

PART XL. TRANSPORTATION

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 40.1.(a) Subsections (b) and (c) of Section 34.1 of S.L. 2018-5 are repealed.

SECTION 40.1.(b) The General Assembly authorizes and certifies anticipated revenues for the Highway Fund as follows:

For Fiscal Year 2021-2022	\$ 2,436 million
For Fiscal Year 2022-2023	\$ 2,473 million
For Fiscal Year 2023-2024	\$ 2,506 million
For Fiscal Year 2024-2025	\$ 2,605 million

SECTION 40.1.(c) The General Assembly authorizes and certifies anticipated revenues for the Highway Trust Fund as follows:

For Fiscal Year 2021-2022	\$ 1,689 million
For Fiscal Year 2022-2023	\$ 1,727 million
For Fiscal Year 2023-2024	\$ 1,760 million
For Fiscal Year 2024-2025	\$ 1,811 million

SECTION 40.1.(d) The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a four-year revenue forecast. The first fiscal year in the four-year revenue forecast shall be the 2025-2026 fiscal year. The four-year revenue forecast developed under this subsection shall be used (i) to develop the four-year cash flow estimates included in the biennial budgets, (ii) to develop the Strategic Transportation Improvement Program, and (iii) by the Department of the State Treasurer to compute transportation debt capacity.

CONTINGENCY FUNDS

SECTION 40.2. The funds appropriated in this act to the Department of Transportation, Construction – Contingency Fund Code for the 2019-2021 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 section require prior approval by the Secretary of Transportation. Funds allocated under this section 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 section is not restricted to the fiscal year in which the funds were allocated.

CAPITAL, REPAIRS, AND RENOVATIONS

SECTION 40.3. The funds appropriated in this act from the Highway Fund to the Department of Transportation for the 2019-2021 fiscal biennium for capital, repairs, and renovations are allocated as follows:

Capital – Highway Fund	2019-2020	2020-2021
Polk Maintenance Shop Replacement	\$1,738,882	\$0
Ocracoke Ferry Quarters	\$833,000	\$0
Currituck Maintenance & Storage	\$1,044,340	\$0

1	Northampton Equipment Shop	\$0	\$3,000,000
2	Repairs and Renovations – Highway Fund		
3	Statewide Roof Repairs/Replacement	\$1,050,000	\$1,050,000
4	Statewide Demolition of Obsolete Buildings	\$350,000	\$350,000
5	Statewide Water and Sewer	\$525,000	\$525,000
6	Statewide Asbestos Abatement	\$350,000	\$350,000
7	Statewide ADA Compliance	\$525,000	\$525,000
8	Statewide Small Office Repair and Renovation	\$1,225,000	\$1,452,500
9	Statewide Security Upfits	\$280,000	\$350,000
10	Replace 20 Rooftop HVAC Units at Century Center	\$105,000	\$105,000
11	Art Museum Basement Concrete Repair	\$175,000	\$0

TRANSPORTATION EMERGENCY RESERVE

SECTION 40.3A.(a) Article 2A of Chapter 136 of the General Statutes is amended by adding a new section to read:

"§ 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) Use of Funds. – In each fiscal year, funds credited to the Emergency Reserve shall be available for expenditure for providing relief and assistance from the effects of an emergency only upon appropriation by the General Assembly.

(c) Transfer of Funds to Emergency Reserve. – Notwithstanding G.S. 136-44.2, and subject to the limitations set forth in subsection (d) of this section, each fiscal year the Department of Transportation shall transfer to the Emergency Reserve fifty percent (50%) of the year-end credit balance in the Highway Fund. The Office of State Budget and Management shall verify that the transfer required by this subsection has occurred.

(d) Limitations. – Except as otherwise provided in this subsection, the amount required under subsection (c) of this section shall not exceed the sum of twenty-five million dollars (\$25,000,000). The total amount of funds in the Emergency Reserve at any time shall not exceed the sum of one hundred million dollars (\$100,000,000). If the amount required under subsection (c) of this section would cause the Emergency Reserve to exceed the one hundred million dollar (\$100,000,000) limitation set forth in this subsection, the amount required under subsection (c) of this section shall be reduced accordingly.

