

## **Senate Transportation NCDOT Legislation Overview**

**Session Laws 2019-15, 2019-251, 2020-3, 2020-4**

**Date: May 20, 2020 @ 12:00 PM**

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### **S.L. 2019-15 (S605) (effective May 16, 2019):**

AN ACT TO TRANSFER FUNDS TO THE DEPARTMENT OF TRANSPORTATION TO BE USED AS A LOAN FOR CASH FLOW NEEDS AS A RESULT OF DISASTER RECOVERY

- Created the Disaster Relief Cash Flow Loan Fund as a special fund in the Department of Transportation; and
  - Specified initial funding sources for the Disaster Relief Cash Flow Loan Fund.
    - Included a \$90M, non-recurring transfer from the Gen. Fund for FY 2018/19.
  - Limited the use of the Fund to DOT cash flow needs resulting from disaster relief expenditures up to \$300M in total.
  - Directed the Department to deposit any funds it receives as a reimbursement from the federal government for expenditures related to disaster relief into the Fund.
  - Set out conditions and requirements to close the Fund by June 2021 or once the \$300M expenditure limitation is reached, whichever occurs earlier. Included a \$90M transfer to Savings Reserve upon fund closing.
  - Created a reporting requirement to the General Assembly.

### **S.L. 2019-251 (S356) (effective November 18, 2019):**

AN ACT TO MAKE REVENUE ADJUSTMENTS, IMPLEMENT BUDGET STABILIZATION MEASURES, AND ENHANCE TRANSPARENCY AND ACCOUNTABILITY AT THE DEPARTMENT OF TRANSPORTATION.

- Directed the State Treasurer to authorize the issuance and sale of \$400M in Build NC Bonds.
- Directed DOT to transfer a total of \$100M in nonrecurring funds as a loan from the Highway Trust Fund to the Highway Fund in 2020, to be repaid pursuant to a schedule approved by the Department of the State Treasurer.
- Created the Transportation Emergency Reserve as a special fund within the Department for use in federally declared major disasters under the Stafford Act, and
  - Included a \$64M, initial non-recurring transfer from Gen. Fund.
  - Required DOT to transfer \$125M annually from the Highway Fund to the Reserve.
  - Limited the amount of the Emergency Reserve to \$125M.
  - Created a reporting requirement to the General Assembly.
- Authorized DOT, in coordination with OSBM, to make division budget adjustments (except salaries) to pay for unanticipated snow and ice removal and emergencies expenditures.
- Directed DOT in consultation with OSBM to revise its base budget to increase the amount of funds available for snow and ice removal and emergency expenditures.
- Limited payouts for all pending and future Map Act settlement costs to total of \$150M per fiscal year.
- Modified how interest is awarded as damages for condemnation actions.
- Required the Department to seek reimbursement from the federal government for all qualifying disaster expenditures expeditiously, and report to the General Assembly monthly.

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- Amended S.L. 2019-15 to remove the \$90M transfer requirement to the Savings Reserve upon closing the Disaster Relief Cash Flow Loan Fund.
- Appropriated \$36M from the General Fund to the Department for:
  - Hurricane Dorian recovery, \$30M
  - Living Shoreline projects, \$2M
  - Flood Inundation Mapping Alert Network for Transportation expansion, \$2M
  - Flood Risk and Vulnerability Assessment on the Strategic Highway Corridor System, \$2M
- Directed the Department to report to the General Assembly when the Department cash balance is outside the statutory combined average daily cash balance target range for the HF and HTF.
- Required the State Auditor to conduct a performance audit of the Department and submit a report to the General Assembly.
- Directed the Department to submit a financial management report to the General Assembly.

### **S.L. 2020-3 (S704, Secs. 4.7 & 4.9) (effective May 4, 2020):**

AN ACT TO PROVIDE AID TO NORTH CAROLINIANS IN RESPONSE TO THE CORONAVIRUS DISEASE 2019 (COVID 19) CRISIS.

- Requires the DMV to extend the validity of specified credentials for a period of five months (drivers licenses, inspection station licenses, etc.), that expire on or after March 1, 2020, and before August 1, 2020, and directs the DMV to notify individuals affected by such an extension.
- Authorizes DMV to extend for up to 5 months certain medical waivers related to CDLs if DMV's Medical Review Unit determines the extension is appropriate.
- Extends the validity of certain driving eligibility certificates.
- Enacts related provisions to waive fees or penalties, extend due dates for motor vehicle taxes tied to registration expiration; and defenses to related traffic violation charges.
- Modifies the requirement that DMV vacate their current DMV building in Raleigh by October 1, 2020. DMV must begin vacating by that October 1 date.
- Directs the Department to not transfer funds to the Transportation Emergency Reserve for fiscal year 2020-2021.

### **S.L. 2020-4 (H1043 – Section 3.3(4)) (effective May 4, 2020):**

AN ACT TO PROVIDE AID TO NORTH CAROLINIANS IN RESPONSE TO THE CORONAVIRUS DISEASE 2019 (COVID 19) CRISIS.

- Of the approximately \$1.4B appropriated to OSBM for allocation pursuant to this act,
  - \$300M would be allocated to the DOT if authorized at a federal level to utilize federal relief funds for lost revenue replacement, and if this condition is not met by June 15, 2020, those funds would remain unspent until appropriated by an act of the General Assembly.