Requested by: Representative**

5 ***DOT/REPORT ON CAPITAL IMPROVEMENT NEEDS ESTIMATE***

6 **SECTION #.** Report. – By October 1, 2015, the Department of Transportation
7 shall provide a detailed report to the Joint Legislative Transportation Oversight Committee on
8 how the Department forms the six-year capital improvement needs estimate required under
9 G.S. 143C-8-4, including how the Department decides (i) how much funding will be required
10 for each fiscal year of the estimate and (ii) what types of projects will be excluded from the
11 estimate.
12

Special Provision 2015-TRANS-H13-P [v8], ML, Modified 5/12/15 4:09 PM

13 **Requested by: Representative**

14 ***PRODUCT EVALUATION PROGRAM/INCREASE INNOVATION***

15 **SECTION #.(a)** Plan. – The Board of Transportation shall develop a plan to bring
16 greater visibility and public awareness to the Product Evaluation Program, a unit of the
17 Department of Transportation that reviews new and innovative technologies and products. As
18 part of its plan, the Board shall add to its monthly public meeting an agenda item that highlights
19 two new technologies, one technology that is under review by the Product Evaluation Program
20 and one technology that was recently approved by the Product Evaluation Program.

21 **SECTION #.(b)** Report. – The plan required under subsection (a) of this section
22 shall be submitted to the chairs of the Joint Legislative Transportation Oversight Committee no
23 later than October 1, 2015.

24 **SECTION #.(c)** Chapter 136 of the General Statutes is amended by adding a new
25 section to read:

26 **"§ 136-18.03. Product Evaluation Program.**

27 The Product Evaluation Program, or any successor program operated by the Department of
28 Transportation to review and approve or disapprove new and innovative technologies and
29 products for use by the Department, shall complete its evaluation of a technology or product
30 within one year from the date that the technology or product was submitted for evaluation.
31 Nothing in this section shall be construed as requiring the Product Evaluation Program or any
32 successor program to review all technologies and products submitted to the Product Evaluation
33 Program or any successor program."

34 **SECTION #.(d)** Subsection (c) of this section becomes effective July 1, 2015, and
35 applies to technologies and products submitted for review on or after that date. The remainder
36 of this section is effective when this act becomes law.
37

Special Provision 2015-TRANS-H11-P [v8], ML, Modified 5/12/15 5:01 PM

38 **Requested by: Representative**

39 ***VARIOUS REPORTING CHANGES***

40 **SECTION #.(a)** G.S. 136-89.183(a)(5) reads as rewritten:

41 "(5) To fix, revise, charge, retain, enforce, and collect tolls and fees for the use of
42 the Turnpike Projects. ~~Prior to the effective date of any toll or fee for use of~~
43 ~~a Turnpike Facility, the~~ The Authority shall submit a description of the an
44 annual report describing any proposed toll or fee rates for the following
45 calendar year to use a Turnpike Facility to the Board of Transportation, the
46 Joint Legislative Transportation Oversight Committee and the Joint

Legislative Commission on Governmental Operations for ~~review-review~~
prior to the effective date of the toll or fee rate."

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

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

"(c) The Secretary of Transportation shall report ~~quarterly~~ annually to the Joint ~~Legislative Commission on Governmental Operations~~ 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 #.(h) G.S. 143B-350 is amended by adding a new subsection to read:

1 "(p) Reports. – Notwithstanding any other provision of law, any report required to be
2 submitted by the Board to the General Assembly or a committee thereof is due by the 15th day
3 of the month that the report is due."
4

Special Provision 2015-TRANS-H8-P [v6], ML, Modified 5/12/15 3:45 PM

Requested by: Representative

OUTSOURCING OF PRECONSTRUCTION ACTIVITY

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

8 "**SECTION 34.13.(a)** The Department of Transportation shall seek to increase the use of
9 contracts to further privatize preconstruction work where practical, economical, and likely to
10 lead to increased efficiency. In doing so, the Department of Transportation shall meet each of
11 the following privatization requirements:

- 12 (1) Increase the outsourcing of all activities performed by the Department's
13 Preconstruction and Technical Services units to seventy percent (70%) of the
14 total cost of activities performed by those units in fiscal year
15 ~~2014-2015, 2015-2016~~, excluding the cost of activities performed by the
16 Turnpike Authority, the Structures Design and Management unit, and the
17 Bridge Program.
- 18 (2) Increase the outsourcing of all activities performed by the Department's
19 Roadway Design unit to fifty percent (50%) of the total cost of activities
20 performed by that unit in fiscal year ~~2014-2015, 2015-2016~~.
- 21 (3) Increase the outsourcing of all activities performed by the Department's
22 Project Development and Environmental Analysis unit to sixty-five percent
23 (65%) of the total cost of activities performed by that unit in fiscal year
24 ~~2014-2015, 2015-2016~~.
- 25 (4) ~~The~~Based on the total expenditures for outsourced activity in fiscal year
26 ~~2013-2014~~, the Department's Right-of-Way unit shall increase the total
27 expenditures for outsourced activity by five percent (5%) in fiscal year
28 ~~2014-2015, 2015-2016~~."

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

30 "**SECTION 34.13.(d)** The Department shall report no later than October 1, ~~2014, 2015~~, and
31 quarterly thereafter, to the Joint Legislative Transportation Oversight Committee and the Fiscal
32 Research Division regarding its implementation of this section, including any reductions in
33 force used to meet privatization requirements."
34

Special Provision 2015-TRANS-H5-P [v5], ML, Modified 5/13/15 11:09 AM

Requested by: Representative

ESTABLISHMENT OF "DOT REPORT" PROGRAM

37 **SECTION #.(a)** It is the intent of the General Assembly that North Carolina's
38 reputation as the "Good Roads State" is restored, which requires a partnership between the
39 Governor, the Department of Transportation, the General Assembly, and all North Carolina
40 citizens. Further, the General Assembly finds that improving the condition of North Carolina's
41 roads requires increased oversight, accountability, innovation, and efficiency. It is the belief of
42 the General Assembly that, through increased transparency and responsiveness to the public,
43 the condition of the roads in this State will be the best in the nation within 10 years.

44 **SECTION #.(b)** To achieve the intent set forth in subsection (a) of this section, the
45 Department of Transportation shall establish and implement the "DOT REPORT" Program
46 (Program). The Program shall include the following components:

- 47 (1) Responsiveness. – The Department of Transportation shall expand the
48 Program to gather citizen input and shall commit to quickly addressing

1 structural problems and other road hazards on State-maintained roads.
2 Citizens may report potholes, drainage issues, culvert blockages, guardrail
3 repairs, damaged or missing signs, malfunctioning traffic lights, highway
4 debris, or shoulder damage to the Department of Transportation by calling
5 1-877-DOT-4YOU or submitting an online work request through the Web
6 site link <http://www.ncdot.gov/reportDOT/fixmyroad>. Beginning January 1,
7 2016, upon receiving a citizen report in accordance with this subdivision, the
8 Department of Transportation shall either address the reported problem or
9 identify a solution to the reported problem. Excluding potholes, which shall
10 be repaired within two business days of the date the report is received, the
11 Department of Transportation shall properly address citizen reports no later
12 than 10 business days after the date the citizen report is received. The
13 Department of Transportation shall transmit information received about
14 potholes or other problems on roads not maintained by the State to the
15 appropriate locality within two business days of receiving the citizen report.

- 16 (2) Efficiency. – The Department of Transportation shall adopt procedures in all
17 stages of the construction process to streamline project delivery, including
18 consolidating environmental review processes, expediting multiagency
19 reviews, accelerating right-of-way acquisitions, and pursuing design-build
20 and other processes to collapse project stages.

21 By October 1, 2015, the Department of Transportation shall establish a
22 baseline unit pricing structure for transportation goods used in highway
23 maintenance and construction projects and set annual targets for three years
24 based on its unit pricing. In forming the baseline unit prices and future
25 targets, the Department of Transportation shall collect data from each
26 Highway Division on its expenditures on transportation goods during the
27 2015-2016 fiscal year. Beginning January 1, 2016, no Highway Division
28 shall exceed a ten-percent (10%) variance over a baseline unit price set for
29 that year in accordance with this subdivision. The Department of
30 Transportation shall institute quarterly tracking to monitor pricing variances.
31 The ten-percent (10%) maximum variance set under this subdivision is
32 intended to account for regional differences requiring varying product mixes.
33 The Department of Transportation shall report to the Joint Legislative
34 Transportation Oversight Committee and the Fiscal Research Division on
35 October 1, 2015, on information required by this subdivision. If a Highway
36 Division exceeds the unit pricing threshold, the Department of
37 Transportation shall report to the Joint Legislative Transportation Oversight
38 Committee and the Fiscal Research Division no later than the fifteenth day
39 following the end of the quarter on why the variance occurred and what
40 steps are being taken to bring the Highway Division back into compliance.
41 In order to drive savings, unit pricing may be reduced annually as
42 efficiencies are achieved.