(e) Evaluation of Emergency Reserve. – The Office of State Budget and Management and the Department of Transportation shall jointly conduct a biennial study and develop a methodology to determine the minimum necessary amount for the Emergency Reserve and shall report this amount to the House of Representatives Appropriations Committee on Transportation, the Senate Appropriations Committee on the Department of Transportation, and the Fiscal Research Division no later than February 1 of the first year of the applicable biennium.

(f) Reimbursements from Federal Government. – The Department of Transportation shall deposit into the Emergency Reserve any funds the Department receives from the federal government that are reimbursements for expenditures from the Emergency Reserve related to providing relief and assistance from the effects of an emergency. Funds deposited under this subsection shall be used in accordance with the requirements of this section.

(g) Definition. – For purposes of this section, the term "emergency" is as defined in G.S. 166A-19.3."

SECTION 40.3A.(b) This section becomes effective July 1, 2019. The initial transfer from the year-end credit balance in the Highway Fund to the Transportation Emergency Reserve shall occur on July 1, 2020.

END NORTH CAROLINA RAILROAD DIVIDEND

1 **SECTION 40.3B.(a)** G.S. 124-5.1 reads as rewritten:

2 "**§ 124-5.1. ~~North Carolina Railroad Company dividends deposited to Highway Fund.~~The**
3 **Freight Rail & Rail Crossing Safety Improvement Fund.**

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

- 9 (1) Track and associated infrastructure improvements for freight service.
- 10 (2) Grade crossing protection, elimination, and hazard removal.
- 11 (3) Signalization improvements.
- 12 (4) Assistance for projects to improve rail access to industrial, port, and military
13 facilities and for freight intermodal facility improvements, provided that
14 funding assistance under this subdivision shall be subject to the same limits as
15 that for short-line railroads under G.S. 136-44.39.
- 16 (5) Corridor protection and reactivation.
- 17 (6) Subject to federal or other state law, improvements to rail lines and corridors
18 in this State and through portions of a bordering state for the purpose of
19 connecting with the national railroad system.
- 20 (7) Other short-line railroad projects.

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

23 **SECTION 40.3B.(b)** G.S. 124-18 is repealed.

24 25 **LIMITATION ON POWELL BILL FUNDING**

26 **SECTION 40.4.(a)** G.S. 136-41.1(a) reads as rewritten:

27 "(a) Upon appropriation of funds by the General Assembly to the Department of
28 Transportation for State aid to municipalities, one-half of the amount appropriated shall be
29 allocated in cash on or before October 1 of each year to the cities and towns of the State in
30 accordance with this section. The second one-half of the amount appropriated shall be allocated
31 in cash on or before January 1 of each year to the cities and towns of the State in accordance with
32 this section. For each fiscal year, no city or town may receive an allocation that exceeds seven
33 million five hundred thousand dollars (\$7,500,000).

34 Seventy-five percent (75%) of the funds appropriated for cities and towns shall be distributed
35 among the several eligible municipalities of the State in the percentage proportion that the
36 population of each eligible municipality bears to the total population of all eligible municipalities
37 according to the most recent annual estimates of population as certified to the Secretary of
38 Revenue by the State Budget Officer. This annual estimation of population shall include increases
39 in the population within the municipalities caused by annexations accomplished through July 1
40 of the calendar year in which these funds are distributed. Twenty-five percent (25%) of said fund
41 shall be distributed among the several eligible municipalities of the State in the percentage
42 proportion that the mileage of public streets in each eligible municipality which does not form a
43 part of the State highway system bears to the total mileage of the public streets in all eligible
44 municipalities which do not constitute a part of the State highway system.

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

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

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

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

21 **SECTION 40.4.(b)** This section becomes effective July 1, 2019, and applies to
 22 allocations made on or after that date.

