

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 199
Committee Substitute Favorable 4/26/23
Committee Substitute #2 Favorable 5/2/23
PROPOSED SENATE COMMITTEE SUBSTITUTE H199-PCS40620-SUxfr-18

Short Title: DMV Proposed Legislative Changes.-AB

(Public)

Sponsors:

Referred to:

February 27, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE MOTOR VEHICLE, LIEN HEARING
3 NOTIFICATION, AND SERVICE OF PROCESS LAWS OF THE STATE, AS
4 RECOMMENDED BY THE DIVISION OF MOTOR VEHICLES OF THE
5 DEPARTMENT OF TRANSPORTATION, AND TO MAKE OTHER CHANGES TO
6 LAWS RELATED TO TRANSPORTATION.

7 The General Assembly of North Carolina enacts:

8
9 **AUTHORIZE AND STUDY MOBILE DRIVERS LICENSES**

10 **SECTION 1.(a)** G.S. 20-4.01 reads as rewritten:

11 "**§ 20-4.01. Definitions.**

12 Unless the context requires otherwise, the following definitions apply throughout this
13 Chapter to the defined words and phrases and their cognates:

14 ...

15 (21b) Mobile Drivers License. – A supplemental digital version of a valid drivers
16 license that (i) is approved by the Commissioner, (ii) is issued by the Division
17 of Motor Vehicles, (iii) is comprised of the same data elements as are found
18 on a valid drivers license, and (iv) is capable of, and limited to, being linked
19 to and displayed by a mobile device owned by the person to whom the valid
20 drivers license is issued.

21 (21c) Motor Carrier. – A for-hire motor carrier or a private motor carrier.

22"

23 **SECTION 1.(b)** G.S. 20-7 is amended by adding a new subsection to read:

24 "(m1) Mobile Drivers License. – Upon request of an applicant for whom a valid license
25 exists or is issued, the Commissioner may issue a mobile drivers license as a supplement to the
26 valid license. A mobile drivers license is the legal equivalent of a valid license."

27 **SECTION 1.(c)** The Division of Motor Vehicles of the North Carolina Department
28 of Transportation shall study and provide a plan for implementing mobile drivers licenses and
29 mobile special identification cards. The study and plan shall address (i) anticipated drivers license
30 and special identification card issuance and renewal process changes, (ii) anticipated changes to
31 staffing needs for the Division for implementation of mobile drivers licenses and mobile special
32 identification cards, (iii) estimated one-time and annual costs to the Division or any other State
33 agency resulting from implementation, (iv) evaluation of whether implementation of mobile
34 drivers licenses or mobile special identification cards will be undertaken by the Division or



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1 contracted to a third-party vendor and relevant contractual issues associated with either option,
 2 (v) changes in revenue for the Division or any other State agency, (vi) security and confidentiality
 3 of drivers license information, (vii) concerns of State and local law enforcement agencies within
 4 North Carolina, including examining means by which to prevent unintended violations of an
 5 individual's constitutional rights, (viii) an estimated time line for implementation, including steps
 6 required to facilitate mobile drivers licenses and mobile special identification cards, and (ix) any
 7 other issue the Division deems relevant to the study. The Division shall report its findings of this
 8 study, including any legislative recommendations, to the North Carolina General Assembly, the
 9 chairs of the Joint Legislative Transportation Oversight Committee, and the Fiscal Research
 10 Division no later than January 1, 2025.

11 **SECTION 1.(d)** Subsections (a) and (b) of this section become effective July 1,
 12 2025.

13
 14 **CLARIFY SCOPE OF INTERLOCK REQUIREMENT**

15 **SECTION 2.(a)** G.S. 20-17.8 reads as rewritten:

16 "**§ 20-17.8. Restoration of a license after certain driving while impaired convictions;**
 17 **ignition interlock.**

18 ...

19 (a1) Additional Scope. – This section applies to a person whose license was revoked as a
 20 result of a conviction of habitual impaired driving, G.S. 20-138.5. Except for a conviction under
 21 G.S. 20-141.4(a2), this section also applies to a person whose license was revoked as a result of
 22 a conviction under G.S. 20-141.4.

23"

24 **SECTION 2.(b)** This section becomes effective December 1, 2024, and applies to
 25 offenses committed on or after that date.

26
 27 **INCREASE FEE FOR ACKNOWLEDGMENT OF SIGNATURES**

28 **SECTION 3.(a)** G.S. 20-42 reads as rewritten:

29 "**§ 20-42. Authority to administer oaths and certify copies of records.**

30 (a) Officers and employees of the Division designated by the Commissioner are, for the
 31 purpose of administering the motor vehicle laws, authorized to administer oaths and acknowledge
 32 signatures, and shall charge for the acknowledgment of signatures a fee according to the
 33 following schedule:

34	(1)	One signature	\$2.00 <u>\$6.00</u>
35	(2)	Two signatures	3.00 <u>7.00</u>
36	(3)	Three or more signatures	4.00 <u>8.00</u>

37 Funds received under the provisions of this subsection shall be used to defray a part of the
 38 costs of distribution of license plates, registration certificates and certificates of title issued by
 39 the Division.

40"

41 **SECTION 3.(b)** This section becomes effective July 1, 2024.

42
 43 **CLARIFY AUTHORIZED USAGE OF TRANSPORTER PLATES**

44 **SECTION 4.** G.S. 20-79.2 reads as rewritten:

45 "**§ 20-79.2. Transporter plates.**

46 (a) Who Can Get a Plate. – The Division may issue a transporter plate authorizing the
 47 limited operation of a motor vehicle in the circumstances listed in this subsection. A person who
 48 receives a transporter plate must have proof of financial responsibility that meets the
 49 requirements of Article 9A of this Chapter. The person to whom a transporter plate may be issued
 50 and the circumstances in which the vehicle bearing the plate may be operated are as follows:

- 1 (1) To a business or a dealer to facilitate the manufacture, construction,
2 rebuilding, or delivery of new or used truck cabs or bodies between
3 manufacturer, dealer, seller, or purchaser. A plate issued pursuant to this
4 subdivision shall not be used to deliver truck cabs or bodies manufactured,
5 constructed, or rebuilt in another state.
- 6 (2) To a financial institution that has a recorded lien on a motor vehicle located
7 in North Carolina to repossess the motor vehicle.
- 8 (3) To a dealer or repair facility to pick up and deliver a motor vehicle that is to
9 be repaired, is to undergo a safety or emissions inspection, or is to otherwise
10 be prepared for sale by a dealer, to road-test the vehicle, if it is repaired or
11 inspected within a 20-mile radius of the place where it is repaired or inspected,
12 and to deliver the vehicle to the dealer. A repair facility may not receive more
13 than two transporter plates for this purpose. A plate issued pursuant to this
14 subdivision shall not be used on a vehicle that is towing or transporting a
15 vehicle authorized to be operated with a transporter plate under this
16 subdivision.
- 17 ...
- 18 (5) To a dealer or a business that contracts with a dealer and has a business
19 privilege license to take a motor vehicle either to or from a motor vehicle
20 auction where the vehicle will be or was offered for sale. The title to the
21 vehicle, a bill of sale, or written authorization from the dealer or auction must
22 be inside the vehicle when the vehicle is operated with a transporter plate. A
23 plate issued pursuant to this subdivision shall not be used on a vehicle that is
24 towing or transporting a vehicle authorized to be operated with a transporter
25 plate under this subdivision.
- 26 ...
- 27 (8) To a business to drive a motor vehicle that is registered or titled in this State
28 and is at least 35 years old to and from a parade or another public event and
29 to drive the motor vehicle in that event. A person who owns one of these motor
30 vehicles is considered to be in the business of collecting those vehicles. The
31 total number of plates issued to a person pursuant to this subdivision shall not
32 exceed two.
- 33"

STUDY ALTERNATIVE MATERIALS FOR LICENSE PLATES

SECTION 5. The Division of Motor Vehicles of the North Carolina Department of Transportation, in consultation with the North Carolina Department of Adult Correction, shall study the use of alternative materials for manufacturing the registration plates issued by the Division. The Division shall report its findings of this study, including any legislative recommendations, to the North Carolina General Assembly, the chairs of the Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division no later than January 1, 2025.

STUDY DEALER LICENSE PLATE MODERNIZATION

SECTION 6. The Division of Motor Vehicles of the North Carolina Department of Transportation shall study ways to modernize and improve dealer license plates issued by the Division, including the process for issuance and format and design of the plates. The Division shall report its findings, including any legislative recommendations, to the North Carolina General Assembly, the chairs of the Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division no later than December 31, 2024.

CONFORM ODOMETER DISCLOSURE REQUIREMENT WITH FEDERAL LAW

SECTION 7. G.S. 20-347(d) reads as rewritten:

"(d) The provisions of this disclosure statement section shall not apply to the following transfers:

- (1) A vehicle having a gross vehicle weight rating of more than 16,000 pounds.
- (2) A vehicle that is not self-propelled.
- (2a) A vehicle sold directly by the manufacturer to any agency of the United States in conformity with contractual specifications.
- (3) A vehicle that is ~~40 years old or older~~ model year 2010 or older.
- (3a) A vehicle that is model year 2011 or newer that is transferred at least 20 years after January 1 of the calendar year corresponding to its designated model year.
- (4) A new vehicle prior to its first transfer for purposes other than resale.
- (5) A vehicle that is transferred by a State agency that assists the United States Department of Defense with purchasing, transferring, or titling a vehicle to another State agency, a unit of local government, a volunteer fire department, or a volunteer rescue squad."

PRINT-ON-DEMAND TEMPORARY REGISTRATION PLATES

SECTION 8.(a) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-79.1B. Print-on-demand temporary registration plates.

(a) Implementation. – No later than January 1, 2025, the Division shall implement a statewide print-on-demand temporary registration plate system for on-demand printing of temporary registration plates with vehicle owner information electronically associated and transferred to the Division as required by this Chapter. Plates issued through the print-on-demand temporary registration plate system implemented under this section are in lieu of temporary plates issued by dealers under G.S. 20-79.1 and temporary registration plates issued by commission contractors under G.S. 20-50(b) but are otherwise subject to all conditions and limitations applicable to temporary registration plates set forth in this Article. The Division shall contract with a qualified vendor or vendors after consultation with the North Carolina Automobile Dealers Association and the Carolinas Independent Automobile Dealers Association to develop and implement this statewide print-on-demand temporary registration plate system.

(b) Minimum Standards for System. – When contracting with a qualified vendor or vendors to implement the system required in subsection (a) of this section, the Division shall set the following minimum standards:

- (1) The Division shall issue a competitive request for proposal to assess the qualifications of any vendor or vendors responsible for the establishment and ongoing support of the statewide print-on-demand temporary registration plate system. The Division may also reserve the right to receive input regarding specifications for the print-on-demand temporary registration plate system from parties that do not respond to a request for proposal to establish and operate a print-on-demand temporary registration plate system. The Division shall select at least two vendors.
- (2) Any contract entered into with a vendor or vendors shall include no costs or charges payable by the Division to the vendor or vendors. The vendor or vendors shall reimburse the Division for documented reasonable implementation costs directly associated with the establishment of the statewide print-on-demand temporary registration plate system.
- (3) Upon implementation of the print-on-demand temporary registration plate system, the qualified vendor or vendors may charge participating motor

1 vehicle dealers or their agents a fee for each temporary registration plate
2 printed and registered with the Division. The print-on-demand temporary
3 registration plate fee shall be consistent with market pricing in an amount not
4 to exceed fifteen dollars (\$15.00) for costs associated with the development
5 and ongoing administration of the print-on-demand temporary registration
6 plate system. The qualified vendor or vendors shall not charge motor vehicle
7 dealers or their agents any additional fee for the printing and registration of a
8 print-on-demand temporary registration plate. To recover their costs,
9 participating motor vehicle dealers or their agents may charge the purchaser
10 of a motor vehicle or lessee of an automotive lease an amount equal to the
11 print-on-demand temporary registration plate fee plus a fee in an amount not
12 to exceed fifteen dollars (\$15.00) for each print-on-demand temporary
13 registration plate printed and registered with the Division.

14 (4) The print-on-demand temporary registration plate system must include the
15 following elements:

16 a. A design and layout for the print-on-demand temporary registration
17 plate established by the Division and of a quality as to resist
18 deterioration or fading from exposure to the elements during the period
19 for which display is required.

20 b. The ability of motor vehicle dealers to directly connect to the system
21 in order to issue print-on-demand temporary registration plates to the
22 owner or lessee of a motor vehicle that will be registered in this State
23 or another state, including a web-based option for motor vehicle
24 dealers who do not utilize an online vehicle registration vendor to
25 complete and file Division required documents related to motor
26 vehicle titling and registration.

27 c. The ability of commission contractors to directly connect to the system
28 in order to issue print-on-demand temporary registration plates to the
29 owner or lessee of a motor vehicle.

30 d. Each print-on-demand temporary registration plate must contain
31 identifying information for the motor vehicle, as determined by the
32 Division, to include the date of issue, the date of expiration, the name
33 of the issuing entity, and unique identifying information for the plate
34 that will be assigned by the Division.

35 e. The ability for identifying information on a print-on-demand
36 temporary registration plate and vehicle owner information to be
37 transmitted to the Division upon issuance of the plate.

38 f. The ability to implement and maintain a distribution procedure for
39 print-on-demand temporary registration plates in accordance with
40 subsections (c) and (d) of this section.

