

**N.C. HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE
ON
TRANSPORTATION

PROPOSED SPECIAL PROVISIONS**

Senate Bill 257

May 15, 2025

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS HOUSE APPROPRIATIONS, TRANSPORTATION REPORT

MAY 14, 2025

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2025-TRANS-H12(S43.1)i

Department of Transportation
House Appropriations, Transportation

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND

SECTION 43.1.(a) Subsections (b) and (c) of Section 41.1 of S.L. 2023-134 are repealed.

SECTION 43.1.(b) The General Assembly authorizes and certifies anticipated revenues for the Highway Fund as follows:

For Fiscal Year 2027-28	\$3,399 million
For Fiscal Year 2028-29	\$3,553 million
For Fiscal Year 2029-30	\$3,612 million
For Fiscal Year 2030-31	\$3,666 million
For Fiscal Year 2031-32	\$3,723 million

SECTION 43.1.(c) The General Assembly authorizes and certifies anticipated revenues for the Highway Trust Fund as follows:

For Fiscal Year 2027-28	\$2,614 million
For Fiscal Year 2028-29	\$2,685 million
For Fiscal Year 2029-30	\$2,738 million
For Fiscal Year 2030-31	\$2,780 million
For Fiscal Year 2031-32	\$2,853 million

SECTION 43.1.(d) The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a 10-year revenue forecast. The 10-year revenue forecast developed under this subsection shall be used (i) to develop the five-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.

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2025-TRANS-H13(S43.2)i

Department of Transportation
House Appropriations, Transportation

CONTINGENCY FUNDS

SECTION 43.2.(a) The funds appropriated in this act to the Department of Transportation, Construction – Contingency Fund Code for the 2025-2027 fiscal biennium shall be allocated statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, railroad infrastructure, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subsection require prior approval by the Secretary of Transportation. Funds allocated under this subsection shall not revert at the end of the applicable fiscal year but shall remain available until expended. The use of funds that do not revert under this subsection is not restricted to the fiscal year in which the funds were allocated.

SECTION 43.2.(b) The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to subsection (a) of 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.

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2025-TRANS-H14(S43.3)-P

Department of Transportation
House Appropriations, Transportation

TRANSPORTATION DISASTER RECOVERY FOR HURRICANE HELENE

SECTION 43.3.(a) Cash Flow Reallocation. – For the 2025-2027 fiscal biennium, the Department of Transportation may reallocate funds as necessary for cash flow and federal matching purposes related to recovery from Hurricane Helene.

SECTION 43.3.(b) Cash Watch Weekly Report. – In addition to the other items published in the weekly report required under G.S. 143C-6-11(n), the Department shall include the total sum of Hurricane Helene expenditures and the total sum of federal reimbursements received by the Department. This requirement shall remain in effect until recovery is complete and the Department has received all federal reimbursements.

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2025-TRANS-H15(S43.4)i

Department of Transportation
House Appropriations, Transportation

DISASTER REIMBURSEMENT REPORTS

SECTION 43.4. Article 2A of Chapter 136 of the General Statutes is amended by adding a new section to read:

"§ 136-44.2F. Disaster reimbursement reports.

(a) Disaster Detailed Report. – No later than the end of each month, the Department of Transportation shall submit a report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division on disaster expenditures that qualify for federal reimbursement. The report shall be categorized by disaster and include the following information:

- (1) Project number.
- (2) Project description.
- (3) Highway division.
- (4) County.
- (5) Total project expenditures to date.
- (6) Federal disaster program eligibility.
- (7) Estimated expenditures eligible for reimbursement.
- (8) Date of initial reimbursement submission.
- (9) Date of last reimbursement submission.
- (10) Eligible expenditures submitted for reimbursement.
- (11) Anticipated reimbursement.
- (12) An explanation if the anticipated amount of reimbursement is less than the estimate of expenditures eligible for reimbursement.
- (13) Reimbursements received to date.

(b) Disaster Summary Report. – No later than the end of each quarter, the Department shall submit a summary report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division for all disaster expenditures resulting from a disaster that occurred on or after January 1, 2016, and that qualify for federal reimbursement. The report shall be by disaster and contain the source of federal reimbursement and the total eligible expenditures as of the date of the report.

(c) Failure to Submit Report. – If the Department fails to submit a report under this section within 60 days of the required submission date, the Secretary of the Department shall provide to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division an explanation for not submitting the required report."

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SPECIAL PROVISION



2025-TRANS-H16(S43.5)-P

Department of Transportation
House Appropriations, Transportation

POWELL BILL FUNDS

SECTION 43.5. For the 2025-2027 fiscal biennium:

- (1) The Department of Transportation shall not reduce the funds appropriated under this act to the State Aid – Powell Bill Fund for allocation under the Powell Bill (G.S. 136-41.1 through G.S. 136-41.4).
- (2) Notwithstanding G.S. 136-41.1(a), eligible municipalities with a population of 400,000 or more shall receive the same amount of Powell Bill Program funds allocated for the 2020-2021 fiscal year. The remaining Powell Bill Program funds shall be allocated to municipalities with a population of fewer than 400,000 in accordance with the requirements of G.S. 136-41.1(a).

