

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 198  
Committee Substitute Favorable 4/26/23  
Committee Substitute #2 Favorable 5/2/23  
PROPOSED SENATE COMMITTEE SUBSTITUTE H198-CSBG-25 [v.8]  
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Short Title: DOT Legislative Changes.-AB

(Public)

Sponsors:

Referred to:

February 27, 2023

A BILL TO BE ENTITLED  
AN ACT TO MAKE CHANGES TO TRANSPORTATION LAWS, AS RECOMMENDED BY  
THE DEPARTMENT OF TRANSPORTATION.

The General Assembly of North Carolina enacts:

**TRANSPORTATION EMERGENCY RESERVE REPORT**

**SECTION 1.** G.S. 136-44.2E reads as rewritten:

**"§ 136-44.2E. Transportation Emergency Reserve.**

(a) Creation. – The Transportation Emergency Reserve (Emergency Reserve) is established as a special fund in the Department of Transportation.

(b) Funding; Use of Funds. – Subject to subsection (d) of this section, no later than July 30 of each fiscal year, the Department of Transportation shall transfer from the Highway Fund to the Emergency Reserve the sum of one hundred twenty-five million dollars (\$125,000,000), and these funds are hereby appropriated for expenses related to an emergency. For purposes of this section, the term "emergency" has the same meaning as in G.S. 166A-19.3.

(c) Access to Funds. – The Department may only use funds in the Emergency Reserve after the President of the United States issues a declaration under the Stafford Act (42 U.S.C. §§ 5121 – 5207) that a major disaster exists in the State. The Secretary of Transportation shall ensure all funds in the Emergency Reserve are accessed and used pursuant to this section, and in a manner that ensures to the extent practicable that the funds are eligible for federal reimbursement or cost sharing with the federal funds.

(d) Limitation on Funds. – The total funds in the Emergency Reserve shall not exceed the sum of one hundred twenty-five million dollars (\$125,000,000). If a transfer under subsection (b) of this section would cause the Emergency Reserve to exceed this limitation, the amount transferred shall equal the difference between one hundred twenty-five million dollars (\$125,000,000) and the amount of funds in the Emergency Reserve on the transfer date set forth in subsection (b) of this section.

(e) ~~Evaluation of Emergency Reserve Reserve Report.~~ – No later than ~~February 1 of the first year of the 2021-2023 fiscal biennium, February 1, 2025, and biennially annually thereafter,~~ thereafter for any year expenditures are made from the Emergency Reserve, the Department of Transportation shall submit a report ~~on summarizing expenditures from the~~ Emergency Reserve to the House of Representatives Appropriations Committee on Transportation, the Senate Appropriations Committee on the Department of Transportation, the Chairs of the House and Senate Transportation Committees, and the Fiscal Research Division.



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The report shall include a list of the projects receiving funds during the previous fiscal year from the Emergency Reserve. The list shall include for each project a description of the project, the amount of the funds utilized for the project, the anticipated total cost of the project, project status, any recommendations to adjust ~~contain the results of an evaluation of the Emergency Reserve, based on a methodology developed jointly by the Office of State Budget and Management and the Department of Transportation, to determine~~ the minimum amount of funds needed in the Emergency Reserve, and any additional information deemed relevant.

(f) Notification of Governor; Reimbursement. – The Secretary shall notify the Governor within 24 hours of determining that anticipated emergency expenses by the Department under this section will exceed the funds in the Emergency Reserve. Upon notification, the Governor shall immediately proceed under G.S. 166A-19.20(e). Federal reimbursements for funds expended in relation to a major disaster, declared in accord with subsection (c) of this section, shall be used to reimburse expenditures from the following accounts in order of priority:

- (1) Emergency Reserve, subject to the limitation in subsection (d) of this section.
- (2) Reserve for General Maintenance in the Highway Fund.
- (3) Savings Reserve."