41 (c) Distribution of Print-on-Demand Temporary Registration Plate Materials. – In order
42 to assist the Division with the administration and security of the print-on-demand temporary
43 registration system, the system shall include a procedure for a motor vehicle dealer to obtain
44 print-on-demand temporary registration plate materials from a registered distributor. A
45 commission contractor may obtain print-on-demand temporary registration plate materials from
46 a registered distributor or the Division. A registered distributor may charge a fee for distribution
47 of print-on-demand temporary registration plate materials not to exceed ten dollars (\$10.00) per
48 print-on-demand temporary registration plate.

49 (d) Print-on-Demand Temporary Registration Plate Materials Distributors. – The
50 Division shall register two print-on-demand temporary registration plate materials distributors in
51 the State. One registered distributor shall be a trade association composed of a minimum of 400

1 new motor vehicle dealers located in this State. One registered distributor shall be a trade
 2 association comprised of a minimum of 400 used motor vehicle dealers located in this State.

3 (e) Experience Required. – Qualified vendors shall have experience in directly providing
 4 electronic solutions to State motor vehicle departments or agencies.

5 (f) Mandatory Participation. – Beginning on October 1, 2025, all motor vehicle dealers
 6 and other entities that issue at least five temporary registration plates annually shall utilize
 7 exclusively the print-on-demand temporary registration plate system for the issuance of all
 8 temporary registration plates to vehicle owners or lessees.

9 (g) Definition. – For purposes of this section, print-on-demand temporary registration
 10 plate system means a computerized system that allows the on-demand and on-site printing of
 11 required vehicle registration and other information on a temporary registration plate by the issuer
 12 of the plate and allows required information about the vehicle owner or lessee to whom the
 13 temporary plate has been issued to be transferred to the Division in electronic format."

14 **SECTION 8.(b)** This section is effective when it becomes law. The Division of
 15 Motor Vehicles may adopt rules to implement the provisions of this section.
 16

17 **MODIFY HEADLAMPS AND AUXILIARY DRIVING LAMPS REQUIREMENTS**

18 **SECTION 9.** G.S. 20-131 reads as rewritten:

19 **"§ 20-131. Requirements as to headlamps and auxiliary driving lamps.**

20 ...

21 (d1) Any headlamp modified or installed on a vehicle after initial manufacture of the
 22 vehicle shall comply with Federal Motor Vehicle Safety Standard (FMVSS) 108.

23"

24 **UPDATE SERVICE OF PROCESS BY THE DIVISION**

25 **SECTION 10.(a)** G.S. 1-105 reads as rewritten:

26 **"§ 1-105. Service upon nonresident drivers of motor vehicles and upon the personal**
 27 **representatives of deceased nonresident drivers of motor vehicles.**

28 (a) The acceptance by a nonresident of the rights and privileges conferred by the laws
 29 now or hereafter in force in this State permitting the operation of motor vehicles, as evidenced
 30 by the operation of a motor vehicle by ~~such~~the nonresident on the public highways of this State,
 31 or at any other place in this State, or the operation by ~~such~~the nonresident of a motor vehicle on
 32 the public highways of this State or at any other place in this State, other than as so permitted or
 33 regulated, shall be deemed equivalent to the appointment by ~~such~~the nonresident of the
 34 Commissioner of Motor Vehicles, or ~~his~~the Commissioner's successor in office, to be ~~his~~the
 35 ~~nonresident's~~ true and lawful attorney and the attorney of ~~his~~the nonresident's executor or
 36 Administrator, upon whom may be served all summonses or other lawful process in any action
 37 or proceeding against ~~him~~the nonresident or ~~his~~the nonresident's executor or administrator,
 38 growing out of any accident or collision in which ~~said~~the nonresident may be involved by reason
 39 of the operation by ~~him~~, the nonresident, for ~~him~~, the nonresident, or under ~~his~~the nonresident's
 40 control or direction, express or implied, of a motor vehicle on ~~such~~the public highways of this
 41 State, or at any other place in this State, and said acceptance or operation shall be a signification
 42 of ~~his~~the nonresident's agreement that any such process against ~~him~~the nonresident or ~~his~~the
 43 ~~nonresident's~~ executor or administrator shall be of the same legal force and validity as if served
 44 on ~~him~~the nonresident personally, or on ~~his~~the nonresident's executor or administrator.

45 Service of such process shall be made in the following manner:

- 46 (1) By leaving a copy thereof, with a fee of ~~ten dollars (\$10.00)~~, twenty dollars
 47 (\$20.00) in the hands of the Commissioner of Motor Vehicles, or in ~~his~~the
 48 ~~Commissioner's~~ office. Such service, upon compliance with the other
 49 provisions of this section, shall be sufficient service upon the said nonresident.
 50

1 (2) Notice of such service of process and copy thereof must be forthwith sent by
2 certified or registered mail by plaintiff or the Commissioner of Motor Vehicles
3 to the defendant, and the entries on the defendant's return receipt shall be
4 sufficient evidence of the date on which notice of service upon the
5 Commissioner of Motor Vehicles and copy of process were delivered to the
6 defendant, on which date service on said defendant shall be deemed
7 completed. If the defendant refuses to accept the certified or registered letter,
8 service on the defendant shall be deemed completed on the date of such refusal
9 to accept as determined by notations by the postal authorities on the original
10 envelope, and if such date cannot be so determined, then service shall be
11 deemed completed on the date that the certified or registered letter is returned
12 to the plaintiff or Commissioner of Motor Vehicles, as determined by postal
13 marks on the original envelope. If the certified or registered letter is not
14 delivered to the defendant because it is unclaimed, or because ~~he~~the defendant
15 has removed himself or herself from ~~his~~the defendant's last known address
16 and has left no forwarding address or is unknown at ~~his~~the defendant's last
17 known address, service on the defendant shall be deemed completed on the
18 date that the certified or registered letter is returned to the plaintiff or
19 Commissioner of Motor Vehicles.

20 (3) The defendant's return receipt, or the original envelope bearing a notation by
21 the postal authorities that receipt was refused, and an affidavit by the plaintiff
22 that notice of mailing the registered letter and refusal to accept was forthwith
23 sent to the defendant by ordinary mail, together with the plaintiff's affidavit of
24 compliance with the provisions of this section, must be appended to the
25 summons or other process and filed with said summons, complaint and other
26 papers in the cause.

27 Provided, that where the nonresident motorist has died prior to the commencement of an
28 action brought pursuant to this section, service of process shall be made on the executor or
29 administrator of ~~such~~the nonresident motorist in the same manner and on the same notice as is
30 provided in the case of a nonresident motorist.

31 The court in which the action is pending shall order such continuance as may be necessary to
32 afford the defendant reasonable opportunity to defend the action.