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2025-TRANS-H29(S43.6)i

Department of Transportation
House Appropriations, Transportation

MODIFICATION TO MONTHLY STATEMENT REPORT

SECTION 43.6. The Department of Transportation shall modify its monthly financial statement report, as required by G.S. 143C-6-11(q), by separating the additional registration fee charged for plug-in electric and plug-in hybrid electric vehicles charged under G.S. 20-87(13) and G.S. 20-87(13a) from staggered registration in the "Statement of Fees, Taxes, and Other" for the Highway Fund.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2025-TRANS-H28(S43.7)i

Department of Transportation
House Appropriations, Transportation

1 ***RENAMING OF THE OFFICE OF CIVIL RIGHTS***

2 **SECTION 43.7.(a)** The North Carolina Department of Transportation's Office of
3 Civil Rights is hereby renamed the "Office of Small Business Development."

4 **SECTION 43.7.(b)** Consistent with subsection (a) of this section, the Revisor of
5 Statutes is authorized to change in the General Statutes the name of the Office of Civil Rights to
6 the Office of Small Business Development.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

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SPECIAL PROVISION



2025-TRANS-H20(S43.8)i

Department of Transportation
House Appropriations, Transportation

CAPITAL INFRASTRUCTURE PLAN

SECTION 43.8. The Department of Transportation shall prepare a cash flow financing plan to fund capital replacement needs for the Division of Highways operating facilities over an eight-year period. The basis for the plan shall be the building replacement schedule found in Appendix A5 of the 2024 Report on the NCDOT Facilities Management Division Capital Projects. The plan shall include examining the disposal of unused and underutilized real property of the Department to fund this plan. The Department shall submit the plan to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by March 15, 2026.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

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SPECIAL PROVISION



2025-TRANS-H21-P

Department of Transportation
House Appropriations, Transportation

Requested by

**TRANSFER CERTAIN NONSWORN PERSONNEL FROM THE LICENSE AND THEFT
BUREAU OF THE DEPARTMENT OF TRANSPORTATION TO THE STATE
HIGHWAY PATROL AND ESTABLISH NEW BUDGET FUND**

SECTION #.(a) The following positions, including the salaries, property, and other funds allocated for the positions, are transferred from the Department of Transportation, Division of Motor Vehicles License and Theft Bureau, to the State Highway Patrol:

<u>Position</u>	<u>Position Number</u>
Program Coordinator III	60030052
Administrative Specialist II	60030907
Administrative Specialist I	60031075
Program Analyst I	60031189
Program Analyst I	60031341
Administrative Specialist II	60029790
Administrative Specialist I	60031033
Program Coordinator II	60030760
Program Coordinator II	60030921
Electronics Technician II	60030924
Administrative Specialist I	60030909
Program Coordinator III	60092620
Program Coordinator III	60030920
Program Coordinator III	60030933
Program Coordinator III	60090052
Program Supervisor I	60092613
Program Supervisor I	60092614
Program Coordinator III	60092615
Program Coordinator III	60092616
Program Coordinator III	60092617
Program Coordinator III	60092618
Program Coordinator III	60092619
Program Coordinator III	60030904
Program Coordinator III	60092622
Program Coordinator III	60092623
Program Coordinator III	60092625
Program Coordinator III	60092626
Program Coordinator III	60092627
Program Coordinator I	60029918
Program Supervisor I	60030890
Program Coordinator III	60030922
Program Coordinator I	60031074
Program Coordinator I	60031114

1	Program Coordinator I	60031142
2	Program Coordinator I	60031143
3	Administrative Specialist I	60030847
4	Program Coordinator III	60030894
5	Administrative Specialist I	60030899
6	Program Supervisor I	60030917
7	Administrative Specialist I	60030934
8	Administrative Specialist I	60031312
9	Program Coordinator III	65037940
10	Program Coordinator III	65037942
11	Program Supervisor I	65037786
12	Program Coordinator III	65037941
13	Program Supervisor I	60030929
14	Program Coordinator III	60030844
15	Program Coordinator I	60030893
16	Program Coordinator III	60030898
17	Program Coordinator III	60031077
18	Program Coordinator I	60031284
19	Program Coordinator I	60031320
20	Program Coordinator III	60030916
21	Program Coordinator III	60030905
22	Program Coordinator III	60092628
23	Program Coordinator III	60092629
24	Administrative Specialist I	60030937
25	Administrative Specialist I	60030962
26	Administrative Specialist I	60029801
27	Administrative Specialist I	60031024
28	Administrative Specialist I	60030997
29	Administrative Specialist I	60031026
30	Administrative Specialist I	60030996
31	Administrative Specialist I	60031140
32	Administrative Specialist I	60030995
33	Administrative Specialist I	60031193
34	Program Coordinator III	60031112
35	Program Coordinator III	60031115
36	Administrative Specialist I	60031076