23
 24 **REPORT ON MPO AND RPO VOTING POWER DISTRIBUTION**

25 **SECTION 40.4A.** By March 15, 2020, the Department of Transportation shall
 26 submit a report containing the following information to the Joint Legislative Transportation
 27 Oversight Committee and the Fiscal Research Division:

- 28 (1) The process used and guidelines followed by Metropolitan Planning
 29 Organizations and Rural Transportation Planning Organizations in
 30 determining how to distribute voting power among their voting members.
- 31 (2) Other state laws to determine if and how other states regulate the distribution
 32 of voting power among the voting members of Metropolitan Planning
 33 Organizations and Rural Transportation Planning Organizations.
- 34 (3) Methods to ensure regional governance under a weighted voting structure.
- 35 (4) Quorum determination by members present instead of by weighted vote.
- 36 (5) Methods to accomplish redesignation in which each municipality has equal
 37 voting power.
- 38 (6) Any other topic or issue the Department determines to be relevant to the
 39 report.

40
 41 **AIRPORT FUNDING**

42 **SECTION 40.5.(a)** Commercial Airport Allocations. – Of the funds appropriated in
 43 this act to the Department of Transportation for Commercial Airports, the following sums in
 44 nonrecurring funds shall be allocated as follows:

45 Commercial Airport	2019-2020	2020-2021
46 Raleigh-Durham International Airport	\$1,139,670	\$1,139,670
47 Albert J. Ellis Airport	\$5,368,314	\$5,368,314
48 Asheville Regional Airport	\$7,368,314	\$7,368,314
49 Coastal Carolina Regional Airport	\$4,368,314	\$4,368,314
50 Concord Regional Airport	\$3,368,314	\$3,368,314
51 Piedmont Triad International Airport	\$11,368,315	\$11,368,315

1	Pitt-Greenville Airport	\$3,368,314	\$3,368,314
2	Wilmington International Airport	\$7,368,314	\$7,368,314
3	SECTION 40.5.(b) General Airport Allocations. – Of the funds appropriated in this		
4	act to the Department of Transportation for General Airport Improvements, the following sums		
5	in nonrecurring funds shall be allocated as follows:		
6	General Airport	2019-2020	2020-2021
7	Johnston Regional Airport	\$2,650,000	\$2,500,000
8	Lee County Executive Airport	\$1,500,000	\$0
9	Laurinburg-Maxton Airport	\$4,000,000	\$4,000,000
10	Statesville Regional Airport	\$250,000	\$0
11	Cape Fear Regional Jetport	\$350,000	\$150,000
12	Gastonia Municipal Airport	\$250,000	\$250,000
13	Rockingham County NC Shiloh Airport	\$500,000	\$0

14 **SECTION 40.5.(c)** Permissible Uses, Reporting, and Return of Funds. – Each airport
 15 receiving funds under this section may use the funds allocated to it under this section to (i) fund
 16 improvements to the airport and (ii) pay debt service or related financing costs and expenses on
 17 revenue bonds or notes issued by the airport. The Department of Transportation shall not allocate
 18 funds to an airport under this section until that airport has provided a report outlining how the
 19 airport will use the funds in conformance with the purposes of the program. No later than 45 days
 20 from the date the Department receives the report required under this subsection, the Department
 21 shall make a determination whether the intended use of the funds matches the purposes of the
 22 program and, if so, allocate funds under this section to the compliant airport. An airport that
 23 receives funds under this section shall return the funds to the Department if the funds are in the
 24 possession or control of the airport and not expended or encumbered by August 31 of the year
 25 following the fiscal year in which the Department makes the allocation. All funds returned to the
 26 Department under this section, or retained by the Department for failure of an airport to submit
 27 a report under this subsection, shall be credited to the fund from which they were appropriated
 28 and shall remain unexpended and unencumbered until appropriated by the General Assembly.

29 **SECTION 40.5.(d)** Limitation. – Notwithstanding any provision of law to the
 30 contrary, the allocation of funds under this section, the enactment of this section, and the issuance
 31 of bonds or notes by the airports in reliance thereon shall not in any manner constitute a pledge
 32 of the full faith and credit and taxing power of the State. A security interest shall not be granted
 33 in funds allocated under this section.

34 **SECTION 40.5.(e)** Report. – The Department of Transportation shall provide a
 35 report on the use or uses by each airport of funds allocated to the airport under this section. The
 36 Department shall submit the report required under this subsection each year of the 2019-2021
 37 fiscal biennium by March 15 to the Joint Legislative Transportation Oversight Committee and
 38 the Fiscal Research Division.