33 (b) For service of process upon a defendant in a place not within the United States, the
34 Commissioner of Motor Vehicles shall require a fee of one hundred dollars (\$100.00) and
35 delivery by private carrier with proof of actual delivery to the defendant is allowed for personal
36 service."

37 **SECTION 10.(b)** This section is effective July 1, 2024, and applies to service upon
38 nonresident drivers on and after that date.

40 **CLARIFY NOTIFICATION PROCESS FOR ENFORCEMENT OF LIEN BY SALE**

41 **SECTION 11.** G.S. 44A-4(b) reads as rewritten:

42 "(b) Notice and Hearings. –

43 (1) If the property upon which the lien is claimed is a motor vehicle that is
44 required to be registered, the lienor following the expiration of the relevant
45 time period provided by subsection (a) shall give notice to the Division of
46 Motor Vehicles that a lien is asserted and sale is proposed and shall remit to
47 the Division a fee of fourteen dollars (\$14.00). The Division of Motor
48 Vehicles shall issue notice by certified mail, return receipt requested, or
49 certified mail with electronic tracking to the person having legal title to the
50 property, if reasonably ascertainable, to the person with whom the lienor dealt
51 if different, and to each secured party and other person claiming an interest in

1 the property who is actually known to the Division or who can be reasonably
2 ascertained. The notice shall state that a lien has been asserted against specific
3 property and shall identify the lienor, the date that the lien arose, the general
4 nature of the services performed and materials used or sold for which the lien
5 is asserted, the amount of the lien, and that the lienor intends to sell the
6 property in satisfaction of the lien. The notice shall inform the recipient that
7 the recipient has the right to a judicial hearing at which time a determination
8 will be made as to the validity of the lien prior to a sale taking place. The
9 notice shall further state that the recipient has a period of 10 days from the
10 date of receipt in which to notify the Division by certified mail, return receipt
11 requested, or certified mail with electronic tracking that a hearing is desired
12 and that if the recipient wishes to contest the sale of his property pursuant to
13 such lien, the recipient should notify the Division that a hearing is desired.
14 The notice shall state the required information in simplified terms and shall
15 contain a form whereby the recipient may notify the Division that a hearing is
16 desired by the return of such form to the Division. The Division shall notify
17 the lienor whether such notice is timely received by the Division. In lieu of
18 the notice and payment of the fee by the lienor to the Division and the notices
19 issued by the Division described above, the lienor may issue notice on a form
20 approved by the Division pursuant to the notice requirements ~~above~~ above by
21 certified mail, return receipt requested, or certified mail with electronic
22 tracking to the person having legal title to the property, which is deemed to
23 have the same effect as if the notice was sent by the Division. If notice is
24 issued by the lienor, the recipient shall return the form requesting a hearing to
25 the lienor, and not the Division, within 10 days from the date the recipient
26 receives the notice if a judicial hearing is requested. If the certified mail notice
27 has been returned as undeliverable and the notice of a right to a judicial
28 hearing has been given to the owner of the motor vehicle in accordance with
29 G.S. 20-28.4, no further notice is required. Failure of the recipient to notify
30 the Division or lienor, as specified in the notice, within 10 days of the receipt
31 of such notice that a hearing is desired shall be deemed a waiver of the right
32 to a hearing prior to the sale of the property against which the lien is asserted,
33 and the lienor may proceed to enforce the lien by public or private sale as
34 provided in this section and the Division shall transfer title to the property
35 pursuant to such sale. If the Division or lienor, as specified in the notice, is
36 notified within the 10-day period provided above that a hearing is desired prior
37 to sale, the lien may be enforced by sale as provided in this section and the
38 Division will transfer title only pursuant to the order of a court of competent
39 jurisdiction.

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

47 In such a proceeding a lienor may not include more than ten vehicles, but
48 the proceeds of the sale of each shall be subject only to valid claims against
49 that vehicle, and any excess proceeds of the sale shall be paid immediately to
50 the Treasurer for disposition pursuant to Chapter 116B of the General Statutes.

1 The application to the clerk in such a special proceeding shall contain the
 2 notice of sale information set out in subsection (f) hereof. If the application is
 3 in proper form the clerk shall enter an order authorizing the sale on a date not
 4 less than 14 days therefrom, and the lienor shall cause the application and
 5 order to be sent immediately by first-class mail pursuant to G.S. 1A-1, Rule
 6 5, to each person to whom notice was mailed pursuant to this subsection.
 7 Following the authorized sale the lienor shall file with the clerk a report in the
 8 form of an affidavit, stating that the lienor has complied with the public or
 9 private sale provisions of G.S. 44A-4, the name, address, and bid of the high
 10 bidder or person buying at a private sale, and a statement of the disposition of
 11 the sale proceeds. The clerk then shall enter an order directing the Division to
 12 transfer title accordingly.

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

- 16 (2) If the property upon which the lien is claimed is other than a motor vehicle
 17 required to be registered, the lienor following the expiration of the 30-day
 18 period provided by subsection (a) shall issue notice to the person having legal
 19 title to the property, if reasonably ascertainable, and to the person with whom
 20 the lienor dealt if different by certified mail, return receipt ~~requested.~~
 21 requested, or certified mail with electronic tracking. Such notice shall state
 22 that a lien has been asserted against specific property and shall identify the
 23 lienor, the date that the lien arose, the general nature of the services performed
 24 and materials used or sold for which the lien is asserted, the amount of the
 25 lien, and that the lienor intends to sell the property in satisfaction of the lien.
 26 The notice shall inform the recipient that the recipient has the right to a judicial
 27 hearing at which time a determination will be made as to the validity of the
 28 lien prior to a sale taking place. The notice shall further state that the recipient
 29 has a period of 10 days from the date of receipt in which to notify the lienor
 30 by certified mail, return receipt requested, or certified mail with electronic
 31 tracking that a hearing is desired and that if the recipient wishes to contest the
 32 sale of his property pursuant to such lien, the recipient should notify the lienor
 33 that a hearing is desired. The notice shall state the required information in
 34 simplified terms and shall contain a form whereby the recipient may notify
 35 the lienor that a hearing is desired by the return of such form to the lienor.
 36 Failure of the recipient to notify the lienor within 10 days of the receipt of
 37 such notice that a hearing is desired shall be deemed a waiver of the right to a
 38 hearing prior to sale of the property against which the lien is asserted and the
 39 lienor may proceed to enforce the lien by public or private sale as provided in
 40 this section. If the lienor is notified within the 10-day period provided above
 41 that a hearing is desired prior to sale, the lien may be enforced by sale as
 42 provided in this section only pursuant to the order of a court of competent
 43 jurisdiction."
 44

45 RENTAL CAR COMPANY RECOVERY OF VEHICLE LICENSE AND 46 REGISTRATION FEES

47 SECTION 12.(a) G.S. 66-201(8) reads as rewritten:

- 48 "(8) "Vehicle license and registration fees" means charges that may be imposed
 49 upon any rental transaction originating in this State to recoup the costs
 50 incurred by a rental car company to license, title, inspect, and register rental
 51 vehicles. ~~Rental car companies shall make a good faith effort to ensure that~~

1 any vehicle license and registration fees collected do not exceed the actual
 2 costs incurred by the rental car company to license, title, inspect, and register
 3 rental vehicles. Any amounts collected by the rental car company in excess of
 4 the actual amount of its costs incurred shall be retained by the rental car
 5 company and applied to the costs incurred in the next calendar year for
 6 licensing, titling, inspecting, and registering rental vehicles. In that event, the
 7 good faith estimate of any vehicle license and registration fees to be charged
 8 by the company in the next calendar year shall be reduced to take into account
 9 the excess amount collected from the prior year."