37 **SECTION #.(b)** Within the Highway Fund (Budget Code # 84210), the Office of
38 State Budget and Management shall establish a new budget fund for ongoing support of: (i) all
39 positions transferred from the Department of Transportation to the State Highway Patrol pursuant
40 to Subpart III-E of S.L. 2024-57 and subsection (a) of this section and (ii) the recurring transfer
41 of funds from the Department of Transportation to the State Highway Patrol required by Section
42 3E.3(b) of S.L. 2024-57.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2025-TRANS-H39-P

Department of Transportation
House Appropriations, Transportation

Requested by

ROAD AND BRIDGE NAMING DESIGNATIONS

SECTION #. Notwithstanding any provision of law to the contrary, the Department of Transportation shall make the following naming designations:

- (1) The bridge on North Carolina Highway 904 that crosses the Columbus and Robeson County Line, also known as Robeson Bridge 31, shall be renamed the "Assistant Chief Lenneau D. Hammond Bridge."
- (2) Complex Street located in the Town of Tabor City shall be renamed "Shane Miller Street."

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2025-TRANS-H11A-P

Department of Transportation
House Appropriations, Transportation

Requested by

DMV DRIVER LICENSE EXAMINER AND CALL CENTER POSITIONS

SECTION #.(a) Of the funds appropriated in this act to the Department of Transportation, the Department shall use (i) eight hundred thousand dollars (\$800,000) to create 40 additional full-time equivalent (FTE) Driver License Examiner I and II positions in the 2025-2026 fiscal year and (ii) one million eight hundred forty-eight thousand nine hundred seventy-six dollars (\$1,848,976) to create 21 additional FTE Driver License Examiner I and II positions in the 2026-2027 fiscal year.

SECTION #.(b) The Department is authorized to create up to 30 additional FTE Administrative Specialist II positions in the 2025-2026 fiscal year to support the Division of Motor Vehicles Customer Contact Center.

SECTION #.(c) In addition to the funds appropriated in this act, the Department may use existing funds in Personal Services and Purchased Services to fund the positions authorized by this section. Notwithstanding any other provision of law to the contrary, the Department may reclassify temporary or vacant positions to create the new positions authorized by this section. Any reclassification pursuant to this section shall be in accordance with the classification system established by the State Human Resources Commission.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2025-TRANS-H4-P

Department of Transportation
House Appropriations, Transportation

Requested by

DMV IT MODERNIZATION

SECTION #.(a) The ongoing efforts of the Division of Motor Vehicles (DMV) of the Department of Transportation to modernize the DMV's Information Technology (IT) systems shall include both of the following:

- (1) The development of a system for the electronic submission and verification of Commercial Drivers License credentials.
- (2) The development of a system to electronically track and automatically report on the number of drivers license issuance and renewal transactions processed by the DMV within each county. The reporting system shall collect all of the following for each county:
 - a. Drivers license issuances and renewals processed for in-county residents.
 - b. Drivers license issuances and renewals processed for out-of-county residents.
 - c. For drivers license issuances and renewals processed for out-of-county residents, the license holder's county of residence.

SECTION #.(b) Beginning on October 1, 2026, and continuing until the complete development of the systems required by subsection (a) of this section, the DMV shall quarterly report both of the following to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division:

- (1) A manual estimate of the drivers license issuance and renewals processed by the DMV within each county, including estimates of all of the following:
 - a. Drivers license issuances and renewals processed for in-county residents.
 - b. Drivers license issuances and renewals processed for out-of-county residents.
 - c. For drivers license issuances and renewals processed for out-of-county residents, the license holder's county of residence.
- (2) The current status of the development of the systems required by subsection (a) of this section.

SECTION #.(c) Notwithstanding any other provision of law, for each quarterly report required by subsection (b) of this section that the DMV fails to submit, the Director of the Budget shall withhold the next quarterly allotment of funds appropriated to the DMV for IT modernization for the 2026-2027 fiscal year until the report is properly submitted.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

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SPECIAL PROVISION



2025-TRANS-H30-P

Department of Transportation
House Appropriations, Transportation

Requested by

DMV LICENSE RENEWAL PRIVATIZATION PILOT PROGRAM

SECTION #.(a) Intent. – It is the intent of the General Assembly to evaluate the feasibility, efficiency, customer service impact, and cost-effectiveness of allowing private entities to perform certain functions traditionally administered by the Division of Motor Vehicles of the Department of Transportation (DMV) by implementing pilot programs in Guilford and Harnett Counties authorizing certain third-party vendors to provide drivers license renewal services.