## **PROGRESSIVE DESIGN-BUILD DELIVERY METHOD PILOT PROGRAM**

**SECTION 2.(a)** Definition. – For purposes of this section, the term "Progressive Design-Build" means a project delivery method that uses a stepped, or progressive qualifications based selection process, followed by a progression to a contract price. The Progressive Design-Build Team is selected exclusively on qualifications, without consideration of schedule or costs, and delivers the project in two distinct phases with two separate contracts. The Progressive Design-Build Team is initially under contract for preconstruction activities, including developing preliminary designs, performing constructability reviews, and developing construction schedules and pricing. If the Department of Transportation and the Progressive Design-Build Team reach agreement on a guaranteed maximum construction cost, the Department of Transportation and the Progressive Design-Build Team will execute a second contract for completion of the preliminary designs and construction of the project.

**SECTION 2.(b)** Pilot Project. – Notwithstanding any provision of Chapter 136 of the General Statutes to the contrary, the Department of Transportation may establish and implement a pilot project to award contracts for up to five transportation projects using the Progressive Design-Build procurement process. The Department of Transportation may only award a contract under this section if (i) the Department determines that the project cost is less than five hundred million dollars (\$500,000,000), (ii) the Department determines that it is in the public's interest to use the Progressive Design-Build procurement process, (iii) the Department prequalifies the prime contractor and lead design firm that will be awarded the contract, (iv) the Department complies with the pre-award reporting requirement set forth in subsection (c) of this section, and (v) the Department establishes and implements Progressive Design-Build Guidelines, as required under subsection (d) of this section.

**SECTION 2.(c)** Report. – Prior to the award of a contract under the authority set forth in subsection (b) of this section, the Department of Transportation shall submit a pre-award report to the Joint Legislative Transportation Oversight Committee on the nature and scope of the project and the reasons the Progressive Design-Build procurement process will best serve the public interest. Upon completion of a project awarded under subsection (b) of this section, the Department of Transportation shall submit a post-completion report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division detailing the project results, including any cost and time efficiencies achieved using the Progressive Design-Build procurement process.

**SECTION 2.(d)** Guidelines. – The Department of Transportation shall develop and implement Progressive Design-Build Guidelines for awarding contracts under subsection (b) of this section.

**SECTION 2.(e)** Expiration. – This section expires upon submission of the post-completion report required under subsection (c) of this section for the final project completed under the authority set forth in subsection (b) of this section.

## **INCREASE PROJECT CAP FOR PROJECT DELIVERY METHOD PILOT PROGRAM**

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

**"SECTION 34.13.(b)** Pilot Project. – Notwithstanding any provision of Chapter 136 of the General Statutes to the contrary, the Department of Transportation may establish and implement a pilot project to award contracts for up to ~~five projects~~ ten projects for the construction of transportation projects on a construction manager-general contractor basis. The Department may only award a contract under this section if (i) the cost of the project is determined by the Department to be less than ~~five hundred million dollars (\$500,000,000)~~ seven hundred fifty million dollars (\$750,000,000), (ii) the Department determines that it is in the public interest to use the construction manager-general contractor basis for the project, (iii) the Department prequalifies the contractor that will be awarded the contract, (iv) the Department complies with the pre-award reporting requirement set forth in subsection (c) of this section, and (v) the Department has established and implemented guidelines as required under subsection (d) of this section."

## **REPEAL TRAFFIC IMPACT ANALYSIS REPORT TO JLTOC**

**SECTION 4.** G.S. 136-93.1A(g) is repealed.

## **REPEAL CASH BALANCE TARGET AMOUNT REPORT**

**SECTION 5.** G.S. 143C-6-11(m) is repealed.

## **EXEMPTION FOR CERTAIN PUBLIC BUILDING CONTRACTS**

**SECTION 6.(a)** G.S. 143-134 is amended by adding a new subsection to read:

"(c) Notwithstanding subsection (a) of this section, this Article does not apply to public building contracts entered into by the Department of Transportation for the construction, alteration, or repair of facilities jointly occupied by personnel of the Division of Motor Vehicles, of the Department of Transportation, and the North Carolina Highway Patrol, but, with respect to these contracts, the powers and duties established in this Article shall be exercised by the Department of Transportation and the Secretary of Administration, and other State officers, employees, or agencies shall have no duties or responsibilities concerning the contracts. The Department of Transportation shall advertise and award contracts in the manner required by this Article. Upon request, the Department of Administration shall assist the Department of Transportation in advertising and awarding a contract under this subsection. Construction, alteration, and repair of facilities under this subsection may be subject to local building permit requirements."