- 43 (3) Performance. – Beginning October 1, 2015, the Secretary of the Department
44 of Transportation shall conduct an annual job satisfaction survey of all
45 Department of Transportation personnel that shall address relationships
46 among all levels of leadership, work environment, issues impacting job
47 performance, and leadership performance in creating the dynamic work
48 environment necessary to meet new performance outcomes. In addition, the
49 Department of Transportation shall conduct an annual survey of North
50 Carolina citizens to measure the level of citizen satisfaction with the

condition of the roads and highways of this State. Within 30 days of compiling the information received from surveys conducted in accordance with this subdivision, the results of these surveys shall be reported to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

(4) Oversight. – No later than May 1, 2016, and to increase budget transparency and allow for greater legislative and citizen oversight, the Department of Transportation, in consultation with the Fiscal Research Division and the Office of State Budget and Management, shall reclassify the funding source for all full-time positions that are budgeted as receipt-supported on the basis of charging to projects to appropriation 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.

(5) Restructure. – An unbiased review of the organization, staffing, and operations of the Division of Highways within the Department of Transportation is needed to improve the efficiency and effectiveness of the Division of Highways' operations and to align operations and staffing with the strategic goals set for the Division of Highways. To that end, the Joint Legislative Transportation Oversight Committee, through the Fiscal Research Division and in consultation with the Department of Transportation, shall study and review the Division of Highways. The Joint Legislative Transportation Oversight Committee may use a Request for Information process or a Request for Proposals process to contract with a qualified consulting firm to perform this review and study. The study and review, at a minimum, shall include all of the following:

- a. A review of current Division of Highways' operations, staffing levels, and employee performance management efforts.
- b. An evaluation of current laws and policies related to Division of Highways' operations and staffing.
- c. Recommendations on how best to align staffing with strategic goals and workload.
- d. Recommendations on performance- or incentive-based systems to improve the effectiveness of the Division of Highways.
- e. Recommendations on whether current laws and policies should be continued or modified based upon study results and human resource best practices.

Upon request, the Division of Highways shall provide any information, data, or documents within their possession, available from the Department of Transportation or other State agency records, as well as any other relevant information, data, or documents to complete this study and review. Information, data, and documents shall be provided in a timely manner to both the Fiscal Research Division and the consultant, if any. Upon request of

the Fiscal Research Division or the consultant, if any, the Division of Highways shall dedicate and identify staff to aid in the reviews required in completing this report. The study and review shall be completed by March 31, 2016. The Joint Legislative Transportation Oversight Committee shall report its findings to the 2015 Regular Session of the General Assembly upon its convening in 2016.

(6) Transparency. – In order for the public to access up-to-date information on highway and bridge projects and hold the Department of Transportation accountable for completing projects on time, the Department of Transportation shall adjust its performance dashboard available on the Department of Transportation's home page to track the weekly progress of all of the following:

- a. Maintenance projects costing over one million dollars (\$1,000,000).
- b. Bridge replacement projects.
- c. Bridge repair and bridge renovation projects requiring road closures in excess of 24 hours.
- d. All construction projects included in the five-year State Transportation Improvement Program.

The Department of Transportation's performance dashboard shall also be expanded to include Highway Division- and county-specific data with more detailed financial reporting and project delivery tracking. Dashboard enhancements required under this subdivision shall be completed by March 1, 2016.

SECTION #.(c) This section is effective when this act becomes law.

Special Provision 2015-TRANS-H12-P [v4], ML, Modified 5/12/15 4:58 PM

Requested by: Representative

STUDY/TURNPIKE AUTHORITY PROCESSING FEE

SECTION #.(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 fiscal 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 #.(b) Report. – The Department shall report its findings to the Joint Legislative Transportation Oversight Committee by October 1, 2015.

Special Provision 2015-TRANS-H37-P [v9], ML, Modified 5/12/15 4:29 PM

Requested by: Representative

USE OF FUNDS FOR PAVEMENT PRESERVATION PROGRAM

SECTION #.(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. – 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 in which the funds were appropriated."

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

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

Special Provision 2015-TRANS-H41-P [v3], ML, Modified 5/13/15 9:02 PM

Requested by: Representative

REPORT/USE OF COAL COMBUSTION RESIDUALS

SECTION #. 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 Management 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.

2 **Requested by: Representative**

3 ***BONUS ALLOCATION FOR MID-CURRITUCK BRIDGE PROJECT***

4 **SECTION #.** G.S. 136-189.11(f) reads as rewritten:

5 "(f) Incentives for Local Funding and Highway Tolling. – The Department may revise
6 highway project selection ratings based on local government funding initiatives and capital
7 construction funding directly attributable to highway toll revenue. Projects–Subject to the
8 following requirements and limitations, projects authorized for construction after November 1,
9 2013, and contained in the 10-year Department of Transportation work program are eligible for
10 a bonus allocation under this subsection:

11 ...
12 (3) Funds obtained through highway tolling. – Upon authorization to construct a
13 project with funding from toll revenue, the Department shall make available
14 for allocation an amount equal to one-half of the project construction cost
15 derived from toll revenue bonds. The amount made available for allocation
16 to other eligible highway projects shall not exceed two hundred million
17 dollars (\$200,000,000) of the capital construction funding directly
18 attributable to the highway toll revenues committed in the Investment Grade
19 Traffic and Revenue Study, for a project for which funds have been
20 committed on or before July 1, 2015. The amount made available for
21 allocation to other eligible highway projects shall not exceed one hundred
22 million dollars (\$100,000,000) of the capital construction funding directly
23 attributable to the highway toll revenues committed in the Investment Grade
24 Traffic and Revenue Study, for a project for which funds are committed after
25 July 1, 2015. If the toll project is located in one or more Metropolitan
26 Planning Organization or Rural Transportation Planning Organization
27 boundaries, based on the boundaries in existence at the time of letting of the
28 project construction contract, the bonus allocation shall be distributed
29 proportionately to lane miles of new capacity within the Organization's
30 boundaries. The Organization shall apply the bonus allocation only within
31 those counties in which the toll project is located. Notwithstanding the
32 requirement in this subsection directing the distribution of a bonus allocation
33 to a Metropolitan Planning Organization, Rural Planning Organization, or
34 local government, a bonus allocation made available under this subdivision
35 for the Mid-Currituck Bridge project shall be distributed to the highway
36 division having jurisdiction over the county where the Mid-Currituck Bridge
37 project is located for use in accordance with subdivision (4) of this
38 subsection. Nothing in this subdivision shall be construed as requiring the
39 construction of the Mid-Currituck Bridge project.

40"
41

43 **Requested by: Representative**

44 ***UTILITY RELOCATION***

45 **SECTION #.(a)** G.S. 136-27.1 reads as rewritten:

46 **"§ 136-27.1. Relocation of water and sewer lines of municipalities and nonprofit water or**
47 **sewer corporations or associations.**

48 The Department of Transportation shall pay the nonbetterment cost for the relocation of
water and sewer lines, located within the existing State transportation project right-of-way, that

1 are necessary to be relocated for a State transportation improvement project and that are owned
2 by: (i) a municipality with a population of ~~5,500~~10,000 or less according to the latest decennial
3 census; (ii) a nonprofit water or sewer association or corporation; (iii) any water or sewer
4 system organized pursuant to Chapter 162A of the General Statutes; (iv) a rural water system
5 operated by a County as an enterprise system; (v) any sanitary district organized pursuant to
6 Part 2 of Article 2 of Chapter 130A of the General Statutes; or (vi) constructed by a water or
7 sewer system organized pursuant to Chapter 162A of the General Statutes and then sold or
8 transferred to a municipality with a population of greater than ~~5,500~~10,000 according to the
9 latest decennial census. A municipality with a population greater than 10,000 shall pay a
10 percentage of the nonbetterment cost for relocation of water and sewer lines, owned by the
11 municipality and located within the existing State transportation project right-of-way, that are
12 necessary to be relocated for a State transportation improvement project. The percentage shall
13 be based on the municipality's population, with the Department paying the remaining costs, as
14 follows:

- 15 (1) A municipality with a population greater than 10,000, but less than 25,000,
16 shall pay twenty-five percent (25%) of the cost.
17 (2) A municipality with a population of 25,000 or greater, but less than 50,000,
18 shall pay fifty percent (50%) of the cost.
19 (3) A municipality with a population of 50,000 or greater shall pay one hundred
20 percent (100%) of the cost."