39
 40 **BUDGETING DOT LEGISLATIVE SALARY INCREASES**

41 **SECTION 40.7.(a)** The amount of funds appropriated for legislative salary increases
 42 for employees of the Department of Transportation (Department) shall be budgeted on a recurring
 43 basis in the correct Fund Code that corresponds to the positions in which it supports. Any transfer
 44 and use of the funds for any other purpose shall be done on a nonrecurring basis, except for the
 45 purpose of retirement and health benefits.

46 **SECTION 40.7.(b)** The Department shall report to the Joint Legislative Oversight
 47 Committee on Transportation the amount allocated to each division or unit no more than 30 days
 48 after an allocation has occurred.

49
 50 **TRANSFER CERTAIN PUBLIC CONTRACTING AUTHORITY TO DOT**

1 vehicular delay times. The Department shall develop a quantitative, evidence-based formula to
2 use in selecting projects to receive funding from the Spot Mobility Program. At a minimum, the
3 Department shall consider all of the following in developing the formula required by this section:

- 4 (1) The travel-time savings resulting from the proposed project.
- 5 (2) Reductions to motor vehicle queues resulting from the proposed project.
- 6 (3) The service life of the proposed project.
- 7 (4) The benefit-cost ratio of the proposed project.

8 (b) In selecting projects to receive funding from the Spot Mobility Program, the
9 Department shall give preference to projects that will improve access from the State highway
10 system to a school. For purposes of this section, the term "school" means any facility engaged in
11 the educational instruction of children in any grade or combination of grades from kindergarten
12 through the twelfth grade at which attendance satisfies the compulsory attendance law and
13 includes charter schools as authorized under G.S. 115C-218.5.

14 **"§ 136-189.21. Economic development; small construction; industrial access.**

15 Of the funds appropriated to the Mobility/Modernization Fund in the Highway Fund, twelve
16 percent (12%) of the funds shall be used for the following purposes:

- 17 (1) For prioritized transportation improvements and infrastructure that expedite
18 commercial growth as well as either job creation or job retention.
- 19 (2) For small construction projects recommended by the Chief Engineer in
20 consultation with the Chief Operating Officer and approved by the Secretary
21 of Transportation. Funds used in accordance with this subdivision shall be
22 allocated equally among the 14 Highway Divisions for small construction
23 projects.
- 24 (3) To use for the development and expansion of access roads to industrial
25 facilities.

26 **"§ 136-189.22. High-impact and low-cost construction projects.**

27 Of the funds appropriated to the Mobility/Modernization Fund in the Highway Fund,
28 forty-eight percent (48%) of the funds shall be used for construction projects that are high impact
29 and low cost. The funds shall be allocated equally among the 14 Highway Divisions. Projects
30 funded under this section include intersection improvement projects, minor widening projects,
31 and operational improvement projects. The Department shall develop a quantitative,
32 evidence-based formula to use in selecting projects to receive funding under this section. At a
33 minimum, the Department shall consider all of the following in developing the formula required
34 by this section:

- 35 (1) The average daily traffic volume of a roadway and whether the proposed
36 project will generate additional traffic.
- 37 (2) Any restrictions on a roadway.
- 38 (3) Any safety issues with a roadway.
- 39 (4) The condition of the lanes, shoulders, and pavement on a roadway.
- 40 (5) The site distance and radius of any intersection on a roadway.

41 **"§ 136-189.23. Annual report.**

42 The Department shall submit to the Joint Legislative Transportation Oversight Committee
43 and to the Fiscal Research Division an annual report beginning March 1, 2020, detailing (i) the
44 types of projects funded under this Article and (ii) the total amount of funding allocated to each
45 project funded under this Article."

46 **SECTION 40.9.(b)** Conforming Repeal. – Subsections (a) through (d) of Section
47 34.7 of S.L. 2017-57 are repealed.