**SECTION 6.(b)** This section is effective when it becomes law and applies to contracts entered into on or after that date.

## **DEPARTMENT MAY SPECIFY MATERIAL SUBSTITUTION REQUIREMENTS**

**SECTION 7.(a)** G.S. 136-28.1 is amended by adding a new subsection to read:

"(n) The Department of Transportation may specify a brand name or specific manufacturer of construction materials in order to promote system compatibility or synchronization; long-term maintenance savings or efficiencies; research, testing, or experimental projects; product

evaluation; or when it is impossible or impractical to specify the required performance and design characteristics for such materials."

**SECTION 7.(b)** This section is effective when it becomes law and applies to contracts entered into on or after that date.

## **REVISION TO ADVANCE RIGHT-OF-WAY ACQUISITION ACCOUNT**

**SECTION 8.** Section 41.7 of S.L. 2022-74 reads as rewritten:

"**SECTION 41.7.(a)** The State Controller shall transfer the sum of one hundred nine million eight hundred thirty-four thousand nine hundred seventy-two dollars (\$109,834,972) from the Highway Fund to the Highway Trust Fund Advance Right-of-Way Acquisition Account. These funds shall be used by the Department of Transportation for the purchase of property under the ~~Undue Hardship Advance Acquisition Program (Undue Hardship Program).~~Advance Acquisition Program.

"**SECTION 41.7.(b)** The Department shall streamline the Undue Hardship Program to ensure that property in a planned transportation project area is purchased expeditiously from a property owner experiencing an undue hardship, as that term is defined in G.S. 136-186(a)(3), resulting from a rescheduled or reprioritized Strategic Transportation Investment (STI) project. ~~Beginning October 1, 2022, the Department shall submit a quarterly report to the Joint Legislative Transportation Oversight Committee (JLTOC) and the Fiscal Research Division containing the Department's streamlined efforts, the amount of property purchased, and the number of hardship claims by the Highway Division.~~"

## **EXTEND EXPIRATION DATE OF BUILD NC BOND ACT**

**SECTION 9.** Section 7 of S.L. 2018-16 reads as rewritten:

"**SECTION 7.** This act becomes effective January 1, 2019, and expires ~~December 31, 2028.~~December 31, 2031."

## **MODIFY BUILD NC BOND CASH BALANCE AND CONSULTATION REQUIREMENTS**

**SECTION 10.(a)** G.S. 142-97(2)a. is repealed.

**SECTION 10.(b)** G.S. 142-97(7) reads as rewritten:

"(7) The restrictions set forth in ~~sub-subdivision a. of subdivision (2) of this section and subdivisions (3) and (4) of this section~~ do not apply to Build NC Bonds that are refunding bonds meeting the requirements set forth in G.S. 142-29.5."

**SECTION 10.(c)** G.S. 142-97(c) reads as rewritten:

" c. At least ~~six~~three months prior to the expected date of the Build NC Bond issuance, the Department of Transportation:

1. Consulted with the State Treasurer about the proposed Build NC Bond issuance.
2. Consulted with the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations to provide details of the proposed issuance, including (i) the total amount of the Build NC Bonds that will be issued, (ii) the estimated amount of the debt service payments, and (iii) the estimated amount of debt capacity that would be remaining after the issuance."

**SECTION 10.(d)** The section is effective when it becomes law. Subsection (c) of this section expires January 1, 2025.

**REMOVE RESIDENCY REQUIREMENT FOR SECRETARY OF TRANSPORTATION  
NONVOTING MEMBER APPOINTMENTS TO REGIONAL PUBLIC  
TRANSPORTATION AUTHORITY BOARDS OF TRUSTEES**

**SECTION 11.** G.S. 160A-605 reads as rewritten:

**"§ 160A-605. Membership; officers; compensation.**

(a) The governing body of an authority is the Board of Trustees. The Board of Trustees shall consist of 13 members, appointed as follows:

(1) The county with the greatest population shall be allocated five members to be appointed as follows:

- a. Two by the board of commissioners of that county;
- b. Two by the city council of the city containing the largest population within that county; and
- c. One by the city council of the city containing the second largest population within that county;

(2) The county with the next greatest population shall be allocated three members to be appointed as follows:

- a. One by the board of commissioners of that county;
- b. One by the city council of the city containing the largest population within that county; and
- c. One jointly by that board of commissioners and city council, by procedures agreed on between them;

(3) The county with the least population shall be allocated two members to be appointed as follows:

- a. One by the board of commissioners of that county; and
- b. One by the city council of the city containing the largest population within that county; and

(4) Three members of the Board of Transportation appointed by the Secretary of Transportation, to serve as ex officio nonvoting members.

(b) Voting members of the Board of Trustees shall serve for terms of four years, provided that one-half of the initial appointments shall be for two-year terms, to be determined by lot at the first meeting of the Board of Trustees. Initial terms of office shall commence upon approval by the Secretary of State of the articles of incorporation. The members appointed by the Secretary of Transportation shall serve at his pleasure.

(c) An appointing authority may appoint one of its members to the Board of Trustees. Service on the Board of Trustees may be in addition to any other office which a person is entitled to hold. Each voting member of the Board of Trustees may hold elective public office as defined by G.S. 128-1.1(d).

(d) Members of the Board of ~~Trustees~~ Trustees, except members appointed by the Secretary of Transportation, shall reside within the territorial jurisdiction of the Authority as defined by G.S. 160A-604.

(e) The Board of Trustees shall annually elect from its membership a Chairperson, and a Vice-Chairperson, and shall annually elect a Secretary, and a Treasurer.

(f) Members of the Board of Trustees shall receive the sum of fifty dollars (\$50.00) as compensation for attendance at each duly conducted meeting of the Authority."

**ADD VIN TO UNPAID TOLL BILL AND AUTHORIZE ELECTRONIC  
INFORMATION COLLECTION FOR OWNER VERIFICATION**

**SECTION 12.(a)** G.S. 136-89.214 reads as rewritten:

**"§ 136-89.214. Bill for unpaid open road toll.**

...

(b) Information on Bill. – A bill sent under this section must include all of the following information:

...

(1a) The vehicle identification number (VIN) or other vehicle identifying information of the motor vehicle that traveled on the Turnpike project.

...

(c) Electronic Information Verification. – The Authority may utilize digital communications and methods to obtain information for a registered owner of a motor vehicle through verification of phone numbers, connected or enabled vehicle applications, and other digital means to pursue a bill by first-class mail.

**SECTION 12.(b)** This section becomes effective July 1, 2024.

### **INCREASE TURNPIKE PROCESSING FEE FOR BILLING**

**SECTION 13.(a)** G.S. 136-89.215(b) reads as rewritten:

"(b) Fee. – If a person does not take one of the actions required under subsection (a) of this section within the required time, the Authority may add a processing fee to the amount the person owes. The processing fee may not exceed ~~six dollars (\$6.00).~~ nine dollars (\$9.00). A person may not be charged more than ~~forty-eight dollars (\$48.00)~~ seventy-two dollars (\$72.00) in processing fees in a 12-month period.

The Authority must set the processing fee at an amount that does not exceed the costs of collecting the unpaid toll."

**SECTION 13.(b)** This section becomes effective July 1, 2024.

### **FERRY PRIORITY BOARDING**

**SECTION 14.(a)** G.S. 136-82(f3) reads as rewritten:

"(f3) Priority Boarding Fee for Certain Vehicles. – For ~~vehicles~~ a vehicle providing commercial goods and services, the Department of Transportation shall charge an annual fee of one hundred fifty dollars (\$150.00) for an annual pass that entitles the vehicle ~~or vehicles owned by the person~~ issued the annual pass to priority when boarding a ferry vessel. Only one annual pass per vehicle shall be issued per year. Except as authorized under this subsection, the Department of Transportation shall not provide priority boarding to a ferry vessel to any vehicle providing commercial goods and services."