10 **SECTION 12.(b)** Article 28 of Chapter 66 of the General Statutes is amended by
 11 adding a new section to read:

12 **"§ 66-201.1. Recovery of vehicle license and registration fees.**

13 Rental car companies shall make a good-faith effort to ensure that any vehicle license and
 14 registration fees collected do not exceed the actual costs incurred by the rental car company to
 15 license, title, inspect, and register rental vehicles. Any amounts collected by the rental car
 16 company in excess of the actual amount of its costs incurred shall be retained by the rental car
 17 company and applied to the costs incurred in the next calendar year for licensing, titling,
 18 inspecting, and registering rental vehicles. In that event, the good-faith estimate of any vehicle
 19 license and registration fees to be charged by the company in the next calendar year shall be
 20 reduced to take into account the excess amount collected from the prior year. For purposes of
 21 this section, "rental vehicles" also includes motor vehicles of the cargo type, including a cargo
 22 van, pickup truck, or truck with a gross vehicle weight rating of 26,000 pounds or less used
 23 predominantly in the transportation of property for other than commercial freight and that does
 24 not require the operator to possess a commercial drivers license."

25 **SECTION 12.(c)** This section becomes effective October 1, 2024.

26
 27 **AUTHORIZE REMOTE ELECTRONIC NOTARIZATION AND ELECTRONIC**
 28 **SIGNATURES FOR MOTOR VEHICLE TRANSACTIONS**

29 **SECTION 13.(a)** G.S. 20-4.01 reads as rewritten:

30 **"§ 20-4.01. Definitions.**

31 Unless the context requires otherwise, the following definitions apply throughout this
 32 Chapter to the defined words and phrases and their cognates:

33 ...
 34 ~~(24)~~(23c) Nonresident. – Any person whose legal residence is in some state,
 35 territory, or jurisdiction other than North Carolina or in a foreign country.

36 (24) Notarization. – Includes a remote electronic notarization that conforms to
 37 Article 2 of Chapter 10B of the General Statutes, and any notarization
 38 recognized pursuant to G.S. 10B-20(f) and G.S. 10B-40(e).

39 ...
 40 (41b) Signature. – Includes electronic signature technology that conforms to Article
 41 40 of Chapter 66 of the General Statutes.

42"

43 **SECTION 13.(b)** G.S. 20-72 reads as rewritten:

44 **"§ 20-72. Transfer by owner.**

45 ...
 46 (b) In order to assign or transfer title or interest in any motor vehicle registered under the
 47 provisions of this Article, the owner ~~shall~~shall, either in the presence of a person authorized to
 48 administer oaths or in a manner that conforms to Article 40 of Chapter 66 of the General Statutes,
 49 ~~execute in the presence of a person authorized to administer oaths~~an assignment and warranty
 50 of title on the reverse of the certificate of title in form approved by the Division, including in
 51 such assignment the name and address of the transferee; and no title to any motor vehicle shall

1 pass or vest until such assignment is executed and the motor vehicle delivered to the transferee.
2 The provisions of this section shall not apply to any foreclosure or repossession under a chattel
3 mortgage or conditional sales contract or any judicial sale. The provisions of this subsection shall
4 not apply to (i) any transfer to an insurer pursuant to G.S. 20-109.1(b)(2) or (ii) any transfer to a
5 used motor vehicle dealer pursuant to G.S. 20-109.1(e1). The provisions of this subsection
6 requiring that an assignment and warranty of title be executed in the presence of a person
7 authorized to administer oaths shall not apply to any transfer of title to or from an insurer pursuant
8 to G.S. 20-109.1.

9"

10 **SECTION 13.(c)** Article 12 of Chapter 20 of the General Statutes is amended by
11 adding a new section to read:

12 "**§ 20-292.2. Electronic transactions.**

13 Any signature requirement contained in this Chapter may be satisfied using electronic
14 signature technology that conforms to Article 40 of Chapter 66 of the General Statutes, and the
15 Division shall accept electronic submission of documents by motor vehicle dealers that meet
16 those requirements. Any notarization requirement contained in this Chapter may be satisfied
17 using a remote electronic notarization that conforms to Article 2 of Chapter 10B of the General
18 Statutes or any notarization recognized pursuant to G.S. 10B-20(f) and G.S. 10B-40(e), and the
19 Division shall accept electronic submission of documents by motor vehicle dealers that meet
20 those requirements."

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

22
23 **EXTEND DURATION OF TEMPORARY REGISTRATION PLATES**

24 **SECTION 14.(a)** G.S. 20-79.1 reads as rewritten:

25 "**§ 20-79.1. Use of temporary registration plates or markers by purchasers of motor**
26 **vehicles in lieu of dealers' plates.**

27 ...

28 (d) A dealer shall:

29 ...

30 (3) Within ~~20-60~~ days of the issuance of a temporary registration plate or marker,
31 mail or deliver the application and fees to the Division or deliver the
32 application and fees to a local license agency for processing. Delivery need
33 not be made if the contract for sale has been rescinded by all parties to the
34 contract.

35 ...

36 (g) Every person to whom temporary registration plates or markers have been issued shall
37 permanently destroy such temporary registration plates or markers immediately upon receiving
38 the limited registration plates or the annual registration plates from the Division: Provided, that
39 if the limited registration plates or the annual registration plates are not received within ~~30-60~~
40 days of the issuance of the temporary registration plates or markers, the owner shall,
41 notwithstanding, immediately upon the expiration of such ~~30-day-60-day~~ period, permanently
42 destroy the temporary registration plates or markers.