48
49 **DMV/HEARINGS UNIT ALIGNMENT**

50 **SECTION 40.12.(a)** Revised Budget. – The Office of State Budget and
51 Management, in consultation with the Division of Motor Vehicles, shall adjust the Hearing Unit's

1 certified budget for the 2019-2020 fiscal year to correctly align total requirements and receipts
2 to reflect the requirement set forth in Section 34.9 of S.L. 2014-100, as amended by Section
3 29.30A of S.L. 2015-241, Section 34.32 of S.L. 2017-57, and Section 34.23 of S.L. 2018-5, that
4 all functions, activities, and personnel associated with administering and conducting the hearings
5 be fully receipt-supported from the fee proceeds collected by the Hearings Unit. This adjustment
6 shall be completed by October 1, 2019.

7 **SECTION 40.12.(b)** Report. – The Division of Motor Vehicles is required to report
8 on any organizational changes occurring October 1, 2018, through October 1, 2019, to the Joint
9 Legislative Transportation Oversight Committee, the House of Representatives Appropriations
10 Committee on Transportation, the Senate Appropriations Committee on the Department of
11 Transportation, and the Fiscal Research Division. This report shall be submitted by November 1,
12 2019, and shall include the following:

- 13 (1) The role and responsibilities of each full-time equivalent (FTE) moved in or
14 out of Fund Code 1304.
- 15 (2) The budgeted salary and benefits of each FTE moved in or out of Fund Code
16 1304.
- 17 (3) Justification of movement in or out of Fund Code 1304.
- 18 (4) Funding source before and after move, including Fund Code.
- 19 (5) The certified budget for the 2019-2020 fiscal year with total requirements,
20 receipts, and FTEs.

21
22 **DMV/ONLINE PERFORMANCE DASHBOARD TO INCLUDE DMV**
23 **REGISTRATIONS OF HYBRID AND ELECTRIC VEHICLES**

24 **SECTION 40.13.(a)** Expand Performance Dashboard. – The Department of
25 Transportation shall expand its performance dashboard available on the Department's home page
26 of the Department's Web site to track the following information about the Division of Motor
27 Vehicles:

- 28 (1) The number of conventional hybrid vehicle new registrations issued per
29 month and year-to-date.
- 30 (2) The number of conventional hybrid vehicle registrations renewed per month
31 and year-to-date.
- 32 (3) The total number of conventional hybrid vehicles currently registered.
- 33 (4) The number of plug-in hybrid vehicle new registrations issued per month and
34 year-to-date.
- 35 (5) The number of plug-in hybrid vehicle registrations renewed per month and
36 year-to-date.
- 37 (6) The total number of plug-in hybrid vehicles currently registered.
- 38 (7) The number of plug-in electric vehicle new registrations issued per month and
39 year-to-date.
- 40 (8) The number of plug-in electric vehicle registrations renewed per month and
41 year-to-date.
- 42 (9) The total number of plug-in electric vehicles currently registered.

43 **SECTION 40.13.(b)** Definitions. – For purposes of this section: (i) a "conventional
44 hybrid vehicle" means a vehicle that uses both a motor fuel engine and an electric motor that
45 cannot be plugged in and recharged, (ii) a "plug-in hybrid vehicle" means a vehicle that uses both
46 a motor fuel engine and an electric motor with a battery that may be recharged by plugging into
47 an outlet or charging station, and (iii) a "plug-in electric vehicle" means a vehicle that exclusively
48 uses an on-board battery that may be recharged by plugging into an outlet or charging station.

49 **SECTION 40.13.(c)** Implementation Date. – The expansion of the Department's
50 performance dashboard required under subsection (a) of this section shall be completed by
51 October 1, 2019.

1
2 **DMV/REDUCE NUMBER OF YEARS FOR A VEHICLE TO QUALIFY FOR AN**
3 **ANTIQUEREGISTRATION PLATE**

4 **SECTION 40.14.(a)** G.S. 20-79.4(b)(94) reads as rewritten:

5 "(94) Historic Vehicle Owner. – Issuable for a motor vehicle that is at least ~~35~~³⁰ years
6 ~~old~~^{old} measured from the date of manufacture. The plate for an
7 historic vehicle shall bear the word "Antique" unless the vehicle is a model
8 year 1943 or older. The plate for a vehicle that is a model year 1943 or older
9 shall bear the word "Antique" or the words "Horseless Carriage", at the option
10 of the vehicle owner."