21 **SECTION #.(b)** This section is effective when it becomes law.
22

Special Provision 2015-TRANS-H27-P [v8], ML, Modified 5/12/15 4:50 PM

Requested by: Representative

***RAIL DIVISION/STUDY ESTABLISHING COMMERCIAL FREIGHT RAIL SERVICE
IN JACKSONVILLE***

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

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

38 **SECTION #.(b)** Report. – The Rail Division shall report its findings to the Chairs
39 of the Senate Appropriations Committee on the Department of Transportation and the House of
40 Representatives Committee on Transportation Appropriations by July 1, 2016.
41

Special Provision 2015-TRANS-H3-P [v4], ML, Modified 5/12/15 3:44 PM

Requested by: Representative

PASSENGER RAIL RECEIPT-GENERATING ACTIVITIES

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

45 "(44a) Where the Department owns or leases the passenger rail facility, owns the
46 rail equipment, or holds leasehold or license rights for the purpose of
47 operating passenger stations, the Department may operate or contract for the

1 following receipt-generating activities and use the proceeds to fund
2 passenger rail operations:

- 3 a. Where the Department owns the passenger rail facility or owns or
4 leases the rail equipment, operation of concessions on State-funded
5 passenger trains and at passenger rail facilities to provide to
6 passengers food, drink, and other refreshments, personal comfort
7 items, Internet access, and souvenirs publicizing the passenger rail
8 system.
- 9 b. Where the Department holds leasehold or license rights for the
10 purpose of operating passenger stations, operation of concessions at
11 rail passenger facilities to provide food, drink, and other
12 refreshments, personal comfort items, Internet access, and souvenirs
13 publicizing the passenger rail system, in accordance with the terms of
14 the leasehold or license.
- 15 c. Advertising on or within the Department's passenger rail equipment
16 or facility, including display advertising and advertising delivered to
17 passengers through the use of video monitors, public address systems
18 installed in passenger areas, and other electronic media.
- 19 d. The sale of naming rights to Department-owned passenger rail
20 equipment or facilities."

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

22 "(21) Any activity conducted or contracted for by the Department of
23 Transportation that is authorized by G.S. 136-18(44a) or G.S. 136-82(f)."
24

Special Provision 2015-TRANS-H1-P [v5], MH, Modified 5/12/15 3:43 PM

25 **Requested by: Representative**

26 ***FREIGHT RAIL & RAIL CROSSING SAFETY IMPROVEMENT FUND USES***

27 **SECTION #.** G.S. 124-5.1 reads as rewritten:

28 **"§ 124-5.1. North Carolina Railroad Company dividends deposited to Highway Fund.**

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

- 34 (1) Track and associated infrastructure improvements for freight service.
35 (2) Grade crossing protection, elimination, and hazard removal.
36 (3) Signalization improvements.
37 (4) Assistance for projects to improve rail access to industrial, port, and military
38 facilities and for freight intermodal facility improvements, provided that
39 funding assistance under this subdivision shall be subject to the same limits
40 as that for short-line railroads under G.S. 136-44.39.
41 (5) Corridor protection and reactivation.

42 The Fund may also be used to supplement funds allocated for freight rail or
43 railroad-roadway crossing safety projects approved as part of the Transportation Improvement
44 Program."
45

Special Provision 2015-TRANS-H21-P [v7], ML, Modified 5/12/15 4:53 PM

46 **Requested by: Representative**

47 ***FERRY TOLLS/REMOVE EXEMPTION FROM CHAPTER 150B***

48 **SECTION #.(a)** G.S. 136-82(b) reads as rewritten:

"(b) Establishment of Tolling. – The Board of Transportation may establish tolls on any untolled ferry route as set forth in this subsection. Prior to establishing tolls on an untolled ferry route, the Board of Transportation must receive a resolution approved by the Transportation Advisory Committee of each affected local transportation planning organization requesting tolls on that route. No later than March 1, 2014, the Department shall hold a separate public hearing in the geographic area of each untolled ferry route and invite each affected local transportation planning organization. At the public hearing, the Department shall present an explanation of the toll setting methodology, the impact of tolling on the availability of funding for other local transportation priorities, and the minimum and maximum toll rates. After the public hearing, an affected local transportation planning organization may consider and adopt a ferry tolling resolution. The Board of Transportation shall adopt the toll at its next regularly scheduled meeting after receipt of the ferry tolling resolutions required by this subsection. The Department shall collect the toll as soon as is feasible following its adoption, but in no case more than 180 days after adoption of the toll. ~~The establishment of tolls by the Board of Transportation pursuant to the authority granted in this section shall be exempt from the provisions of Chapter 150B of the General Statutes.~~ For purposes of this section, "affected local transportation planning organization" means any Metropolitan Planning Organization or Rural Transportation Planning Organization with geographic jurisdiction over any part of an untolled ferry route, and "untolled ferry route" means any ferry route for which no tolls were in effect as of June 30, 2013."

SECTION #.(b) This section becomes effective July 1, 2015, and applies to tolls established or revised on or after that date.

Special Provision 2015-TRANS-H6-P [v10], ML, Modified 5/13/15 10:20 AM

Requested by: Representative

REMOVE FERRY VESSEL REPLACEMENT FROM STI/BRIDGE PROGRAM REVISIONS

SECTION #.(a) G.S. 136-189.10 reads as rewritten:

"§ 136-189.10. Definitions.

The following definitions apply in this Article:

...

(2) Division needs projects. – Includes only the following:

- a. Projects listed in subdivision (3) or (4) of this section, subject to the limitations noted in those subsections.
- b. State highway routes not included in subdivision (3) or (4) of this section.
- c. Airports included in the NPIAS that are not included in subdivision (3) or (4) of this section, provided that the State's total annual financial participation under this sub-subdivision shall not exceed eighteen million five hundred thousand dollars (\$18,500,000).
- d. Rail lines not included in subdivision (3) or (4) of this section. This sub-subdivision does not include short-line railroads.
- e. Public transportation service not included in subdivision (3) or (4) of this section. This sub-subdivision includes commuter rail, intercity rail, and light rail.
- f. Multimodal terminals and stations serving passenger transit systems.
- g. Federally funded independent bicycle and pedestrian improvements.
- ~~h. Replacement of State-maintained ferry vessels.~~
- i. Federally funded municipal road projects.

(3) Regional impact projects. – Includes only the following:

- a. Projects listed in subdivision (4) of this section, subject to the limitations noted in that subdivision.
- b. U.S. highway routes not included in subdivision (4) of this section.
- c. N.C. highway routes not included in subdivision (4) of this section.
- d. Commercial service airports included in the NPIAS that are not included in subdivision (4) of this section, provided that the State's annual financial participation in any single airport project included in this subdivision may not exceed three hundred thousand dollars (\$300,000).
- e. The State-maintained ferry system, excluding ~~passenger~~-vessel rehabilitation and replacement.
- f. Rail lines that span two or more counties not included in subdivision (4) of this section. This sub-subdivision does not include short-line railroads.
- g. Public transportation service that spans two or more counties and that serves more than one municipality. Programmed funds pursuant to this sub-subdivision shall not exceed ten percent (10%) of any distribution region allocation. This sub-subdivision includes commuter rail, intercity rail, and light rail.

...."

SECTION #.(b) Section 34.18(a) of S.L. 2014-100, as amended by Section # of this act, reads as rewritten:

"SECTION 34.18.(a) The Department of Transportation shall rename the "system preservation program" (fund center 1500/157839) the "bridge program." Funds allocated to this program shall be used for (i) improvements to culverts associated with a component of the State highway system and system, (ii) improvements to structurally deficient and functionally obsolete bridges, (iii) ferry vessel replacement projects, and (iv) ferry vessel rehabilitation projects. All projects funded under this program, with the exception of inspection, pre-engineering, contract preparation, contract administration and oversight, ~~and~~ planning activities, activities, ferry vessel replacement, and ferry vessel rehabilitation, shall be outsourced to private contractors."

SECTION #.(c) G.S. 136-82(d) reads as rewritten:

"(d) Use of Toll Proceeds. – ~~The Except for the net proceeds from tolls collected and other receipts generated from the operation of walk-on only ferry vessels on the Ocracoke/Hatteras ferry route, the Department of Transportation shall credit the proceeds from tolls collected on North Carolina Ferry System routes and 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 the bridge program under the Department of Transportation in the highway maintenance program, and the proceeds shall be used exclusively for prioritized North Carolina Ferry System ferry passenger-vessel rehabilitation or replacement projects in the Division in which the proceeds are earned. projects. The Department of Transportation shall credit the net proceeds from tolls collected and other receipts generated from the operation of walk-on only ferry vessels on the Ocracoke/Hatteras ferry route to a reserve account within the Highway Fund for the Highway Division in which the system terminal is located and the fares are earned and the proceeds shall be used for operations and system improvements. Proceeds may be used to fund ferry passenger-vessel~~

1 ~~rehabilitation or~~ replacement projects or supplement funds allocated for ferry ~~passenger-vessel~~
2 ~~rehabilitation or~~ replacement projects approved in the Transportation Improvement Program."

3 **SECTION #.(d)** Except for the reserve account within the Highway Fund in which
4 the net proceeds from tolls collected and other receipts generated from the operation of walk-on
5 only ferry vessels on the Ocracoke/Hatteras ferry route are credited, the reserve accounts within
6 the Highway Fund in which the proceeds from tolls collected on North Carolina Ferry System
7 routes are credited under G.S. 136-82 shall be closed and the remaining unencumbered fund
8 balance shall be transferred to the bridge program (Fund Code 84210-7839).