SECTION #.(b) RFP Issuance. – No later than January 1, 2026, the DMV shall issue a Request for Proposals (RFP) to solicit bids from third-party vendors to provide renewal services for Class C regular drivers licenses in Guilford and Harnett Counties. The RFP shall require that proposals include, at minimum, the following information:

- (1) A description of the systems the third-party vendor will implement to comply with:
 - a. All federal requirements and the requirements of Chapter 20 of the General Statutes.
 - b. The DMV's data security protocols.
- (2) The minimum requirements the third-party vendor will impose for personnel and facilities.
- (3) Plans for maintaining financial sustainability while providing drivers license renewal services at a cost that does not exceed any fee established by Chapter 20 of the General Statutes.
- (4) A description of performance benchmarks, including, but not limited to, provisions for customer service evaluation and customer complaint resolution, and a plan for submitting quarterly written reports to the DMV evaluating compliance with those benchmarks.
- (5) A plan for transitioning back to DMV's provision of drivers license renewal services if the pilot program is not continued.

SECTION #.(c) Contract Awards and Duration. – No later than July 1, 2026, the DMV shall award one or more contracts to third-party vendors in Guilford and Harnett Counties. The duration of a contract may not extend beyond January 1, 2029.

SECTION #.(d) Pilot Program Implementation Date and Requirements. – The pilot program shall begin January 1, 2027, and, notwithstanding any other provision of law, the selected third-party vendors are authorized to issue renewed Class C regular drivers licenses on or after that date. No third-party vendor shall issue a renewed license unless the license meets all of the requirements for renewal pursuant to federal law and Chapter 20 of the General Statutes. A third-party vendor shall not charge any fee for renewal in excess of the fee established by statute.

SECTION #.(e) Third-Party Vendor Reporting Requirements. – Each third-party vendor contracting with the DMV pursuant to this section shall quarterly submit a written report to the DMV evaluating compliance with the performance benchmarks established in the RFP.

1 **SECTION #.(f)** DMV Oversight. – The DMV shall provide oversight of the pilot
2 program, including periodic audits, and may terminate or suspend the participation of any
3 third-party vendor for noncompliance with the General Statutes or any other program
4 requirements, including, but not limited to, unsatisfactory customer service or customer
5 complaint resolution.

6 **SECTION #.(g)** DMV Reporting Requirements. – The DMV shall submit a first
7 report no later than December 31, 2027, and a second report no later than December 31, 2028, to
8 the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division. The
9 reports shall evaluate the pilot program, and, at minimum, include:

- 10 (1) The number of renewals processed by third-party vendors.
- 11 (2) An evaluation of each third-party vendor's performance benchmarks.
- 12 (3) A cost-benefit and efficiency analysis.
- 13 (4) A description of all audit results.
- 14 (5) Recommendations regarding the continuation, expansion, or termination of
15 privatized renewal services, including a plan for transitioning back to DMV
16 provision of drivers license renewal services if the pilot program is not
17 continued.

18 **SECTION #.(h)** State-Offered Services During Pilot Program. – Nothing in this
19 section limits the authority of State-operated DMV offices to provide drivers license renewal
20 services in Guilford and Harnett Counties.

21 **SECTION #.(i)** Sunset. – This section expires January 1, 2029.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

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SPECIAL PROVISION



2025-TRANS-H33-P

Department of Transportation
House Appropriations, Transportation

Requested by

DMV IN-HOME LICENSE RENEWAL PILOT PROGRAM

SECTION #.(a) Intent. – It is the intent of the General Assembly to improve the accessibility of and customer service provided by the Division of Motor Vehicles of the Department of Transportation (DMV) by implementing a pilot program in Forsyth County authorizing either the DMV or certain third-party vendors to provide in-home drivers license renewal services. For purposes of this section, the term "in-home drivers license renewal service" means a process by which personnel, employed either by the DMV or a third-party vendor authorized by the DMV, travel to a license holder's residence to conduct the necessary procedures for drivers license renewal.

SECTION #.(b) RFP Issuance. – No later than January 1, 2026, the DMV shall issue a Request for Proposals (RFP) to solicit bids from third-party vendors to provide in-home drivers license renewal services for Class C regular drivers licenses in Forsyth County. The RFP shall require that proposals include, at minimum, the following information:

- (1) A description of the systems the third-party vendor will implement to comply with:
 - a. All federal requirements and the requirements of Chapter 20 of the General Statutes.
 - b. The DMV's data security protocols.
- (2) The minimum requirements the third-party vendor will impose for personnel and facilities.
- (3) Plans for acquiring access to the software and equipment necessary to provide in-home drivers license services.
- (4) Plans for maintaining financial sustainability.
- (5) A description of performance benchmarks, including, but not limited to, provisions for customer service evaluation and customer complaint resolution, and a plan for submitting quarterly written reports to the DMV evaluating compliance with those benchmarks.

SECTION #.(c) Contract Awards and Duration. – No later than July 1, 2026, the DMV shall award one or more contracts to third-party vendors in Forsyth County. The duration of a contract may not extend beyond January 1, 2029.

SECTION #.(d) Pilot Program Implementation Date and Requirements. – The pilot program shall begin January 1, 2027, and, notwithstanding any other provision of law, the selected third-party vendors are authorized to provide in-home drivers license renewal services for Class C regular drivers licenses to residents of Forsyth County on or after that date. No third-party vendor shall issue a renewed license unless the license meets all of the requirements for renewal pursuant to federal law and Chapter 20 of the General Statutes.