11 **SECTION 40.14.(b)** This section becomes effective July 1, 2019, and applies to
12 applications for Historic Vehicle Owner registration plates made on or after that date.
13

14 **DMV/RFP FOR NEW OFFICE SPACE FOR DMV RALEIGH STATE LICENSE PLATE**
15 **AGENCY AND REPORTS RELATED TO MOVE FROM NEW BERN AVENUE**
16 **BUILDING**

17 **SECTION 40.17.(a)** The Department of Administration (Department) is directed to
18 review the inventory of State-owned office space in the City of Raleigh for purposes of relocating
19 the Division of Motor Vehicles State License Plate Agency located on New Bern Avenue. If by
20 November 1, 2019, the Department is unable to locate suitable office space, the Department shall
21 issue a request for proposal (RFP) within 30 days seeking new office space for lease or purchase
22 for the State License Plate Agency. The geographic scope of the RFP shall be the City of Raleigh.
23

24 **SECTION 40.17.(b)** By March 15, 2020, the Department, in consultation with the
25 Division of Motor Vehicles (Division), shall submit a report to the Joint Legislative
26 Transportation Oversight Committee, the House of Representatives Appropriations Committee
27 on Transportation, the Senate Appropriations Committee on the Department of Transportation,
28 and the Fiscal Research Division containing the following information: (i) results of the review
29 of State-owned office space in the City of Raleigh suitable for the State License Plate Agency,
30 (ii) the RFP issued and a summary of all responses to the RFP, and (iii) the estimated cost to
31 relocate the State License Plate Agency.

32 **SECTION 40.17.(c)** At least 30 days prior to approval by the Council of State of the
33 lease or purchase of new office space for the State License Plate Agency, the Department of
34 Administration shall submit a report detailing the agreement to the Joint Legislative
35 Transportation Oversight Committee, the House of Representatives Appropriations Committee
36 on Transportation, the Senate Appropriations Committee on the Department of Transportation,
37 and the Fiscal Research Division.

38 **SECTION 40.17.(d)** By January 15, 2021, the Division shall submit a report to the
39 Joint Legislative Transportation Oversight Committee, the House of Representatives
40 Appropriations Committee on Transportation, the Senate Appropriations Committee on the
41 Department of Transportation, and the Fiscal Research Division containing the following
42 information: (i) an itemized list of expenses associated with the Division Headquarters relocation,
43 (ii) an itemized list of expenses associated with State License Plate Agency relocation, and (iii)
44 lease rates and agreements for both locations.

45 **DMV/TOWN OF MARSHALL**

46 **SECTION 40.18.** The Division of Motor Vehicles shall reopen a Division office in
47 the Town of Marshall, with the same hours of operation and services the office had provided
48 before it closed, by September 1, 2019.
49

50 **ELECTRIC/PLUG-IN HYBRID VEHICLE REGISTRATION FEES**

1 **SECTION 40.18A.(a)** Effective January 1, 2020, and applicable to initial
2 registrations and registrations due for renewal on or after that date, G.S. 20-87(13) reads as
3 rewritten:

4 "(13) Additional fee for certain electric vehicles. – At the time of an initial
5 registration or registration renewal, the owner of a plug-in electric vehicle that
6 is not a low-speed vehicle and that does not rely on a nonelectric source of
7 power shall pay a fee in the amount of ~~one hundred thirty dollars (\$130.00)~~
8 two hundred thirty dollars (\$230.00) in addition to any other required
9 registration fees."

10 **SECTION 40.18A.(b)** Effective January 1, 2020, and applicable to initial
11 registrations and registrations due for renewal on or after that date, G.S. 20-87 is amended by
12 adding a new subdivision to read:

13 "(14) Additional fee for plug-in hybrid vehicles. – At the time of an initial
14 registration or registration renewal, the owner of a plug-in hybrid vehicle shall
15 pay a fee in the amount of one hundred fifteen dollars (\$115.00) in addition to
16 any other required registration fees. For purposes of this subdivision, a plug-in
17 hybrid vehicle is one that is capable of being propelled solely by electricity
18 drawn from a battery that can be recharged from an external source of
19 electricity but is also capable of using motor fuel to propel the vehicle."