43 (h) Temporary registration plates or markers shall expire and become void upon the
44 receipt of the limited registration plates or the annual registration plates from the Division, or
45 upon the rescission of a contract to purchase a motor vehicle, or upon the expiration of ~~30-60~~
46 days from the date of issuance, depending upon whichever event shall first occur. No refund or
47 credit or fees paid by dealers to the Division for temporary registration plates or markers shall be
48 allowed, except in the event that the Division discontinues the issuance of temporary registration
49 plates or markers or unless the dealer discontinues business. In this event the unissued registration
50 plates or markers with the unissued registration certificates shall be returned to the Division and
51 the dealer may petition for a refund. Upon the expiration of the ~~30-60~~ days from the date of

1 issuance, a second ~~30-day~~ 60-day temporary registration plate or marker may be issued by the
2 dealer upon showing the vehicle has been sold or leased, and that the dealer, having used
3 reasonable diligence, is unable to obtain the vehicle's statement of origin or certificate of title so
4 that the lien may be perfected. For purposes of this subsection, a dealer shall be considered unable
5 to obtain the vehicle's statement of origin or certificate of title if the statement of origin or
6 certificate of title either (i) has not been delivered to the dealer or (ii) was lost or misplaced.

7"

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

9
10 **COMMERCIAL DRIVERS LICENSE COMPLIANCE WITH FEDERAL**
11 **REQUIREMENTS**

12 **SECTION 15.(a)** G.S. 20-17.4(a) is amended by adding a new subdivision to read:

13 "(10) A conviction of fraud in connection with issuance of a commercial drivers
14 license or commercial learner's permit."

15 **SECTION 15.(b)** G.S. 20-17.4(l) reads as rewritten:

16 "(l) Disqualification for ~~Testing Positive in a Drug or Alcohol Test.~~ Violations. – Upon
17 receipt of notice of ~~a positive drug or alcohol test, or of refusal to participate in a drug or alcohol~~
18 ~~test, pursuant to G.S. 20-37.19(e), prohibited status in the Federal Motor Carrier Safety~~
19 Administration's Commercial Driver's License Drug and Alcohol Clearinghouse, established
20 pursuant to 49 U.S.C. § 31306, the Division must disqualify a CDL holder from operating a
21 commercial motor vehicle for a minimum of 30 days and until receipt of proof of successful
22 completion of assessment and treatment by a substance abuse professional in accordance with 49
23 C.F.R. § 382.503."

24 **SECTION 15.(c)** G.S. 20-37.13(h) reads as rewritten:

25 "(h) The Division shall promptly notify any driver who fails to meet the medical
26 certification requirements in accordance with 49 C.F.R. § 383.71. The Division shall give the
27 driver 60 days to ~~provide the required documentation. If the driver fails to provide the required~~
28 comply with the commercial drivers license medical certification documentation requirements.
29 If the driver fails to comply within the period allowed, the Division shall automatically
30 downgrade a commercial drivers license to a class C regular drivers license."

31 **SECTION 15.(d)** G.S. 20-37.20 reads as rewritten:

32 "**§ 20-37.20. Notification of traffic convictions.**

33 (a) Out-of-state Resident. – Within 10 days after receiving a report of the conviction of
34 (i) any nonresident holder of a commercial driver license or commercial learner's permit for any
35 violation of State law or local ordinance relating to motor vehicle traffic control, other than
36 parking violations, committed in a motor vehicle or (ii) any nonresident holder of a drivers license
37 for any violation of State law or local ordinance relating to motor vehicle traffic control, other
38 than parking violations, committed in a commercial motor vehicle, the Division shall
39 electronically notify the driver licensing authority in the licensing state or foreign jurisdiction of
40 the conviction.

41"

42 **SECTION 15.(e)** Subsection (d) of this section becomes effective August 1, 2024.

43 The remainder of this section becomes effective October 1, 2024.

44
45 **DIVISION ACTION ON COMMISSION CONTRACTOR APPLICATIONS**

46 **SECTION 16.(a)** G.S. 20-63 is amended by adding the following new subsection to
47 read:

48 "(h3) Commission Contractor Applications. – The Division shall review an application and
49 issue a decision to award or not award a commission contract within 60 days of the date the
50 application is submitted. If the Division requests additional information from the applicant within
51 the 60-day period following submission of the application, the Division shall make a decision

1 within 30 days of the date of submission of the requested information, or within 60 days of the
2 date of submission of the original application, whichever is later."

3 **SECTION 16.(b)** This section becomes effective October 1, 2024, and applies to
4 commission contract applications submitted on or after that date.

6 **COMMISSION CONTRACTOR APPLICATIONS AND CONTRACTS**

7 **SECTION 17.(a)** G.S. 20-63(h) reads as rewritten:

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

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

34 The terms of a commission contract entered under this subsection shall allow the commission
35 contractor to sell the contractor's business, as applicable, and assign contractual rights to another
36 qualified contractor prior to expiration of the contract. A qualified contractor is a person, firm,
37 corporation, or governmental subdivision of the State of North Carolina, with demonstrated
38 experience as a commission contractor in North Carolina or equivalent experience in another
39 state, as determined by the Division. All Division equipment and software shall be transferred to
40 the new commission contractor upon sale, in accordance with guidelines established by the
41 Division.

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 sixty-eight cents (\$1.68)
45 compensation shall be paid. The issuance of a limited registration "T" sticker and the collection
46 of property tax are each considered a separate transaction for which compensation at the rate of
47 one dollar and forty cents (\$1.40) and one dollar and sixteen cents (\$1.16) respectively, shall be
48 paid by counties and municipalities as a cost of the combined motor vehicle registration renewal
49 and property tax collection system. The performance at the same time of one or more of the
50 transactions below is considered a single transaction for which one dollar and eighty-nine cents
51 (\$1.89) compensation shall be paid:

- 1 (1) Issuance of a registration plate, a registration card, a registration sticker, or a
2 certificate of title.
- 3 (2) Issuance of a handicapped placard or handicapped identification card.
- 4 (3) Acceptance of an application for a personalized registration plate.
- 5 (4) Acceptance of a surrendered registration plate, registration card, or
6 registration renewal sticker, or acceptance of an affidavit stating why a person
7 cannot surrender a registration plate, registration card, or registration renewal
8 sticker.
- 9 (5) Cancellation of a title because the vehicle has been junked.
- 10 (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax,
11 other than the highway use tax.
- 12 (7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial
13 responsibility or receipt of the restoration fee imposed by that statute.
- 14 (8) Acceptance of a notice of failure to maintain financial responsibility for a
15 motor vehicle.
- 16 (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- 17 (8b), (9) Repealed by Session Laws 2013-372, s. 2(a), effective July 1, 2013.
- 18 (10) Acceptance of a temporary lien filing.
- 19 (11) Conversion of an existing paper title to an electronic lien upon request of a
20 primary lienholder."