9 **Special Provision 2015-TRANS-H36-P [v6], ML, Modified 5/12/15 4:33 PM**

10 **Requested by: Representative**

11 ***CLARIFY APPLICABILITY OF STI TO ACQUISITION OF WALK-ON ONLY FERRY***
12 ***VESSELS FOR OCRACOKE/HATTERAS FERRY ROUTE***

13 **SECTION #.** The acquisition of walk-on only ferry vessels for the
14 Ocracoke/Hatteras ferry route shall not be subject to Article 14B of Chapter 136 of the General
15 Statutes.

16 **Special Provision 2015-TRANS-H26-P [v5], ML, Modified 5/12/15 4:50 PM**

17 **Requested by: Representative**

18 ***USE OF FUNDS APPROPRIATED TO DIVISION OF AVIATION***

19 **SECTION #.** The Division of Aviation of the Department of Transportation may
20 use funds appropriated in this act to the Division for time-sensitive, aviation-related economic
21 development projects.

22 **Special Provision 2015-TRANS-H33-P [v12], ML, Modified 5/13/15 3:39 PM**

23 **Requested by: Representative**

24 ***UNMANNED AIRCRAFT SYSTEM LAW CLARIFICATION***

25 **SECTION #.(a)** Section 7.16(e) of S.L. 2013-360, as amended by Section 7.11(a)
26 of S.L. 2014-100, reads as rewritten:

27 "**SECTION 7.16.(e)** Until December 31, 2015, ~~no State or local governmental entity or~~
28 ~~officer may procure or operate an unmanned aircraft system or disclose personal information~~
29 ~~about any person acquired through the operation of an unmanned aircraft system unless the~~
30 ~~State CIO approves an exception specifically granting disclosure, use, or purchase. Any~~
31 ~~exceptions to the prohibition in this subsection shall be reported immediately the State CIO~~
32 shall have the authority to approve or disapprove (i) the procurement or operation of an
33 unmanned aircraft system by agents or agencies of the State or a political subdivision of the
34 State and (ii) the disclosure of personal information about any person acquired through the
35 operation of an unmanned aircraft system by agents or agencies of the State or a political
36 subdivision of the State. When making a decision under this subsection, the State CIO may
37 consult with the Division of Aviation of the Department of Transportation. The State CIO shall
38 immediately report to the Joint Legislative Oversight Committee on Information Technology
39 and the Fiscal Research Division on all decisions made under this subsection.
40 Notwithstanding G.S. 63-95(c), agents or agencies of the State or a political subdivision of the
41 State that receive State CIO approval under this subsection may procure or operate an
42 unmanned aircraft system prior to the implementation of the knowledge test required by
43 G.S. 63-95. In addition to receiving approval from the State CIO under this subsection, agents
44 or agencies of the State or a political subdivision of the State who submit a request on or after
45 the date of implementation of the knowledge test required by G.S. 63-95 shall also be subject to
46 the provisions of that section. The following definitions apply in this section:

- 1 (1) "Unmanned aircraft" means an aircraft that is operated without the
2 possibility of human intervention from within or on the aircraft.
3 (2) "Unmanned aircraft system" means an unmanned aircraft and associated
4 elements, including communication links and components that control the
5 unmanned aircraft that are required for the pilot in command to operate
6 safely and efficiently in the national airspace system."

7 **SECTION #.(b)** Section 34.30(j) of S.L. 2014-100 reads as rewritten:

8 **"SECTION 34.30.(j)** ~~No~~Except as authorized under Section 7.16(e) of S.L. 2013-360, as
9 amended by Section 7.11(a) of S.L. 2014-100, ~~no~~ operation of unmanned aircraft systems by
10 agents or agencies of the State, ~~or agents or agencies of State or~~ a political subdivision of the
11 State, ~~State~~ shall be authorized in this State until the knowledge ~~and skills~~ test required by
12 G.S. 63-95, as enacted in subsection (g) of this section, has been implemented.

13 No operation of unmanned aircraft systems for commercial purposes shall be authorized in
14 this State until the FAA has authorized commercial operations and the licensing system
15 required by G.S. 63-96, as enacted in subsection (g) of this section, has been implemented."

16 **SECTION #.(c)** G.S. 63-95(b) reads as rewritten:

17 "(b) The Division shall develop a knowledge ~~and skills~~ test for operating an unmanned
18 aircraft system that complies with all applicable State and federal regulations and shall provide
19 for administration of the test. The test shall ensure that the operator of an unmanned aircraft
20 system is knowledgeable of the State statutes and regulations regarding the operation of
21 unmanned aircraft systems. The Division may permit a person, including an agency of this
22 State, an agency of a political subdivision of this State, an employer, or a private training
23 facility, to administer the test developed pursuant to this subsection, provided the test is the
24 same as that administered by the Division and complies with all applicable State and federal
25 regulations."

26 **SECTION #.(d)** G.S. 63-96 reads as rewritten:

27 **"§ 63-96. License-Permit required for commercial operation of unmanned aircraft**
28 **systems.**

29 (a) No person shall operate an unmanned aircraft system, as defined in G.S. 15A-300.1,
30 in this State for commercial purposes unless the person is in possession of a ~~license-permit~~
31 issued by the Division valid for the unmanned aircraft system being operated. Application for
32 such ~~license-permit~~ shall be made in the manner provided by the Division. Unless suspended or
33 revoked, the ~~license-permit~~ shall be effective for a period to be established by the Division not
34 exceeding eight years.

35 (b) No person shall be issued a ~~license-permit~~ under this section unless all of the
36 following apply:

- 37 (1) The person is at least ~~18~~17 years of age.
38 (2) The person possesses a valid drivers license issued by any state or territory
39 of the United States or the District of Columbia.
40 (3) The person has passed the knowledge ~~and skills~~ test for operating an
41 unmanned aircraft system as prescribed in G.S. 63-95(b).
42 (4) The person has satisfied all other applicable requirements of this Article or
43 federal regulation.

44 (c) A ~~license-permit~~ to operate an unmanned aircraft system for commercial purposes
45 shall not be issued to a person while the person's license or permit to operate an unmanned
46 aircraft system is suspended, revoked, or cancelled in any state.

47 (d) The Division shall develop and administer a program that complies with all
48 applicable federal regulations to license-issue permits to operators of unmanned aircraft
49 systems for commercial purposes. The program must include the following components:

- 1 (1) A system for classifying unmanned aircraft systems based on characteristics
2 determined to be appropriate by the Division.
3 (2) A fee structure for ~~licenses~~permits.
4 (3) A ~~license-permit~~ application ~~process~~process, which shall include a
5 requirement that the Division provide notice to an applicant of the Division's
6 decision on issuance of a permit no later than 10 days from the date the
7 Division receives the applicant's application.
8 (4) Technical guidance for complying with program requirements.
9 (5) Criteria under which the Division may suspend or revoke a ~~license~~permit.
10 (6) Criteria under which the Division may waive ~~licensure-permitting~~
11 requirements for applicants currently holding a valid license or permit to
12 operate unmanned aircraft systems issued by another state or territory of the
13 United States, the District of Columbia, or the United States.
14 (7) A designation of the geographic area within which a ~~licensee~~permittee shall
15 be authorized to operate an unmanned aircraft system. The rules adopted by
16 the Division for designating a geographic area pursuant to this subdivision
17 shall be no more restrictive than the rules or regulations adopted by the
18 Federal Aviation Administration for designating a geographic area for the
19 commercial operation of unmanned aircraft systems.
20 (8) Requirements pertaining to the collection, use, and retention of data by
21 ~~licensees~~permittees obtained through the operation of unmanned aircraft
22 systems, to be established in consultation with the State Chief Information
23 Officer.
24 (9) Requirements for the marking of each unmanned aircraft system operated
25 pursuant to a ~~license-permit~~ issued under this section sufficient to ~~permit~~
26 allow identification of the owner of the system and the person ~~licensed~~
27 issued a permit to operate it.
28 (10) A system for providing agencies that conduct other operations within
29 regulated airspace with the identity and contact information of ~~licensees~~
30 permittees and the geographic areas within which the ~~licensee~~permittee is
31 permitted-authorized to operate an unmanned aircraft system.
32 (e) A person who operates an unmanned aircraft system for commercial purposes other
33 than as ~~permitted-authorized~~ under this section shall be guilty of a Class 1 misdemeanor.
34 (f) The Division may issue rules and regulations to implement the provisions of this
35 section."

36 **SECTION #.(e)** Prior to the implementation of the knowledge test and permitting
37 process required by G.S. 63-96, any person authorized by the FAA for commercial operation of
38 an unmanned aircraft system in this State shall not be in violation of that statute, provided that
39 they make application for a State permit for commercial operation within 60 days of the full
40 implementation of the permitting process and are issued a State commercial operation permit in
41 due course.