20 **SECTION 40.18A.(c)** G.S. 20-4.02 reads as rewritten:

21 "**§ 20-4.02. ~~Quadrennial adjustment~~ Adjustment of certain fees and rates.**

22 (a) Quadrennial Adjustment for Inflation. – Beginning July 1, 2020, and every four years
23 thereafter, the Division shall adjust the fees and rates imposed pursuant to the statutes listed in
24 this subsection for inflation in accordance with the Consumer Price Index computed by the
25 Bureau of Labor Statistics. The adjustment for per transaction rates in subdivision (8a) of this
26 subsection shall be rounded to the nearest cent and all other adjustments under this subsection
27 shall be rounded to the nearest twenty-five cents (25¢):

28 ...

29 (11) G.S. 20-87, except for the additional fee set forth in G.S. 20-87(6) for private
30 motorcycles, motorcycles, G.S. 20-87(13) for electric vehicles, and
31 G.S. 20-87(14) for plug-in hybrid vehicles.

32 ...

33 **(b1) Annual Adjustment of Registration Fees for Electric and Hybrid Vehicles.** –
34 Beginning January 1, 2021, and every year thereafter, the Division shall adjust the registration
35 fee imposed by G.S. 20-87(13) and G.S. 20-87(14) pursuant to the following formula. The
36 registration fee shall be the amount for the preceding calendar year, multiplied by a percentage.
37 The percentage is one hundred percent (100%) plus or minus the sum of the following:

38 (1) The percentage change in population for the applicable calendar year, as
39 estimated under G.S. 143C-2-2, multiplied by seventy-five percent (75%).

40 (2) The annual percentage change in the Consumer Price Index for All Urban
41 Consumers, multiplied by twenty-five percent (25%). For purposes of this
42 subdivision, "Consumer Price Index for All Urban Consumers" means the
43 United States city average for energy index contained in the detailed report
44 released in the October prior to the applicable calendar year by the Bureau of
45 Labor Statistics of the United States Department of Labor, or data determined
46 by the Secretary to be equivalent.

47 ...

48 (d) Consultation and Publication. – At least 90 days prior to making an adjustment
49 pursuant to subsection (a) and subsection (b1) of this section, and notwithstanding any provision
50 of G.S. 12-3.1 to the contrary, the Division shall (i) consult with the Joint Legislative
51 Commission on Governmental Operations, (ii) provide a report to the chairs of the Senate

1 Appropriations Committee on Department of Transportation and the House of Representatives
2 Appropriations Committee on Transportation, and (iii) publish notice of the fees that will be in
3 effect in the offices of the Division and on the Division's Web site.

4"

5 **SECTION 40.18A.(d)** Section 4 of S.L. 2016-120 reads as rewritten:

6 "**SECTION 4.** Section 1 of this act becomes effective July 1, 2020. Sections 2 and 3 of this
7 act become effective October 1, 2016. The remainder of this act is effective when it becomes
8 law."

9 **SECTION 40.18A.(e)** Section 9 of S.L. 2018-42 reads as rewritten:

10 "**SECTION 9.** Sections 6 and 7 of this act are effective when they become law and apply to
11 any tax or tax increase with an effective date on or after that date. Section 8 of this act becomes
12 effective July 1, 2020. Except as otherwise provided, the remainder of this act is effective when
13 it becomes law."

14 **SECTION 40.18A.(f)** Except as otherwise provided, this section becomes effective
15 July 1, 2020.

17 **DMV/ADJUSTMENT OF LPA COMPENSATION**

18 **SECTION 40.18B.(a)** G.S. 20.63(h) reads as rewritten:

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

35 The terms of a commission contract entered under this subsection shall specify the duration
36 of the contract and either include or incorporate by reference standards by which the Division
37 may supervise and evaluate the performance of the commission contractor. The duration of an
38 initial commission contract may not exceed eight years and the duration of a renewal commission
39 contract may not exceed two years. The Division may award monetary performance bonuses, not
40 to exceed an aggregate total of ninety thousand dollars (\$90,000) annually, to commission
41 contractors based on their performance.