21 **SECTION 17.(b)** For any commission contractor who has contracted with the
22 Division prior to the effective date of this section in the commission contractor's business entity
23 name and has been required by the Division to renew a commission contract in the commission
24 contractor's individual name, the Division must notify the contractor within 30 days of the
25 effective date of this section and provide an opportunity for that contractor to amend and reenter
26 the commission contract in the contractor's business entity name. In order to amend and reenter
27 a commission contract under this subsection, the commission contractor shall notify the Division
28 of the contractor's intent within 30 days of the notification, and the Division shall allow the
29 contractor a reasonable amount of time to make arrangements necessary to effectuate the
30 transition.

31 **SECTION 17.(c)** This section becomes effective October 1, 2024.

32
33 **BOND REQUIREMENTS FOR COMMISSION CONTRACTORS**

34 **SECTION 18.** G.S. 20-63.01 reads as rewritten:

35 "**§ 20-63.01. Bonds required for commission contractors.**

36 (a) A ~~guaranty-surety~~ bond is required for each commission contractor that is not a
37 governmental subdivision of this State that is granted a contract to issue license plates or conduct
38 business pursuant to G.S. 20-63. Provided, however, a commission contractor that is unable to
39 secure a bond may, with the consent of the Division, provide an alternative to a ~~guaranty-surety~~
40 bond, as provided in subsection (c) of this section.

41 The Division may revoke, with cause, a contract with a commission contractor that fails to
42 maintain a bond or an alternative to a bond, pursuant to this section.

43 (b) (1) When application is made for a contract or contract renewal, the applicant
44 shall file a ~~guaranty-surety~~ bond with the clerk of the superior court and/or the
45 register of deeds of the county in which the commission contractor will be
46 located. The bond shall be in favor of the Division. The bond shall be executed
47 by the applicant as principal and by a bonding company authorized to do
48 business in this State. The bond shall be conditioned to provide
49 indemnification to the Division for a loss of revenue for any reason, including
50 bankruptcy, employee embezzlement or theft, foreclosure, or ceasing to
51 operate.

1 (2) The bond shall be in an amount determined by the Division to be adequate to
2 provide indemnification to the Division under the terms of the bond. The bond
3 amount shall be at least one hundred thousand dollars (\$100,000).

4 (3) The bond shall remain in force and effect until cancelled by the ~~guarantor-~~
5 ~~surety~~. The ~~guarantor-surety~~ may cancel the bond upon 30 days' notice to the
6 Division. Cancellation of the bond shall not affect any liability incurred or
7 accrued prior to the termination of the notice period.

8 (4) ~~The Division may be able to negotiate bonds for contractors who qualify for~~
9 ~~bonds as a group under favorable rates or circumstances. If so, the Division~~
10 ~~may require those contractors who can qualify for the group bond to obtain~~
11 ~~their bond as part of a group of contractors. The Division may deduct the~~
12 ~~premiums for any bonds it may be able to negotiate at group rates from the~~
13 ~~commissioned contractors' compensation.~~

14 (c) An applicant that is unable to secure a bond may seek a waiver of the ~~guaranty-surety~~
15 bond from the Division and approval of one of the ~~guaranty-surety~~ bond alternatives set forth in
16 this subsection. With the approval of the Division, an applicant may file with the clerk of the
17 superior court and/or the register of deeds of the county in which the commission contractor will
18 be located, in lieu of a bond:

19 (1) An assignment of a savings account in an amount equal to the bond required
20 (i) that is in a form acceptable to the Division; (ii) that is executed by the
21 applicant; (iii) that is executed by a federally insured depository institution or
22 a trust institution authorized to do business in this State; and (iv) for which
23 access to the account in favor of the State of North Carolina is subject to the
24 same conditions as for a bond in subsection (b) of this section.

25 (2) A certificate of deposit (i) that is executed by a federally insured depository
26 institution or a trust institution authorized to do business in this State; (ii) that
27 is either payable to the State of North Carolina, unrestrictively endorsed to the
28 Division of Motor Vehicles; in the case of a negotiable certificate of deposit,
29 is unrestrictively endorsed to the Division of Motor Vehicles; or in the case of
30 a nonnegotiable certificate of deposit, is assigned to the Division of Motor
31 Vehicles in a form satisfactory to the Division; and (iii) for which access to
32 the certificate of deposit in favor of the State of North Carolina is subject to
33 the same conditions as for a bond in subsection (b) of this section."
34

35 **CLARIFY LPA ADVISORY COMMITTEE SUBJECT TO OPEN MEETINGS LAW**

36 **SECTION 19.** G.S. 20-63.02 is amended by adding a new subsection to read:

37 "(d) Open Meetings. – All meetings of the LPA Advisory Committee shall comply with
38 the provisions of Article 33C of Chapter 143 of the General Statutes."
39

40 **LPA ISSUANCE OF ONE-DAY TITLES**

41 **SECTION 20.(a)** G.S. 20-85 reads as rewritten:

42 "**§ 20-85. Schedule of fees.**

43 (a) The following fees are imposed concerning a certificate of title, a registration card, or
44 a registration plate for a motor vehicle. These fees are payable to the Division and are in addition
45 to the tax imposed by Article 5A of Chapter 105 of the General Statutes:

- 46 ...
47 (11) Each set of replacement Stock Car Racing Theme plates
48 Issued under
49 G.S. 20-79.4.....25.00-25.00
50 (12) Each application for a certificate of title prepared and delivered using

1 a one-day title
2 service.....105.75.

3 (a1) Two dollars (\$2.00) of the fee imposed for any transaction assessed a fee under
4 subdivision (a)(1), (a)(2), (a)(3), (a)(7), ~~(a)(8), or (a)(9)~~ (a)(8), (a)(9), or (a)(12) of this section
5 shall be credited to the North Carolina Highway Fund. The Division shall use the fees derived
6 from transactions with commission contract agents for the payment of compensation to
7 commission contract agents. An additional twenty cents (20¢) of the fee imposed for any
8 transaction assessed a fee under subdivision (a)(1) or (a)(12) of this section shall be credited to
9 the Mercury Pollution Prevention Fund in the Department of Environmental Quality.

10"

11 **SECTION 20.(b)** G.S. 20-85.1 is repealed.

12 **SECTION 20.(c)** G.S. 20-85(a1) reads as rewritten:

13 "(a1) Two dollars (\$2.00) of the fee imposed for any transaction assessed a fee under
14 subdivision (a)(1), (a)(2), (a)(3), (a)(7), (a)(8), (a)(9), or (a)(12) of this section shall be credited
15 to the North Carolina Highway Fund. The Division shall use the fees derived from transactions
16 with commission contract agents for the payment of compensation to commission contract
17 agents. ~~or (a)(12)~~"

18 **SECTION 20.(d)** G.S. 20-63(h1) reads as rewritten:

19 "(h1) Commission contracts entered into by the Division under this subsection shall also
20 provide for the payment of an additional two dollars (\$2.00) of compensation to commission
21 contract agents for any transaction assessed a fee under subdivision (a)(1), (a)(2), (a)(3), (a)(7),
22 ~~(a)(8), or (a)(9)~~ (a)(8), (a)(9), or (a)(12) of G.S. 20-85."