42 **SECTION #.(f)** This section is effective when this act becomes law.
43

Special Provision 2015-TRANS-H39-P [v6], ML, Modified 5/13/15 10:27 AM

Requested by: Representative

MOTOR FUEL TAX RATE CHANGE

46 **SECTION #.(a)** G.S. 105-449.80(a), as amended by Section 2.2(a) of S.L. 2015-2,
47 reads as rewritten:

48 "(a) Rate. – ~~For the period that begins Beginning on January 1, 2016, and ends on June~~
49 ~~30, 2016,~~ the motor fuel excise tax rate is a flat rate of ~~thirty-five cents (35¢)~~ thirty-six cents

1 ~~(36¢) per gallon. For the period that begins on July 1, 2016, and ends on December 31, 2016,~~
2 ~~the motor fuel excise tax rate is a flat rate of thirty-four cents (34¢) per gallon. For the calendar~~
3 ~~years beginning on January 1, 2017, the motor fuel excise tax rate is a flat rate of thirty-four~~
4 ~~cents (34¢) per gallon, multiplied by a percentage.~~ gallon for diesel fuel and thirty-three cents
5 (33¢) per gallon for all other motor fuels. For calendar years beginning on or after January 1,
6 2018, ~~2017~~, the motor fuel excise tax rate is the amount for the preceding calendar year,
7 multiplied by a percentage. The percentage is one hundred percent (100%) plus or minus the
8 sum of the following:

- 9 (1) The percentage change in population for the applicable calendar year, as
10 estimated under G.S. 143C-2-2, multiplied by seventy-five percent (75%).
11 (2) The annual percentage change in the Consumer Price Index for All Urban
12 Consumers, multiplied by twenty-five percent (25%). For purposes of this
13 subdivision, "Consumer Price Index for All Urban Consumers" means the
14 United States city average for energy index contained in the detailed report
15 released in the October prior to the applicable calendar year by the Bureau of
16 Labor Statistics of the United States Department of Labor."

17 **SECTION #.(b)** This section becomes effective January 1, 2016.
18

Special Provision 2015-TRANS-H38-P [v16], ML, Modified 5/13/15 8:54 PM

19 **Requested by: Representative**

20 **INCREASE DMV FEES**

21 **SECTION #.(a)** G.S. 20-7 reads as rewritten:

22 **"§ 20-7. Issuance and renewal of drivers licenses.**

23 ...

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

Class of Regular License	Fee for Each Year
Class A	\$4.00 <u>\$6.00</u>
Class B	\$4.00 <u>\$6.00</u>
Class C	\$4.00 <u>\$6.00</u>

30 The fee for a motorcycle endorsement is ~~one dollar and seventy-five cents (\$1.75)~~two dollars
31 and sixty cents (\$2.60) for each year of the period for which the endorsement is issued. The
32 appropriate fee shall be paid before a person receives a regular drivers license or an
33 endorsement.

34 (i1) Restoration Fee. – Any person whose drivers license has been revoked pursuant to
35 the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of ~~fifty~~
36 ~~dollars (\$50.00)~~seventy-five dollars (\$75.00). A person whose drivers license has been
37 revoked under G.S. 20-17(a)(2) shall pay a restoration fee of ~~one hundred dollars (\$100.00)~~one
38 hundred fifty dollars (\$150.00). The fee shall be paid to the Division prior to the issuance to
39 such person of a new drivers license or the restoration of the drivers license. The restoration fee
40 shall be paid to the Division in addition to any and all fees which may be provided by law. This
41 restoration fee shall not be required from any licensee whose license was revoked or voluntarily
42 surrendered for medical or health reasons whether or not a medical evaluation was conducted
43 pursuant to this Chapter. The ~~fifty-dollar (\$50.00) fee~~seventy-five-dollar (\$75.00) fee, and the
44 ~~first fifty dollars (\$50.00)~~one hundred dollars (\$100.00) of the ~~one hundred dollar~~
45 ~~(\$100.00)~~one-hundred-fifty-dollar (\$150.00) fee, shall be deposited in the Highway Fund.
46 Twenty-five dollars (\$25.00) of the ~~one hundred dollar (\$100.00)~~one-hundred-fifty-dollar
47 (\$150.00) fee shall be used to fund a statewide chemical alcohol testing program administered
48 by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the
49 Department of Health and Human Services. The remainder of the ~~one hundred dollar~~

1 ~~(\$100.00)~~one-hundred-fifty-dollar (\$150.00) fee shall be deposited in the General Fund. The
2 Office of State Budget and Management shall annually report to the General Assembly the
3 amount of fees deposited in the General Fund and transferred to the Forensic Tests for Alcohol
4 Branch of the Chronic Disease and Injury Section of the Department of Health and Human
5 Services under this subsection.

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

11 ...
12 (l) Learner's Permit. — A person who is at least 18 years old may obtain a learner's
13 permit. A learner's permit authorizes the permit holder to drive a specified type or class of
14 motor vehicle while in possession of the permit. A learner's permit is valid for a period of 18
15 months after it is issued. The fee for a learner's permit is ~~fifteen dollars (\$15.00)~~twenty-two
16 dollars and fifty cents (\$22.50). A learner's permit may be renewed, or a second learner's permit
17 may be issued, for an additional period of 18 months. The permit holder must, while operating
18 a motor vehicle over the highways, be accompanied by a person who is licensed to operate the
19 motor vehicle being driven and is seated beside the permit holder.

20"

21 **SECTION #.(b)** G.S. 20-11(j) reads as rewritten:

22 "(j) Duration and Fee. — A limited learner's permit expires on the eighteenth birthday of
23 the permit holder. A limited provisional license expires on the eighteenth birthday of the
24 license holder. A limited learner's permit or limited provisional license issued under this section
25 that expires on a weekend or State holiday shall remain valid through the fifth regular State
26 business day following the date of expiration. A full provisional license expires on the date set
27 under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is
28 ~~fifteen dollars (\$15.00)~~twenty-two dollars and fifty cents (\$22.50). The fee for a full
29 provisional license is the amount set under G.S. 20-7(i)."

30 **SECTION #.(c)** G.S. 20-14 reads as rewritten:

31 **"§ 20-14. Duplicate licenses.**

32 A person may obtain a duplicate of a license issued by the Division by paying a fee of ~~ten~~
33 ~~dollars (\$10.00)~~fifteen dollars (\$15.00) and giving the Division satisfactory proof that any of
34 the following has occurred:

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

41 **SECTION #.(d)** G.S. 20-16(e) reads as rewritten:

42 "(e) The Division may conduct driver improvement clinics for the benefit of those who
43 have been convicted of one or more violations of this Chapter. Each driver attending a driver
44 improvement clinic shall pay a fee of ~~fifty dollars (\$50.00)~~seventy-five dollars (\$75.00)."

45 **SECTION #.(e)** G.S. 20-26(c) reads as rewritten:

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

- 49 (1) Limited extract copy of license record,
50 for period up to three years~~\$8.00~~\$12.00

1 (2) Complete extract copy of license record~~8.00~~12.00
2 (3) Certified true copy of complete license record~~11.00~~16.50
3 All fees received by the Division under this subsection shall be credited to the Highway Fund."
4 **SECTION #.(f)** G.S. 20-37.15(a1) reads as rewritten:
5 "(a1) The application must be accompanied by a nonrefundable application fee of ~~thirty~~
6 ~~dollars (\$30.00)~~forty-five dollars (\$45.00). This fee does not apply in any of the following
7 circumstances:
8 (1) When an individual surrenders a commercial driver learner's permit issued
9 by the Division when submitting the application.
10 (2) When the application is to renew a commercial drivers license issued by the
11 Division.
12 This fee shall entitle the applicant to three attempts to pass the written knowledge test without
13 payment of a new fee. No application fee shall be charged to an applicant eligible for a waiver
14 under G.S. 20-37.13(c)."
15 **SECTION #.(g)** G.S. 20-37.16(d) reads as rewritten:
16 "(d) The fee for a Class A, B, or C commercial drivers license is ~~fifteen dollars~~
17 ~~(\$15.00)~~twenty-two dollars and fifty cents (\$22.50) for each year of the period for which the
18 license is issued. The fee for each endorsement is ~~three dollars (\$3.00)~~four dollars and fifty
19 cents (\$4.50) for each year of the period for which the endorsement is issued. The fees required
20 under this section do not apply to employees of the Driver License Section of the Division who
21 are designated by the Commissioner."
22 **SECTION #.(h)** G.S. 20-42(b) reads as rewritten:
23 "(b) The Commissioner and officers of the Division designated by the Commissioner
24 may prepare under the seal of the Division and deliver upon request a certified copy of any
25 document of the Division for a fee. The fee for a document, other than an accident report under
26 G.S. 20-166.1, is ~~ten dollars (\$10.00)~~fifteen dollars (\$15.00). The fee for an accident report is
27 five dollars (\$5.00). A certified copy shall be admissible in any proceeding in any court in like
28 manner as the original thereof, without further certification. The certification fee does not apply
29 to a document furnished for official use to a judicial official or to an official of the federal
30 government, a state government, or a local government."
31 **SECTION #.(i)** G.S. 20-50(b) reads as rewritten:
32 "(b) The Division may issue a temporary license plate for a vehicle. A temporary license
33 plate is valid for the period set by the Division. The period may not be less than 10 days nor
34 more than 60 days.
35 A person may obtain a temporary license plate for a vehicle by filing an application with
36 the Division and paying the required fee. An application must be filed on a form provided by
37 the Division.
38 The fee for a temporary license plate that is valid for 10 days is ~~five dollars (\$5.00)~~seven
39 dollars and fifty cents (\$7.50). The fee for a temporary license plate that is valid for more than
40 10 days is the amount that would be required with an application for a license plate for the
41 vehicle. If a person obtains for a vehicle a temporary license plate that is valid for more than 10
42 days and files an application for a license plate for that vehicle before the temporary license
43 plate expires, the person is not required to pay the fee that would otherwise be required for the
44 license plate.
45 A temporary license plate is subject to the following limitations and conditions:
46 (1) It may be issued only upon proper proof that the applicant has met the
47 applicable financial responsibility requirements.
48 (2) It expires on midnight of the day set for expiration.
49 (3) It may be used only on the vehicle for which issued and may not be
50 transferred, loaned, or assigned to another.