42 The amount of compensation payable to a commission contractor is determined on a per
43 transaction basis. The collection of the highway use tax and the removal of an inspection stop are
44 each considered a separate transaction for which ~~one dollar and thirty cents (\$1.30)~~ one dollar
45 and forty-three cents (\$1.43) compensation shall be paid. The issuance of a limited registration
46 "T" sticker and the collection of property tax are each considered a separate transaction for which
47 compensation at the rate of one dollar and thirty cents (\$1.30) and one dollar and eight cents
48 (\$1.08) respectively, shall be paid by counties and municipalities as a cost of the combined motor
49 vehicle registration renewal and property tax collection system. The performance at the same
50 time of one or more of the transactions below is considered a single transaction for which ~~one~~

1 ~~dollar and forty six cents (\$1.46)~~ one dollar and sixty-one cents (\$1.61) compensation shall be
2 paid:

- 3 (1) Issuance of a registration plate, a registration card, a registration sticker, or a
4 certificate of title.

5"

6 **SECTION 40.18B.(b)** This section becomes effective July 1, 2019, and applies to
7 transactions on or after that date.

8 9 **FERRY/PASSENGER FERRY FUNDS**

10 **SECTION 40.19.** The Department of Transportation, Ferry Division, may enter into
11 a contract to lease a passenger ferry vessel for operation between Hatteras and Ocracoke from
12 May 20, 2019, to September 5, 2019, without complying with the provisions of Article 8 of
13 Chapter 143 of the General Statutes, G.S. 136-28.1, or any other provision of law to the contrary.
14 Of the funds appropriated in this act to the Department, any lease entered into pursuant to this
15 section shall not exceed one million dollars (\$1,000,000).

16 17 **FERRY TOLL STUDY**

18 **SECTION 40.19A.(a)** The Department of Transportation shall study the feasibility
19 of raising ferry tolls for nonresidents. The study shall consider the following:

- 20 (1) The permissibility under the United States Constitution and any other
21 applicable law of charging higher ferry tolls to nonresidents than to residents.
22 If permissible, a summary of the legal justification the Department may need
23 to provide and any legal restrictions that may apply.
24 (2) An analysis of the current number, and future projection, of nonresidents that
25 use North Carolina ferries by ferry route and feasibility of creating a
26 differential of tolls for resident and nonresident users.
27 (3) An analysis of the cost of toll collection for each route versus revenues
28 collected.
29 (4) Exploration of different toll collection methods and streamlining current toll
30 collection processes.
31 (5) Any other topic or issue the Department determines to be relevant to the study.

32 **SECTION 40.19A.(b)** By March 15, 2020, the Department shall report its findings
33 from the study, including any legislative recommendations, to the chairs of the Joint Legislative
34 Transportation Oversight Committee and the Fiscal Research Division.

35 36 **REPORT ON FUNDS APPROPRIATED FOR USE ON RAIL INFRASTRUCTURE**

37 **SECTION 40.21.(a)** On or before March 1, 2020, the Department of Transportation
38 shall submit an itemized report detailing the use of the funds appropriated in this act for the
39 Piedmont locomotives and cars to the Joint Legislative Transportation Oversight Committee, the
40 House of Representatives Appropriations Committee on Transportation, the Senate
41 Appropriations Committee on the Department of Transportation, and the Fiscal Research
42 Division. The report shall include the overhaul policy for locomotives, a locomotives overhaul
43 schedule with budget requirements, and amount of funds expended and committed for overhaul
44 activities.

45 **SECTION 40.21.(b)** On or before March 1, 2020, the Department of Transportation
46 shall submit an itemized report detailing the use of the funds appropriated in this act for the train
47 station maintenance needs to the Joint Legislative Transportation Oversight Committee, the
48 House of Representatives Appropriations Committee on Transportation, the Senate
49 Appropriations Committee on the Department of Transportation, and the Fiscal Research
50 Division. The report shall include the eligibility requirements of stations, methodology in

1 allocating funds to stations, allowed uses of funds, and amount of funds expended and committed
2 for projects.

3

4 **FUNDS FOR SELMA UNION STATION DEPOT**

5 **SECTION 40.22.** Of the funds appropriated in this act to the Department of
6 Transportation for train station maintenance, the sum of two hundred fifty-seven thousand five
7 hundred dollars (\$257,500) in nonrecurring funds shall be allocated to the Selma Union Station
8 Depot for train station maintenance.

9