**SECTION 14.(b)** This section becomes effective July 1, 2024.

### **REPEAL DRONE ACTIVITY REPORTING REQUIREMENT FROM DIVISION OF AVIATION ANNUAL REPORT**

**SECTION 15.** G.S. 63-74.5(2) is repealed.

### **REVISE USE OF CERTAIN MATCHING FUNDS OF RAIL DIVISION**

**SECTION 16.** Part XLI of S.L. 2022-74 is amended by adding a new section to read:

"SECTION 41.11. Notwithstanding any other provision of law or a provision of the Committee Report described in Section 43.2 of this act to the contrary, the seven million five hundred twenty-seven thousand dollars (\$7,527,000) in nonrecurring funds appropriated to the Department of Transportation, Rail Division, for the 2022-2023 fiscal year for the S-Line rail corridor may also be used for a future grant to develop the S-Line beyond the CRISI grant announced from Fiscal Year 2021 funds."

### **REVISE OUTDOOR ADVERTISING LAW**

**SECTION 17.(a)** G.S. 136-133.1 reads as rewritten:

**"§ 136-133.1. Outdoor advertising vegetation cutting or removal.**

(a) The owner of an outdoor advertising sign permitted under ~~G.S. 136-129(a)(4) or G.S. 136-129(a)(5)~~ G.S. 136-129(4) or G.S. 136-129(5) who obtains a selective vegetation removal permit, and the owner's designees, may cut, thin, prune, or remove vegetation in accordance with this section, G.S. 136-93(b), 136-133.2, and 136-133.4. The maximum cut or removal zone for vegetation for each sign face shall be determined as follows:

(1) The point located on the edge of the right-of-way that is the closest point to the centerline of the sign face shall be point A. The point on the edge of the pavement of the travel way, including acceleration and deceleration ramps, that is the closest to the centerline of the sign face shall be point B. The point located on the edge of the pavement of the main traveled way, corresponding to the applicable distance under sub-subdivision a. or b. of this subdivision moving in the direction of the sign viewing zone from point B, shall be point C. The point perpendicular to point C on the edge of the right-of-way shall be point D. Lines drawn from point A, to point B, to point C, and to point D shall define the maximum cut or removal zone.

a. For a distance of 500 feet for a view zone that has a posted speed limit of over 35 miles per hour.

b. For a distance of 350 feet for a view zone that has a posted speed limit of 35 miles per hour or less.

(2) ~~The point located 200 feet down the right-of-way line in the direction of the sign viewing zone shall be point B. Notwithstanding subdivision (1) of this subsection, the sign owner or designee may also cut vegetation within any area on the State right-of-way located between viewing zones of two sign faces on the same structure, or otherwise within any area measured perpendicular from any point on the sign structure to the edge of the pavement of the main traveled way, by paying a fee of one hundred fifty dollars (\$150.00) per caliper inch to the Department of Transportation.~~

(3) ~~The point on the edge of the pavement of the travel way, including acceleration and deceleration ramps, that is the closest to the centerline of the sign shall be point C.~~

(4) ~~The point 50 feet down the edge of the pavement in the direction of the sign viewing zone from point C shall be point D.~~

(5) ~~The point 380 feet down the edge of the pavement in the direction of the sign viewing zone from point C shall be point E; provided, however, the following shall apply within the corporal limits and territorial jurisdiction of any city, as defined in Chapter 160A of the General Statutes:~~

a. ~~On interstates or other routes with fully controlled access, the point 340 feet down the edge of the pavement in the direction of the sign viewing zone from point C shall be point E.~~

b. ~~On highways other than interstates and other routes with fully controlled access, the point 250 feet down the edge of the pavement in the direction of the sign viewing zone from point C shall be point E.~~

(6) ~~Lines drawn from point A to point D and from point B to point E shall define the limits of the vegetation cut or removal area.~~

...

(b) Vegetation permitted to be cut, thinned, pruned, or removed shall be defined as any tree, shrub, or underbrush within the zone created by ~~points A, B, D, and E.~~ subsection (a) of this section. Any existing tree that was in existence at the time that an outdoor advertising structure was erected shall only be eligible for removal in accordance with subsections (c), (d), and (e) of this section. Native dogwoods ~~and native redbuds~~ shall be preserved. For the purposes of this section, an existing tree is defined as a tree that had a diameter of four inches or greater as

measured six inches from the ground at the time that the outdoor advertising structure was erected. An outdoor advertising sign is considered erected when the sign is completely constructed with a sign face.