SECTION #.(e) Fees. – Notwithstanding any other provision of law, either the DMV or a third-party vendor providing in-home drivers license renewal services may charge a fee of up to double the fee set by Chapter 20 of the General Statutes for the issuance of a renewed license.

1 **SECTION #.(f)** Third-Party Vendor Reporting Requirements. – Each third-party
2 vendor contracting with the DMV pursuant to this section shall quarterly submit a written report
3 to the DMV evaluating compliance with the performance benchmarks established in the RFP.

4 **SECTION #.(g)** DMV Oversight. – The DMV shall provide oversight of the pilot
5 program, including periodic audits, and may terminate or suspend the participation of any
6 third-party vendor for noncompliance with the General Statutes or any other program
7 requirements, including, but not limited to, unsatisfactory customer service or customer
8 complaint resolution.

9 **SECTION #.(h)** DMV Reporting Requirements. – The DMV shall submit a first
10 report no later than December 31, 2027, and a second report no later than December 31, 2028, to
11 the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division. The
12 reports shall evaluate the pilot program, and, at minimum, include:

- 13 (1) The number of in-home renewals processed by third-party vendors.
- 14 (2) An evaluation of each third-party vendor's performance benchmarks.
- 15 (3) A cost-benefit and efficiency analysis.
- 16 (4) A description of all audit results.
- 17 (5) Recommendations regarding the continuation, expansion, or termination of
18 privatized in-home renewal services.

19 **SECTION #.(i)** State-Offered Services During Pilot Program. – Nothing in this
20 section limits the authority of State-operated DMV offices to provide drivers license renewal
21 services, including in-home drivers license renewal services, in Forsyth County.

22 **SECTION #.(j)** Sunset. – This section expires January 1, 2029.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

Proofed
SPECIAL PROVISION



2025-TRANS-H37-P

Department of Transportation
House Appropriations, Transportation

Requested by

***PILOT PROGRAM TO ALLOW COMMERCIAL DRIVER TRAINING SCHOOLS TO
ADMINISTER EXAMINATIONS REQUIRED FOR DRIVERS LICENSING***

SECTION #.(a) The Division of Motor Vehicles shall develop a pilot program to authorize commercial driver training schools licensed under Article 14 of Chapter 20 of the General Statutes to additionally administer all examinations required for drivers licensing and permitting in accordance with G.S. 20-7, 20-11, and 20-37.13. The Division's plan for implementation of the pilot program shall include all of the following:

- (1) The Division shall select at least two but not more than five counties in diverse geographic regions in which to implement the pilot program.
- (2) Commercial driver training schools must offer the same examinations as those administered by the Division, using the same scoring methods and standards, and must administer examinations in compliance with all applicable State and federal requirements.
- (3) Examinations may be offered by participating commercial driver training schools outside of standard Division office hours on any day of the week.
- (4) The Division shall develop a process for a prospective licensee to demonstrate successful completion of an examination administered by a commercial driver training school, whereby documentation may be provided to the prospective licensee or submitted directly to the Division by the school administering the examination.
- (5) Upon successful completion of examinations required for licensing or permitting administered by a commercial driver training school in accordance with the pilot program established by the Division, a prospective licensee must appear in person at a Division office to be photographed and present required documentation. The Division shall update its appointment system to provide appropriate appointment availability for purposes of the pilot program.
- (6) For each type of drivers licensing – graduated, regular drivers, and commercial drivers – the Division shall develop a plan for informing prospective licensees about required examinations that will be administered by commercial driver training schools through the pilot program.
- (7) The Division shall maintain complete oversight over administration of examinations by commercial driver training schools participating in the pilot program, including providing schools with training, guidelines, and materials required to administer examinations in accordance with Division standards.
- (8) The Division must take prompt and appropriate remedial action against any participating commercial driver training school that fails to comply with Division standards or applicable State and federal requirements.

SECTION #.(b) The Division shall report its plan for implementation of the pilot program outlined in subsection (a) of this section to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division no later than April 1, 2026. The report

1 shall include an examination of the anticipated costs of implementing the pilot program, the
2 number of anticipated participating licensed commercial driver training schools in selected
3 counties, and any recommendations or legislative proposals related to the proposed pilot
4 program.

5 **SECTION #.(c)** Nothing in this section shall limit any authorization set forth in
6 Article 14 of Chapter 20 of the General Statutes.

7 **SECTION #.(d)** The Division shall implement the pilot program on January 1, 2027.
8 No later than January 1, 2029, the Division shall submit a report to the Joint Legislative
9 Transportation Oversight Committee and the Fiscal Research Division evaluating the
10 effectiveness of the pilot program in improving the drivers licensing process and any
11 recommendations related to extending, expanding, or terminating the program. The pilot program
12 shall terminate on July 1, 2029.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

Proofed
SPECIAL PROVISION



2025-TRANS-H35-P

Department of Transportation
House Appropriations, Transportation

Requested by

VETERANS SPECIAL REGISTRATION PLATE MODIFICATIONS

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

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

...