- (4) If it is lost or stolen, the person who applied for it must notify the Division.
- (5) It may not be issued by a dealer.
- (6) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 that apply to license plates apply to temporary license plates insofar as possible."

SECTION #.(j) G.S. 20-73(c) reads as rewritten:

"(c) Penalties. – A person to whom a vehicle is transferred who fails to apply for a certificate of title within the required time is subject to a civil penalty of ~~fifteen dollars (\$15.00)~~ twenty-two dollars and fifty cents (\$22.50) and is guilty of a Class 2 misdemeanor. A person who undertakes to apply for a certificate of title on behalf of another person and who fails to apply for a title within the required time is subject to a civil penalty of ~~fifteen dollars (\$15.00)~~ twenty-two dollars and fifty cents (\$22.50). When a person to whom a vehicle is transferred fails to obtain a title within the required time because a person who undertook to apply for the certificate of title did not do so within the required time, the Division may impose a civil penalty only on the person who undertook to apply for the title. Civil penalties collected under this subsection shall be credited to the Highway Fund."

SECTION #.(k) 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>\$60.00</u> |
| (2) | Each application for duplicate or corrected certificate of title | 15.00 <u>22.50</u> |
| (3) | Each application of reposessor for certificate of title | 15.00 <u>22.50</u> |
| (4) | Each transfer of registration | 15.00 <u>22.50</u> |
| (5) | Each set of replacement registration plates | 15.00 <u>22.50</u> |
| (6) | Each application for duplicate registration card..... | 15.00 <u>22.50</u> |
| (7) | Each application for recording supplementary lien | 15.00 <u>22.50</u> |
| (8) | Each application for removing a lien from a certificate of title | 15.00 <u>22.50</u> |
| (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 <u>22.50</u> |
| (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 (e1) of G.S. 20-109.1 | 15.00 <u>22.50</u> |
| (11) | Each set of replacement Stock Car Racing Theme plates issued under G.S. 20-79.4 | 25.00." |

SECTION #.(l) 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)~~ one hundred twelve dollars and fifty cents (\$112.50) 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 #.(m) 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)~~ one hundred seventeen dollars (\$117.00). 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)~~two dollars and ten cents (\$2.10) 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>\$27.00</u>
	2-passenger capacity	22.00 <u>33.00</u>
	3-passenger capacity	26.00 <u>39.00</u>
Automobiles:	15 or fewer passengers	\$51.00 <u>\$76.50</u>
Buses:	16 or more passengers	\$2.00 <u>\$3.00</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>\$62.25</u>
	5,000 pounds.....	\$51.00 <u>\$76.50</u>
	6,000 pounds.....	\$61.00 <u>\$91.50</u>

...

(5) Private Passenger Vehicles. – There shall be paid to the Division annually, as of the first day of January, for the registration and licensing of private passenger vehicles, fees according to the following classifications and schedules:

Private passenger vehicles of not more than fifteen passengers ~~\$28.00~~\$42.00
Private passenger vehicles over fifteen passengers..... ~~31.00~~46.50
Provided, that a fee of only ~~one dollar (\$1.00)~~one dollar and fifty cents (\$1.50) 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)~~twenty-two dollars and fifty cents (\$22.50); 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)~~thirty-three dollars (\$33.00). An additional fee of ~~three dollars (\$3.00)~~four dollars and fifty cents (\$4.50) 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)~~sixteen dollars and fifty cents (\$16.50) 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 and fifty cents (\$4.50) 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 fifty dollars (\$150.00) in addition to any other required registration fees."

SECTION #.(n) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-88.03. Late fee; motor vehicle registration.

(a) Late Fee. – In addition to the applicable fees required under this Article for the registration of a motor vehicle and any interest assessed under G.S. 105-330.4, the Division shall charge a late fee according to the following schedule to a person who pays the applicable registration fee required under this Article after the registration expires:

(1) If the registration has been expired for less than one month, a late fee of fifteen dollars (\$15.00).

(2) If the registration has been expired for one month or greater, but less than two months, a late fee of twenty dollars (\$20.00).

(3) If the registration has been expired for two months or greater, a late fee of twenty-five dollars (\$25.00).

(b) Proceeds. – The clear proceeds of any late fee charged under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(c) Construction. – For purposes of this section, payment by mail of a registration fee required under this Article is considered to be made on the date shown on the postmark stamped by the United States Postal Service. If payment by mail is not postmarked or does not show the date of mailing, the payment is considered to be made on the date the Division receives the payment."

SECTION #.(o) G.S. 105-330.10 reads as rewritten:

"§ 105-330.10. Disposition of interest.

The interest collected on unpaid registration fees pursuant to G.S. 105-330.4 shall be transferred on a monthly basis to the North Carolina Highway ~~Fund for technology improvements within the Division of Motor Vehicles Fund.~~"

SECTION #.(p) 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>\$0.44</u>
4,001 to 9,000 pounds inclusive	.400 <u>.60</u>
9,001 to 13,000 pounds inclusive	.500 <u>.75</u>
13,001 to 17,000 pounds inclusive	.681 <u>1.02</u>
Over 17,000 pounds	.771 <u>1.16</u>

Rates Per Hundred Pound Gross Weight

General Rate

1	Not over 4,000 pounds	\$0.59 <u>\$0.89</u>
2	4,001 to 9,000 pounds inclusive	.81 <u>1.22</u>
3	9,001 to 13,000 pounds inclusive	1.00 <u>1.50</u>
4	13,001 to 17,000 pounds inclusive	1.36 <u>2.04</u>
5	Over 17,000 pounds	1.54 <u>2.31</u>

6 (1) The minimum fee for a vehicle licensed under this subsection is ~~twenty-four~~
7 ~~dollars (\$24.00)~~thirty-six dollars (\$36.00) at the former rate and ~~twenty-eight~~
8 ~~dollars (\$28.00)~~forty-two dollars (\$42.00) at the general rate.

9 ...
10 (6) There shall be paid to the Division annually the following fees for
11 "wreckers" as defined under G.S. 20-4.01(50): a wrecker fully equipped
12 weighing 7,000 pounds or less, ~~seventy-five dollars (\$75.00); one hundred~~
13 ~~twelve dollars and fifty cents (\$112.50);~~ wreckers weighing in excess of
14 7,000 pounds shall pay one hundred forty-eight dollars (\$148.00); two
15 hundred twenty-two dollars (\$222.00). Fees to be prorated monthly.
16 Provided, further, that nothing herein shall prohibit a licensed dealer from
17 using a dealer's license plate to tow a vehicle for a customer.

18 (c) The fee for a semitrailer or trailer is ~~nineteen dollars (\$19.00)~~twenty-eight dollars
19 and fifty cents (\$28.50) for each year or part of a year. The fee is payable each year. Upon the
20 application of the owner of a semitrailer or trailer, the Division may issue a multiyear plate and
21 registration card for the semitrailer or trailer for a fee of ~~seventy-five dollars (\$75.00); one~~
22 hundred twelve dollars and fifty cents (\$112.50). A multiyear plate and registration card for a
23 semitrailer or trailer are valid until the owner transfers the semitrailer or trailer to another
24 person or surrenders the plate and registration card to the Division. A multiyear plate may not
25 be transferred to another vehicle.

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

29 ...
30 (i) Any vehicle fee determined under this section according to the weight of the vehicle
31 shall be increased by the sum of ~~three dollars (\$3.00)~~four dollars and fifty cents (\$4.50) to
32 arrive at the total fee.

33"

34 **SECTION #.(q)** G.S. 20-289(a) reads as rewritten:

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

36 (1) For motor vehicle dealers, distributors, distributor branches, and
37 wholesalers, ~~seventy dollars (\$70.00)~~one hundred five dollars (\$105.00) for
38 each place of business.

39 (2) For manufacturers, ~~one hundred fifty dollars (\$150.00)~~two hundred
40 twenty-five dollars (\$225.00) and for each factory branch in this State, ~~one~~
41 ~~hundred dollars (\$100.00)~~one hundred fifty dollars (\$150.00).

42 (3) For motor vehicle sales representatives, ~~fifteen dollars (\$15.00)~~twenty-two
43 dollars and fifty cents (\$22.50).

44 (4) For factory representatives, or distributor representatives, ~~fifteen dollars~~
45 ~~(\$15.00)~~twenty-two dollars and fifty cents (\$22.50).