...

(e) Removal of trees and vegetation of any age, including complete removal, except for native ~~dogwoods and native redbuds~~, dogwoods, shall be permitted within the cut or removal zone established in subsection (a) of this section if the applicant for the selective vegetation removal permit, in lieu of compliance with subsection (d) of this section, agrees to submit to the Department a plan for beautification and replanting related to the site for which the vegetation permit request is made. The Department shall develop rules for compensatory replanting, including the criteria for determining which sites qualify for replanting, and shall, in consultation with the applicant and local government representatives, determine which sites must be replanted, and the types of plants and trees to be replanted. The replanting and maintenance shall be conducted by the applicant or his or her agents in accordance with the rules adopted by the Department. If the conditions detailed in this subsection are agreed to by the applicant and approved by the Department, there shall be no reimbursement to the Department under G.S. 136-93.2 for removal of trees that existed at the time the outdoor sign was erected, nor shall the applicant be required to remove two nonconforming outdoor advertising signs for removal of existing trees at the site.

(f) Tree branches within a highway right-of-way that encroach into the zone created by ~~points A, B, D, and E~~ subsection (a) of this section may be cut or pruned. Except as provided in subsection (g) of this section, no person, firm, or entity shall cut, trim, prune, or remove or otherwise cause to be cut, trimmed, pruned, or removed vegetation that is in front of, or adjacent to, outdoor advertising and within the limits of the highway right-of-way for the purpose of enhancing the visibility of outdoor advertising unless permitted to do so by the Department in accordance with this section, G.S. 136-93(b), 136-133.2, and 136-133.4.

(g) Notwithstanding any law to the contrary, the owner of an outdoor advertising sign defined by subsection (a) of this section or the owner's designees may, working only from the private property side of the fence, without charge and without obtaining a selective vegetation removal permit, cut, trim, prune, or remove any tree or other vegetation except for native dogwoods ~~or native redbuds~~ that is (i) less than four inches in diameter at the height of the controlled access fence, (ii) located within ~~200~~ 300 feet on either side of the existing sign ~~location as defined by point A and point B in G.S. 136-133.1(a)(1) and (2)~~, location, and (iii) a distance of three feet from a controlled access fence within the limits of the highway right-of-way. The activities permitted by this subsection must be performed from the private property owner side of the controlled access fence and with the consent of the owner of the land that is used to access said fence.

...."

**SECTION 17.(b)** G.S. 136-133.2 reads as rewritten:

**"§ 136-133.2. Issuance or denial of a selective vegetation removal permit.**

(a) Except as provided in subsection (b) of this section and G.S. 136-133.1(g), permits to remove vegetation may be granted for outdoor advertising locations that have been permitted for at least two years prior to the date of application. The Department shall approve or deny an application submitted pursuant to this section, including the fee required by G.S. 136-18.7 and all required documentation, within 30 days of the receipt of an application for a selective vegetation removal permit. If written notice of approval or denial is not given to the applicant within the 30-day period, then the application shall be deemed approved. If the application is denied, the Department shall advise the applicant, in writing, by registered or certified mail, return receipt requested, addressed to the party to be noticed, and delivering to the addressee, the reasons for the denial.



(b) Notwithstanding the two-year period required in subsection (a) of this section, permits to remove vegetation may be granted for outdoor advertising locations where outdoor advertising has been relocated pursuant to G.S. 136-131.5 and that otherwise comply with the requirements of this section and rules adopted by the Department in accordance with this section.

(c) A new site for relocation shall not be denied by the Department of Transportation due to the presence of vegetation obstructing the visibility of the outdoor advertising from the viewing zone. Notwithstanding any law to the contrary, the owner or operator of the outdoor advertising sign shall be permitted to improve the visibility of the sign by removing any vegetation on private property upon receiving written consent of the landowner."

**SECTION 17.(c)** This section becomes effective July 1, 2024, and applies to applications for selective vegetation removal permits submitted on or after that date.