(b1) The following special registration plates do not have to be a "First in Flight" plate, "First in Freedom" plate, or "National/State Mottos" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates, "First in Freedom" plates, or "National/State Mottos" plate must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives the required number of applications set forth in G.S. 20-79.3A(a).

...

(30a) Military Veteran.

...."

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

"§ 20-79.4. Special registration plates.

...

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

...

(130) Military Veteran. – Issuable to an individual who served honorably in the Armed Forces of the United States. The plate shall bear (i) the words "U.S. Military Veteran" across the top of the plate and (ii) the name and insignia of the branch of service in which the individual ~~served.~~ served on the left side of the plate. The plate authorized by this subdivision is not subject to the provisions of G.S. 20-79.3A or G.S. 20-79.8.

...."

SECTION #.(c) This section becomes effective October 1, 2025.

GENERAL ASSEMBLY OF NORTH CAROLINA

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Drafting
SPECIAL PROVISION



2025-TRANS-H26(S43.13)i

Department of Transportation
House Appropriations, Transportation

FERRY DRY DOCK USE OF FUNDS REPORT

SECTION 43.13. No later than October 1, 2025, and quarterly thereafter until the funds are expended, the Ferry Division shall submit a progress report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division on the use of funds appropriated by this act to the Ferry Division for marine vessel dry docking. The report shall include the following information by fiscal year:

- (1) A list of all marine vessels scheduled or under contract for dry docking.
- (2) The estimated cost of the work to be completed for each marine vessel sent to a private shipyard for dry dock.
- (3) The actual cost of the work and the total funds used as of the report date.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

Drafting
SPECIAL PROVISION



2025-TRANS-H27(S43.14)i

Department of Transportation
House Appropriations, Transportation

SOUTH DOCK FERRY TERMINAL

SECTION 43.14. Notwithstanding any provision of law or the Committee Report described in Section 43.2 of S.L. 2023-134 to the contrary, the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring funds for the 2023-2024 fiscal year allocated to build stacking lanes and a concrete barrier on NC 12 at the South Dock Ferry Terminal on Ocracoke shall instead be used for ramp rehabilitation on the South Dock Ferry Terminal to address safety and reliability concerns.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

Proofed
SPECIAL PROVISION



2025-TRANS-H25(S43.15)-P

Department of Transportation
House Appropriations, Transportation

FERRY CAPITAL FUND MODIFICATIONS

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

"(d) Use of Toll Proceeds. – The Department of Transportation shall deposit the proceeds from tolls collected on North Carolina Ferry System routes and route-generated receipts authorized under subsection (f) of this section to fund codes within the Ferry Capital Special 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 deposited proportionately to each fund code based on the distribution of trips originating and terminating in each Highway Division. ~~The proceeds deposited to each fund code shall be used exclusively for prioritized North Carolina Ferry System ferry passenger vessel replacement projects in the Division in which the proceeds are earned.~~ Proceeds deposited to each fund code may be used to fund ferry passenger vessel replacement projects or supplement funds allocated for ferry passenger vessel replacement projects approved in the Transportation Improvement Program.~~Program~~ for any route in the North Carolina Ferry System."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

Proofed
SPECIAL PROVISION



2025-TRANS-H18(S43.16)-P

Department of Transportation
House Appropriations, Transportation

NORTH CAROLINA RAILROAD

SECTION 43.16.(a) G.S. 124-18, as it existed before it was repealed by Section 4.4(b) of S.L. 2019-231, is reenacted and reads as rewritten:

"§ 124-18. Dividends required of State-owned railroad company.

Any State-owned railroad company that has trackage in more than two counties shall issue an annual cash dividend to the State. The dividend shall be deposited in the Freight Rail & Rail Crossing Safety Improvement Fund within the Highway Fund. The amount of the annual dividend is twenty-five percent (25%) of the company's income from the prior year's trackage rights agreements. The dividend is due by February 15 of each year, and interest shall accrue at the annual rate of prime plus one percent (1%) if the payment is not paid by the due date. The Directors of any State-owned railroad company who vote for or assent to the dividend required under this section shall not be held liable under G.S. 55-8-33."

SECTION 43.16.(b) G.S. 124-3 reads as rewritten:

"§ 124-3. Report of railroad, canal, etc.; contents.