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

47 **SECTION #.(r)** G.S. 20-385(a) reads as rewritten:

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

50 (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 45.0067.50
- (3) Certification by an interstate motor carrier that it is not regulated by the United States Department of Transportation 45.0067.50
- (4) Application by an interstate motor carrier for an emergency trip permit 18.0027.00."

SECTION #.(s) 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)~~ fifteen dollars (\$15.00). 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

1 within the 10-day period provided above that a hearing is desired prior to
2 sale, the lien may be enforced by sale as provided in this section and the
3 Division will transfer title only pursuant to the order of a court of competent
4 jurisdiction.

5 If the certified mail notice has been returned as undeliverable, or if the
6 name of the person having legal title to the vehicle cannot reasonably be
7 ascertained and the fair market value of the vehicle is less than eight hundred
8 dollars (\$800.00), the lienor may institute a special proceeding in the county
9 where the vehicle is being held, for authorization to sell that vehicle. Market
10 value shall be determined by the schedule of values adopted by the
11 Commissioner under G.S. 105-187.3.

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

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

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

31 **SECTION #.(t)** For the 2015-2016 fiscal year, twenty percent (20%) of the
32 revenues generated from the fees set forth in subdivisions (1) through (9) of subsection (a) of
33 G.S. 20-85, after the adjustments enacted in this section, shall be transferred from the Highway
34 Trust Fund to the Highway Fund.

35 **SECTION #.(u)** For the 2016-2017 fiscal year, thirty-five percent (35%) of the
36 revenues generated from the fees set forth in subdivisions (1) through (9) of subsection (a) of
37 G.S. 20-85, after the adjustments enacted in this section, shall be transferred from the Highway
38 Trust Fund to the Highway Fund.

39 **SECTION #.(v)** Subsections (t), (u), and (v) of this section are effective when this
40 act becomes law. Subsection (n) of this section becomes effective July 1, 2016, and applies to
41 renewal motor vehicle registrations on or after that date. The remainder of this section becomes
42 effective January 1, 2016, and applies to issuances, renewals, restorations, and requests on or
43 after that date.

44 **Special Provision 2015-TRANS-H32-P [v5], ML, Modified 5/12/15 4:44 PM**

45 **Requested by: Representative**

46 ***ENFORCING PENALTIES FOR LAPSE IN FINANCIAL RESPONSIBILITY***

47 **SECTION #.(a)** G.S. 20-311 reads as rewritten:

48 **"§ 20-311. Action by the Division when notified of a lapse in financial responsibility.**

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

9 (1) Division correction. – If the owner responds within the required time and the
10 response establishes that the owner has not had a lapse in financial
11 responsibility, the Division shall correct its records.

12 (2) Penalty only. – If the owner responds within the required time and the
13 response establishes all of the following, the Division shall assess the owner
14 a penalty in the amount set in subsection (b) of this section:

15 a. The owner had a lapse in financial responsibility, but the owner now
16 has financial responsibility.

17 b. The vehicle was not involved in an accident during the lapse in
18 financial responsibility.

19 c. The owner did not operate the vehicle or allow the vehicle to be
20 operated during the lapse with knowledge that the owner had no
21 financial responsibility for the vehicle.

22 (3) Penalty and revocation. – If the owner responds within the required time and
23 the response establishes ~~any~~either of the following, the Division shall assess
24 the owner a penalty in the amount set in subsection (b) of this section and
25 revoke the registration of the owner's vehicle for the period set in subsection
26 (c) of this section:

27 a. The owner had a lapse in financial responsibility and still does not
28 have financial responsibility.

29 b. The owner now has financial responsibility even though the owner
30 had a lapse, but the response also establishes any of the following:

31 1. The vehicle was involved in an accident during the lapse,
32 the lapse.

33 2. The owner operated the vehicle during the lapse with
34 knowledge that the owner had no financial responsibility for
35 the vehicle, or both vehicle.

36 3. The owner allowed the vehicle to be operated during the lapse
37 with knowledge that the owner had no financial responsibility
38 for the vehicle.

39 (4) ~~Revocation pending response.~~ Penalty and revocation for failure to respond.

40 ~~– If~~– Except as otherwise provided in this subdivision, if the owner does not
41 respond within the required time, the Division shall assess a penalty in the
42 applicable amount set forth in subsection (b) of this section and shall revoke
43 the registration of the owner's vehicle for the period set in subsection (c) of
44 this section. When the owner responds, the Division shall take the
45 appropriate action listed in subdivisions (1) through (3) of this subsection as
46 if the response had been timely.If the owner does not respond within the
47 required time, but later responds and establishes that the owner has not had a
48 lapse in financial responsibility, the Division shall correct its records, rescind
49 any revocation under this subdivision of the registration of the owner's

1 vehicle, and the owner shall not be responsible for any fee or penalty arising
2 under this section from the owner's failure to timely respond.

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

7 Number of Lapses in Previous Three Years	Penalty Amount
8 None	\$50.00
9 One	\$100.00
10 Two or More	\$150.00

11 (c) Revocation Period. – The revocation period for a revocation based on a response
12 that establishes that a vehicle owner does not have financial responsibility is indefinite and ends
13 when the owner obtains financial responsibility or transfers the vehicle to an owner who has
14 financial responsibility. The revocation period for a revocation based on a response that
15 establishes the occurrence of an accident during a lapse in financial responsibility or the
16 knowing operation of a vehicle without financial responsibility is 30 days. The revocation
17 period for a revocation based on failure of a vehicle owner to respond is indefinite and ends
18 when the owner responds, the later of 30 days or when the owner obtains financial
19 responsibility or transfers the vehicle to an owner who has financial responsibility.

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

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

37 (e) Registration After Revocation. – A vehicle whose registration has been revoked
38 may not be registered during the revocation period in the name of the owner, a child of the
39 owner, the owner's spouse, or a child of the owner's spouse. This restriction does not apply to a
40 spouse who is living separate and apart from the owner. At the end of a revocation period, a
41 vehicle owner who has financial responsibility may apply to register a vehicle whose
42 registration was revoked. The owner shall provide proof of current financial responsibility and
43 pay any penalty assessed, a restoration fee of fifty dollars (\$50.00), and the fee for a
44 registration plate. Pursuant to G.S. 20-54, failure of an owner to pay any penalty or fee assessed
45 pursuant to this section shall result in the Division withholding the registration renewal of any
46 motor vehicle registered in that owner's name.

47"

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

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

1 **SECTION #.(c)** This section becomes effective December 1, 2015, and applies to
2 lapses in financial responsibility occurring on or after that date.
3

Special Provision 2015-TRANS-H25-P [v15], ML, Modified 5/13/15 8:28 PM

4 **Requested by: Representative**

5 ***LPA CONTRACT STANDARDS***

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

7 "(h) Commission Contracts for Issuance of Plates and Certificates. – All registration
8 plates, registration certificates, and certificates of title issued by the Division, outside of those
9 issued from the office of the Division located in Wake, Cumberland, or Mecklenburg Counties
10 and those issued and handled through the United States mail, shall be issued insofar as
11 practicable and possible through commission contracts entered into by the Division for the
12 issuance of the plates and certificates in localities throughout North Carolina, including military
13 installations within this State, with persons, firms, corporations or governmental subdivisions
14 of the State of North Carolina. The Division shall make a reasonable effort in every locality,
15 except as noted above, to enter into a commission contract for the issuance of the plates and
16 certificates and a record of these efforts shall be maintained in the Division. In the event the
17 Division is unsuccessful in making commission contracts, it shall issue the plates and
18 certificates through the regular employees of the Division. Whenever registration plates,
19 registration certificates, and certificates of title are issued by the Division through commission
20 contract arrangements, the Division shall provide proper supervision of the distribution.
21 Nothing contained in this subsection allows or permits the operation of fewer outlets in any
22 county in this State than are now being operated.

23 Commission contracts entered into by the Division under this subsection shall provide for
24 the payment of compensation on a per transaction basis. The collection of the highway use tax
25 is considered a separate transaction for which ~~one dollar and twenty-seven cents (\$1.27)~~ one
26 dollar and thirty cents (\$1.30) compensation shall be paid. The issuance of a limited registration
27 "T" sticker and the collection of property tax are each considered a separate transaction for
28 which compensation at the rate of one dollar and twenty-seven cents (\$1.27) and ~~one dollar and~~
29 ~~six cents (\$1.06)~~ one dollar and eight cents (\$1.08) respectively, shall be paid by counties and
30 municipalities as a cost of the combined motor vehicle registration renewal and property tax
31 collection system. The performance at the same time of one or more of the transactions below
32 is considered a single transaction for which ~~one dollar and forty-three cents (\$1.43)~~ one dollar
33 and forty-six cents (\$1.46) compensation shall be paid:

- 34 (1) Issuance of a registration plate, a registration card, a registration sticker, or a
35 certificate of title.
- 36 (2) Issuance of a handicapped placard or handicapped identification card.
- 37 (3) Acceptance of an application for a personalized registration plate.
- 38 (4) Acceptance of a surrendered registration plate, registration card, or
39 registration renewal sticker, or acceptance of an affidavit stating why a
40 person cannot surrender a registration plate, registration card, or registration
41 renewal sticker.
- 42 (5) Cancellation of a title because the vehicle has been junked.
- 43 (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax,
44 other than the highway use tax.
- 45 (7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial
46 responsibility or receipt of the restoration fee imposed by that statute.
- 47 (8) Acceptance of a notice of failure to maintain financial responsibility for a
48 motor vehicle.
- 49 (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 #.(b) G.S. 20-63 is amended by adding a new subsection to read:

"(h3) Contract license plate agencies are subject to the Standard Operating Procedures established by the Division. In addition, the Division shall, by rule, establish standards for commission contracts entered into by the Division under subsection (h) of this section. The standards shall include all of the following:

(1) Performance standards for commission contract agents, including a schedule of monetary performance bonuses that may be paid annually by the Division to commission contract agents that meet or exceed the performance standards established pursuant to this subdivision. The total aggregate amount of monetary performance bonuses paid to all commission contract agents by the Division pursuant to this subdivision may not exceed ninety thousand dollars (\$90,000) per year.