### **INCREASE FREQUENCY OF TAX REVENUE TRANSFER TO HIGHWAY FUND**

**SECTION 18.(a)** G.S. 105-164.44M(b) reads as rewritten:

"(b) Transportation Needs. – ~~At the end of each quarter, the~~ The Secretary ~~must~~ must, on a monthly basis, transfer to the Funds listed below a percentage of the net proceeds of the tax collected under this Article at the State's general rate of tax set in G.S. 105-164.4(a). The percentages that must be transferred are as follows:

Fiscal Year	Percentage to Highway Fund	Percentage to Highway Trust Fund
2022-23	2%	0%
2023-24	1%	3%
2024-25 and thereafter	1.5%	4.5%."

**SECTION 18.(b)** This section becomes effective July 1, 2024.

### **REVISE MONTHLY FINANCIAL STATEMENT REPORT**

**SECTION 19.** G.S. 143C-6-11(q) reads as rewritten:

"(q) Monthly Financial Statement Report. – Each month the Department of Transportation shall post on the Department's Web site and submit to the Board of Transportation, the Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division a financial statement report that includes the following information:

- ...
- (6) Projected revenues and Spend Plan of the Department for the next ~~18-12~~ months, noting any changes.
- ...."

### **DEPARTMENT FEE STUDY FOR DRIVEWAY, SUBDIVISION, TRAFFIC IMPACT ANALYSIS, AND ENCROACHMENT REVIEW PROGRAMS**

**SECTION 20.** The Department of Transportation shall study current fee authorizations, and their implementation, for driveway, subdivision, traffic impact analysis, and encroachment review permits, approvals, or certifications. The report shall include legislative recommendations that relate to additional fee authority, or clarifications, which are needed to assess fees for all programs that issue permits, approvals, or certifications concerning driveways, subdivisions, traffic impact analyses, and encroachment reviews. The report shall also include current funding requirements and change estimates associated with any legislative recommendations related to administering the programs for which a fee is, or would be, assessed. This report must be submitted by December 31, 2024, to the Chairs of the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

### **REPEAL UNMANNED AIRCRAFT SYSTEM OPERATION REGULATIONS**

**SECTION 21.(a)** Article 10 of Chapter 63 of the General Statutes is repealed.

**SECTION 21.(b)** G.S. 15A-300.3(b)(3)d. reads as rewritten:

"d. Uses the unmanned aircraft system for commercial purposes pursuant to and in compliance with ~~(i) Federal Aviation Administration regulations, authorizations, or exemptions and (ii) Article 10 of Chapter 63 of the General Statutes, exemptions.~~"

**SECTION 21.(c)** Prosecutions for offenses committed before the effective date of this section are not abated or affected by this section, and the statutes that would be applicable but for this section remain applicable to those prosecutions.

**SECTION 21.(d)** This section becomes effective December 1, 2024.

## **REVISE HIGHWAY FUND AND HIGHWAY TRUST FUND AVAILABILITY FOR FY 2021-2022 AND FY 2022-2023**

**SECTION 22.(a)** Section 3.2 of S.L. 2021-180 reads as rewritten:

"**SECTION 3.2.** The Highway Fund availability used in developing the 2021-2023 fiscal biennial budget is shown below:

<b>Highway Fund Availability</b>	<b>FY 2021-2022</b>
Actual Over Collections	249,824,965
<del>Partial Accounting of HTE Cash Advance Repayments</del>	
<u>General Maintenance Reserve (GMR)</u>	(176,577,495)
Transfer of Funds to Emergency Reserve	
(G.S. 136-44.2E(b) and (d))	(61,000,000)
Estimated Ferry Overdrafts	(7,971,879)
Ferry Vessels – Salvo and Avon	(4,275,591)
Beginning Balance	0
Motor Fuels Tax	1,672,500,000
Licenses and Fees	872,600,000
Highway Short-Term Lease	10,000,000
Investment Income	1,500,000
Adjustments to Availability	
Additional Highway Short-Term Lease	69,800,000

**Total Highway Fund Availability** **\$2,626,400,000"**

**SECTION 22.(b)** Section 3.4 of S.L. 2021-180, as amended by Section 1.3 of S.L. 2021-189, reads as rewritten:

"**SECTION 3.4.** The Highway Trust Fund availability used in developing the 2021-2023 fiscal biennial budget is shown below:

<b>Highway Trust Fund Availability</b>	<b>FY 2021-2022</b>
Actual Over Collections	326,587,369
<del>Partial Accounting of Cash Advance Repayments</del>	<del>176,577,495</del>
STI Projects	<del>(503,164,864)</del> <u>(326,587,369)</u>
Beginning Balance	0
Highway Use Tax	958,300,000
Motor Fuels Tax	418,000,000
Fees	173,700,000
Investment Income	2,000,000

**Total Highway Trust Fund Availability** **\$1,552,000,000"**

**SECTION 22.(c)** Section 3.2 of S.L. 2022-74 reads as rewritten:

**"SECTION 3.2.** The Highway Fund availability for the 2022-2023 fiscal year in Section 3.2 of S.L. 2021-180 is repealed. The Highway Fund availability used in adjusting the 2022-2023 fiscal year budget is shown below:

<b>Highway Fund Availability</b>	<b>FY 2022-2023</b>
Projected Over Collections	\$107,700,000
<del>Partial Accounting of HTE Cash Advance Repayments</del>	
<u>General Maintenance Reserve (GMR)</u>	(107,700,000)
Beginning Balance	0
Motor Fuels Tax	1,776,100,000
Licenses and Fees	872,200,000
Sales Tax Transfer – 2%	193,100,000
Highway Short-Term Lease	95,300,000
Investment income	1,500,000
<b>Total Highway Fund Availability</b>	<b>\$2,938,200,000"</b>

**SECTION 22.(d)** Section 3.4 of S.L. 2022-74 reads as rewritten:

**"SECTION 3.4.** The Highway Trust Fund availability for the 2022-2023 fiscal year set out in Section 3.4 of S.L. 2021-180 is repealed. The Highway Trust Fund availability used in adjusting the 2022-2023 fiscal year budget is shown below:

<b>Highway Trust Fund Availability</b>	<b>FY 2022-2023</b>
Projected Over Collections	\$74,800,000
<del>Partial Accounting of Cash Advance Repayments</del>	<del>107,700,000</del>
STI Projects	<del>(182,500,000)</del> (74,800,000)
Beginning Balance	0
Highway Use Tax	1,086,000,000
Motor Fuels Tax	590,100,000
Fees	158,000,000
Investment Income	1,400,000
<b>Total Highway Trust Fund</b>	<b>\$1,835,500,000"</b>

### **ALCOHOL SALES ON TRAINS**

**SECTION 23.** G.S. 18B-108 reads as rewritten:

**"§ 18B-108. Sales on trains.**

Alcoholic beverages may be sold on railroad trains in this State upon compliance with Article 2C of Chapter 105 of the General Statutes. Malt beverages, unfortified wine, and fortified wine may be sold and delivered by any wholesaler or retailer licensed in this State to an officer or agent of a rail line that carries at least 60,000 passengers ~~annually~~ annually or is at least 100 miles long and connects to the national rail network."

### **ADDITIONAL ROAD AND BRIDGE NAMING DIRECTIVES**

**SECTION 24.** Section 41.7 of S.L. 2023-134 reads as rewritten:

**"ROAD AND BRIDGE NAMING**

**SECTION 41.7.** Notwithstanding any provision of law to the contrary, the Department of Transportation shall designate as follows:

...

- (7) The bridge on North Carolina Highway 87 that crosses over U.S. Highway 701 in Bladen County as the "Deputy Sheriff James B. Collins Bridge."
- (8) The bridge on U.S. Highway 701 that crosses over Browns Creek in Bladen County as the "Deputy Sheriff J. Roger Stocks Bridge."
- (9) The bridge on North Carolina Highway 410 that crosses over Crawley Swamp in Bladen County as the "Deputy Sheriff Dewayne C. Hester Bridge."
- (10) The bridge on U.S. Highway 701 that crosses over Turnbull Creek in Bladen County as the "Detention Officer James A. Smith Bridge."

**EFFECTIVE DATE**

**SECTION 25.** Except as otherwise provided, this act is effective when it becomes law.