(a) The president or other chief officer of every railroad, canal, or other public work of internal improvement in which the State owns an interest, shall, report annually to the Joint Legislative Commission on Governmental ~~Operations.~~ Operations, the House of Representatives Appropriations Committee on Transportation, the Senate Appropriations Committee on the Department of Transportation, the Joint Legislative Transportation Oversight Committee, the State Auditor, and the Fiscal Research Division. This report shall include:

- (1) Number of shares owned by the State.
- (2) Number of shares owned otherwise.
- (3) Par value of the shares.
- (4) Repealed by Session Laws 2000-146, s. 3, effective July 1, 2000.
- (5) Amount of bonded debt, and for what purpose contracted.
- (6) Amount of other debt, and how incurred.
- (7) If interest on bonded debt has been punctually paid as agreed; if not, how much in arrears.
- (8) Amount of gross receipts for past year, and from what sources derived.
- (9) An itemized account of expenditures for past year.
- (10) A summary of all leases, sales, or acquisitions of real property to which the company has been a party since the last report.
- (11) Suits at law pending against his company concerning its bonded debt, or in which title to all or any part of such road or canal is concerned.
- (12) Any sales of stock owned by the State, by whose order made, and disposition of the proceeds.
- (13) Annual financial statements, including notes, audited by an independent certified public accounting firm.

...."

SECTION 43.16.(c) G.S. 124-17 reads as rewritten:

1 **"§ 124-17. Enhanced annual report of State-owned railroad company; additional reporting**
2 **requirements to Governor and General Assembly.**

3 (a) A State-owned railroad company shall submit an annual report to the Joint Legislative
4 Commission on Governmental ~~Operations and Operations~~, the Joint Legislative Transportation
5 Oversight ~~Committee~~, Committee, the House of Representatives Appropriations Committee on
6 Transportation, the Senate Appropriations Committee on the Department of Transportation, the
7 State Auditor, and the Fiscal Research Division. The report shall include the following:

- 8 (1) The information required under G.S. 124-3.
- 9 (2) A copy of the strategic plan and the capital investment plan required under
10 G.S. 124-16.
- 11 (3) Any failures to meet strategic objectives and what corrective actions were
12 taken under G.S. 124-16(b).
- 13 (4) Anticipated dividends for the next three fiscal years.
- 14 (5) A description of the State-owned railroad company's business, subsidiaries,
15 and markets in which it operates.
- 16 (6) A list of the properties owned by the State-owned railroad company.
- 17 (7) A list of the directors and executive officers of the State-owned railroad
18 company and a description of the background and experience of each.
- 19 (8) A description of the State-owned railroad company's code of ethics and
20 conflicts of interest policy.
- 21 (9) A summary of the fees paid to an accounting firm during the year.
- 22 (10) A list of the compensation paid to directors and officers of the State-owned
23 railroad company.
- 24 (11) A description of the State-owned railroad company's disagreements with its
25 accountants if there has been a change in accountants.
- 26 (12) A description of any transactions between the State-owned railroad company
27 and its directors, officers, and their family members.

28 (b) Upon the request of the Governor or any committee of the General Assembly, the
29 State Auditor, or the Fiscal Research Division, a State-owned railroad company shall provide all
30 additional information and data within its possession or ascertainable from its records. The
31 State-owned railroad company shall not be deemed to have waived any attorney-client privilege
32 when complying with this subsection. At the time a State-owned railroad company provides
33 information under this section, it shall indicate whether the information is confidential.
34 Confidential information shall be subject to subsection (c) of this section.

35 ...

36 (d) A State-owned railroad company shall be subject to audit and investigation by the
37 State Auditor under Article 5A of Chapter 147 of the General Statutes."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

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SPECIAL PROVISION



2025-TRANS-H8-P

Department of Transportation
House Appropriations, Transportation

Requested by

AUTHORIZE BOARD OF TRANSPORTATION TO SET FEES

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

"§ 136-17.3. Fees set by the Board of Transportation.

(a) The Board of Transportation is authorized to set reasonable fees for the following services provided by the Department of Transportation:

- (1)** Express permit review under G.S. 136-93.1.
- (2)** Driveway connections under G.S. 136-18(29).
- (3)** Development and construction of school driveways under G.S. 136-18(17) and G.S. 136-18(29a).
- (4)** Driveways to cemeteries and rural fire district firehouses under G.S. 136-18(20) and G.S. 136-18(24).
- (5)** Traffic impact analysis under G.S. 136-93.1A.
- (6)** Petition, review, and inspection of secondary road additions under G.S. 136-18(2), 136-18(7), 136-18(8), 136-18(26), 136-18(29), 136-44.2D, 136-44.10, and 136-102.6.
- (7)** Various utility encroachments under G.S. 136-18(10).
- (8)** Grading and alteration of drainage on controlled access right-of-way under G.S. 136-18(10).
- (9)** Private bridges under G.S. 136-18(37).
- (10)** Wireless communication infrastructure under G.S. 136-18.3A.
- (11)** Utility right-of-way agreements under G.S. 136-19.5.
- (12)** Relocation of automatic license plate reader systems under G.S. 20-183.30.
- (13)** Openings and interference of State roads under G.S. 136-93(a).
- (14)** Electric vehicle charging stations at rest areas under G.S. 136-18.02.
- (15)** Department of Transportation owned rail corridors under G.S. 136-18(10).

(b) The Board shall conduct a public hearing before any fee is set by the Board under subsection (a) of this section.

(c) Notwithstanding G.S. 143B-350(g), the Board may not delegate the authority granted under this section to the Secretary of Transportation."