(2) A term of duration. For initial commission contracts, the durational term may not exceed eight years. For renewal commission contracts, the durational term may not exceed two years."

SECTION #.(c) No later than October 1, 2015, the Division of Motor Vehicles shall establish and adopt temporary rules to implement the provisions of subsection (b) of this section. No later than 30 days after adopting temporary rules under this subsection, the Division shall report to the Joint Legislative Transportation Oversight Committee on the establishment of the standards required by subsection (b) of this section.

SECTION #.(d) 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 be subject to the standards established under subsection (b) of this section. No later than July 1, 2018, all other commission contracts entered into by the Division of Motor Vehicles shall be subject to the standards established under subsection (b) of this section.

SECTION #.(e) Subsections (c) and (e) of this section are effective when they become law. Subsection (a) of this section becomes effective July 1, 2015, and applies to transactions on or after that date. The remainder of this section is effective upon adoption of rules pursuant to subsection (c) of this section.

Special Provision 2015-TRANS-H24-P [v6], ML, Modified 5/12/15 4:10 PM

Requested by: Representative

DMV/UMSTEAD ACT CLARIFICATION

SECTION #. 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."

Special Provision 2015-TRANS-H17-P [v7], ML, Modified 5/12/15 4:10 PM

Requested by: Representative

HIGHWAY USE TAX CLARIFICATION

SECTION #.(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

1 certificate of title, is and has been titled in the name of the owner of the motor vehicle in
2 another state for at least 90 days.days prior to the date of application for a certificate of title in
3 this State."

4 **SECTION #.(b)** This section is effective when this act becomes law.
5

Special Provision 2015-TRANS-H10-P [v6], ML, Modified 5/12/15 3:50 PM

6 **Requested by: Representative**

7 ***ELIMINATE 10-DAY TRIP PERMIT & INCREASE TEMPORARY TAG FEE***

8 **SECTION #.(a)** G.S. 20-183.4C reads as rewritten:

9 "**§ 20-183.4C. When a vehicle must be inspected; 10-day ~~trip permit~~ temporary license**
10 **plate.**

11 ...
12 (b) Permit.Temporary License Plate. – The Division may issue a ~~10-day trip permit~~
13 temporary license plate under and in accordance with G.S. 20-50(b) that is valid for 10 days to
14 a person that authorizes the person to drive a vehicle whose inspection authorization or
15 registration has expired. The permit may only be issued when the person has furnished proof of
16 financial responsibility. The permit must describe the vehicle whose inspection authorization or
17 registration has expired. The permit authorizes the person to drive the described vehicle for a
18 period not to exceed 10 days from the date of issuance.

19"

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

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

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

27 The fee for a temporary license plate that is valid for 10 days is ~~five~~ten dollars
28 ~~(\$5.00).~~(\$10.00). The fee for a temporary license plate that is valid for more than 10 days is the
29 amount that would be required with an application for a license plate for the vehicle. If a person
30 obtains for a vehicle a temporary license plate that is valid for more than 10 days and files an
31 application for a license plate for that vehicle before the temporary license plate expires, the
32 person is not required to pay the fee that would otherwise be required for the license plate.

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

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

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

45 **SECTION #.(d)** This section becomes effective July 1, 2015, and applies to
46 temporary license plates issued on or after that date.
47

Special Provision 2015-TRANS-H9-P [v5], ML, Modified 5/12/15 3:53 PM

48 **Requested by: Representative**

1 **TECHNICAL CORRECTION/REMOTE RENEWAL OF DRIVERS LICENSE**

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

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

8 a. Requirements. – To be eligible for remote renewal under this
9 subdivision, a person must meet all of the following requirements:

- 10 1. The license holder possesses a valid, unexpired Class C
11 drivers license that was issued when the person was at least
12 18 years old.
- 13 2. The license holder's current license includes no restrictions
14 other than a restriction for corrective lenses.
- 15 3. The license holder attests, in a manner designated by the
16 Division, that (i) the license holder is a resident of the State
17 and currently resides at the address on the license to be
18 renewed, (ii) the license holder's name as it appears on the
19 license to be renewed has not changed, and (iii) all other
20 information required by the Division for an in-person renewal
21 under this Article has been provided completely and
22 truthfully.
- 23 4. The most recent renewal was an in-person renewal and not a
24 remote renewal under this subdivision.
- 25 5. The license holder is otherwise eligible for renewal under this
26 subsection.

27 b. Waiver of requirements. – When renewing a drivers license pursuant
28 to this subdivision, the Division may waive the examination and
29 photograph that would otherwise be required for the renewal.

30 c. Duration of remote renewal. – A renewed drivers license issued to a
31 person by remote renewal under this subdivision expires according to
32 the following schedule:

- 33 1. For a person at least 18 years old but less than 66 years old,
34 on the birthday of the licensee in the eighth year after
35 issuance.
- 36 2. For a person at least 66 years old, on the birthday of the
37 licensee in the fifth year after issuance.

38 d. Rules. – The Division shall adopt rules to implement this
39 subdivision.

40 e. Federal law. – Nothing in this subdivision shall be construed to
41 supersede any more restrictive provisions for renewal of drivers
42 licenses prescribed by federal law or regulation.

43 f. Definition. – For purposes of this subdivision, "remote renewal"
44 means renewal of a drivers license by mail, telephone, electronic
45 device, or other secure means approved by the Commissioner."
46

Special Provision 2015-TRANS-H7-P [v5], ML, Modified 5/12/15 3:44 PM

Requested by: Representative

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

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

2 **"SECTION 24.10.(a)** Upon request from the Department of Transportation and
3 notwithstanding any other provision of law to the contrary, the Office of State Budget and
4 Management may authorize the creation of time-limited, full-time equivalent positions within
5 the Department of Transportation and its Division of Motor Vehicles in excess of the positions
6 authorized by this act for the sole purposes of implementing and administering the combined
7 motor vehicle registration and property tax collection system, in accordance with the funding
8 authorizations in G.S. 105-330.5 and G.S. 105-330.10. Positions created under this
9 authorization shall terminate no later than ~~June 30, 2014~~April 1, 2016. Following the approval
10 of a request, the Office of State Budget and Management shall direct the transfer of funds from
11 the Combined Motor Vehicle and Registration Account, also known as the Division of Motor
12 Vehicles Taxation Interest Fund for Integrated Computer System, to support personnel and
13 related operating costs for the positions approved under this section."
14

Special Provision 2015-TRANS-H4-P [v6], ML, Modified 5/12/15 3:55 PM

15 **Requested by: Representative**

16 ***DMV AND LPAS/TITLE AND LICENSE PERSONAL WATERCRAFT***

17 **SECTION #.(a)** G.S. 75A-5.2(a) reads as rewritten:

18 "(a) In order to facilitate the convenience of the public, the efficiency of administration,
19 the need to keep statistics and records affecting the conservation of wildlife resources, boating,
20 water safety, and other matters within the jurisdiction of the Commission, and to facilitate
21 vessel transactions, the Commission may conduct vessel transactions through any of the
22 following:

- 23 (1) Vessel agents. For transactions involving a personal watercraft, as that term
24 is defined in G.S. 75A-13.3, the term "vessel agents" includes (i) any office
25 of the Division of Motor Vehicles and (ii) any commission contract agent
26 utilized by the Division of Motor Vehicles pursuant to G.S. 20-63.
27 (2) The Commission's headquarters.
28 (3) Employees of the Commission.
29 (4) Two or more of those sources simultaneously."

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

32 **"§ 20-63.03. Certificate of number and titling of personal watercrafts.**

33 In accordance with G.S. 75A-5.2(a), any office of the Division of Motor Vehicles and any
34 commission contract agent utilized by the Division pursuant to G.S. 20-63 may conduct any
35 vessel transaction listed in G.S. 75A-5.2(c) for a personal watercraft, as that term is defined in
36 G.S. 75A-13.3, and may receive the surcharge set forth in G.S. 75A-5.2(c) for the applicable
37 transaction the office of the Division or the commission contract agent conducts."