SECTION #.(b) G.S. 136-18.02 reads as rewritten:

"§ 136-18.02. Operation of electric vehicle charging stations at rest stops; report.

(a) The Department of Transportation may operate an electric vehicle charging station at State-owned rest stops along the highways only if all of the following conditions are met:

- (1)** The electric vehicle charging station is accessible by the public.
- (2)** The ~~Department~~ Board of Transportation, in accordance with G.S. 136-17.3, has developed a mechanism to charge the user of the electric vehicle charging station a fee in order to recover the cost of electricity consumed, the cost of processing the user fee, and a proportionate cost of the operation and maintenance of the electric vehicle charging station.

1 (b) If the cost of the electricity consumed at the electric vehicle charging stations cannot
2 be calculated as provided by subsection (a) of this section, the ~~Department~~ Board shall develop
3 an alternative mechanism, other than electricity metering, to recover the cost of the electricity
4 consumed at the vehicle charging station.

5 (c) The ~~Department~~ Board may consult with other State agencies and industry
6 representatives in order to develop the mechanisms for cost recovery required pursuant to
7 subsection (a) of this section.

8"

9 **SECTION #.(c)** G.S. 136-93.1(e) reads as rewritten:

10 "(e) Fees. – The ~~Department~~ Board of Transportation, in accordance with G.S. 136-17.3,
11 may determine the fees for an express application review under the express review program
12 conducted by highway division staff. ~~Unless a contracted engineering firm is utilized, the~~
13 ~~maximum permit application fee to be charged under this section for an express review of a~~
14 ~~project application requiring all of the permits listed under subsection (a) of this section shall not~~
15 ~~exceed four thousand dollars (\$4,000). Notwithstanding Chapter 150B of the General Statutes,~~
16 ~~the Department shall establish the procedure by which the amount of the fees under this~~
17 ~~subsection are established and applied for an express review program permitted by this section.~~
18 The fee schedule established by the ~~Department~~ Board shall be applicable to all divisions
19 participating in an express permit review program."

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

21 "(35) The Board of Transportation with respect to fees set by the Board of
22 Transportation pursuant to G.S. 136-17.3 and G.S. 136-93.1(e)."

23 **SECTION #.(e)** Any fee imposed under Title 19A of the North Carolina
24 Administrative Code that corresponds to a fee adopted by the Board of Transportation pursuant
25 to G.S. 136-17.3 and G.S. 136-93.1(e), as enacted by this section, is repealed upon the effective
26 date of the fee set by the Board.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

Proofed
SPECIAL PROVISION



2025-TRANS-H19-P

Department of Transportation
House Appropriations, Transportation

Requested by

UNIT PRICING COST

SECTION #. G.S. 136-18.05(b)(1a) reads as rewritten:

"(1a) Efficiency. – The Department shall adopt procedures in all stages of the construction process to streamline project delivery, including consolidating environmental review processes, expediting multiagency reviews, accelerating right-of-way acquisitions, and pursuing design build and other processes to collapse project stages. By December 1, 2015, the Department shall establish a baseline unit pricing structure for transportation goods used in highway maintenance and construction projects and set annual targets for three years based on its unit pricing. In forming the baseline unit prices and future targets, the Department shall collect data from each Highway Division on its expenditures on transportation goods ~~during the 2015-2016 fiscal year.~~ based upon a rolling average of the three previous fiscal years. Beginning January 1, 2016, no Highway Division shall exceed a ten percent (10%) variance over a baseline unit price set for that year in accordance with this subdivision. The Department of Transportation shall institute annual tracking to monitor pricing variances. The ten percent (10%) maximum variance set under this subdivision is intended to account for regional differences requiring varying product mixes. If a Highway Division exceeds the unit pricing threshold, the Department shall submit a report to the Joint Legislative Transportation Oversight Committee, the Fiscal Research Division of the General Assembly, the chairs of the House of Representatives Appropriations Committee on Transportation, and the chairs of the Senate Appropriations Committee on the Department of Transportation no later than the fifteenth day of February following the end of the calendar year on why the variance occurred and what steps are being taken to bring the Highway Division back into compliance. In order to drive savings, unit pricing may be reduced annually as efficiencies are achieved."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2025

Proofed
SPECIAL PROVISION



2025-TRANS-H34-P

Department of Transportation
House Appropriations, Transportation

Requested by

1 WORK ZONE DYNAMIC SPEED DISPLAY SIGNS

2 SECTION #. Of the funds appropriated from the Highway Fund to the Department
3 of Transportation in this act, one million dollars (\$1,000,000) shall be used to purchase dynamic
4 speed display signs and implement their use in highway work zones. For purposes of this section,
5 the following definitions apply:

- 6** (1) Dynamic speed display signs. – A system designed to measure the speed of
7 motor vehicles and alert drivers who are driving in excess of the posted speed
8 limit via flashing lights and a digital message display.
9 (2) Highway work zone. – As defined in G.S. 20-141(j2).