23 **SECTION 20.(e)** G.S. 20-66 reads as rewritten:

24 **"§ 20-66. Renewal of vehicle registration.**

25 (a) Annual Renewal. – The registration of a vehicle must be renewed annually. In
26 accordance with G.S. 105-330.5(b), upon receiving written consent from the owner of the
27 vehicle, the Division may send any required notice of renewal electronically to an e-mail address
28 provided by the owner of the vehicle. To renew the registration of a vehicle, the owner of the
29 vehicle must file an application with the Division and pay the required registration fee. The owner
30 of a vehicle registered in North Carolina may renew that vehicle registration by mail. The
31 Division may receive and grant an application for renewal of registration at any time before the
32 registration expires.

33"

34 **SECTION 20.(f)** G.S. 20-4.02(a)(10) reads as rewritten:

35 "(10) ~~G.S. 20-85.1.~~G.S. 20-85(a)(12)."

36 **SECTION 20.(g)** Subsection (c) of this section becomes effective June 30, 2031.

37 The remainder of this section becomes effective July 1, 2024.

38 **ONLINE VEHICLE REGISTRATION VENDOR CLARIFICATION**

39 **SECTION 21.** G.S. 20-63(j) reads as rewritten:

40 "(j) The Division shall contract with at least two online motor vehicle registration vendors
41 which may enter into contracts with motor vehicle dealers and other participants, including, but
42 not limited to, out-of-state entities, such as dealers, fleet, leasing, and rental car companies, to
43 complete and file Division required documents for the issuance of a certificate of title,
44 registration plate, or registration card or a duplicate certificate of title, registration plate, or
45 registration card for a motor vehicle, upon purchase or sale of a vehicle. Vendors under contract
46 with the Division pursuant to this subsection may also enter into contracts with used motor
47 vehicle dealers whose primary business is the sale of salvage vehicles on behalf of insurers to
48 complete and file documents required by the Division for the issuance of a salvage certificate of
49 title. The Division shall not unreasonably deny a contract or access to any entity."

51

REMOVE STATUTORY MILEAGE LIMITATION ON CERTAIN COVERED FARM VEHICLE EXEMPTIONS

SECTION 22.(a) G.S. 20-37.16(e) reads a rewritten:

"(e) The requirements for a commercial drivers license do not apply to vehicles used for personal use such as recreational vehicles. A commercial drivers license is also waived for the following classes of vehicles as permitted by regulation of the United States Department of Transportation:

...

(3) A farm vehicle that meets all of the following criteria:

- a. Is controlled and operated by the farmer or the farmer's employee and used exclusively for farm use.
- b. Is used to transport either agricultural products, farm machinery, or farm supplies, both to or from a farm.
- c. Is not used in the operations of a for-hire motor carrier.
- d. Is used ~~within 150 miles of the farmer's farm~~ intrastate within the official State border of North Carolina.

A farm vehicle includes a forestry vehicle that meets the listed criteria when applied to the forestry operation."

SECTION 22.(b) G.S. 20-118(c)(12)a. reads as rewritten:

"a. Is transporting any of the following items ~~within 150 miles of the point of origin~~ the official State border of North Carolina:

1. Agriculture, dairy, and crop products transported from a farm or holding facility to a processing plant, feed mill, or market.
2. Water, fertilizer, pesticides, seeds, fuel, or animal waste transported to or from a farm.
3. Meats, livestock, or live poultry transported from the farm where they were raised to a processing plant or market.
- 3a. Feed or feed ingredients that are used in the feeding of poultry or livestock and transported from a storage facility, holding facility, or mill to a farm.
4. Forest products originating and transported from a farm or woodlands to market with delay interruption or delay for further packaging or processing after initiating transport.
5. Wood residuals, including wood chips, sawdust, mulch, or tree bark from any site.
6. Raw logs to market.
7. Trees grown as Christmas trees from field, farm, stand, or grove to a processing point."

SECTION 22.(c) G.S. 20-381(b) reads as rewritten:

"(b) The definitions set out in 49 Code of Federal Regulations § 171.8 apply to this subsection. The transportation of an agricultural product, other than a Class 2 material, over local roads between fields of the same farm by a farmer operating as an intrastate private motor carrier is exempt from the requirements of Parts 171 through 180 of 49 CFR as provided in 49 CFR § 173.5(a). The transportation of an agricultural product to or from a farm ~~within 150 miles of the farm~~ the official State border of North Carolina by a farmer operating as an intrastate private motor carrier is exempt from the requirements of Subparts G and H of Part 172 of 49 CFR as provided in 49 CFR § 173.5(b)."

FEEES FOR ANNUAL OVERSIZE/OVERWEIGHT PERMITS FOR MOVEMENT OF COMMODITIES

SECTION 23.(a) G.S. 20-119 reads as rewritten:

"§ 20-119. Special permits for vehicles of excessive size or weight; fees.

...

(b) Upon the issuance of a special permit for an oversize or overweight vehicle by the Department of Transportation in accordance with this section, the applicant shall pay to the Department for a single trip permit a fee of twelve dollars (\$12.00) for each dimension over lawful dimensions, including height, length, width, and weight up to 132,000 pounds. For overweight vehicles, the applicant shall pay to the Department for a single trip permit in addition to the fee imposed by the previous sentence a fee of three dollars (\$3.00) per 1,000 pounds over 132,000 pounds.

Upon the issuance of an annual permit for a single vehicle, the applicant shall pay a fee in accordance with the following schedule:

Commodity:	Annual Fee:
Annual Permit to Move House Trailers or Trailer Frames	\$200.00
Annual Permit to Move Other Commodities	\$100.00 \$185.00

In addition to the fees set out in this subsection, applications for permits that require an engineering study for pavement or structures or other special conditions or considerations shall be accompanied by a nonrefundable application fee of one hundred dollars (\$100.00).

This subsection does not apply to farm equipment or machinery being used at the time for agricultural purposes, nor to the moving of a house as provided for by the license and permit requirements of Article 16 of this Chapter. Fees will not be assessed for permits for oversize and overweight vehicles issued to any agency of the United States Government or the State of North Carolina, its agencies, institutions, subdivisions, or municipalities if the vehicle is registered in the name of the agency.

...

(j) Electric vehicle batteries, transported on the same vehicle with a weight up to 132,000 pounds, shall be considered a nondivisible load for purposes of permit issuance pursuant to this section. In addition to the fee set out in subsection (b) of this section, upon issuance of an annual permit to transport electric vehicle batteries, the applicant shall pay to the Department a fee of four hundred ninety-eight dollars (\$498.00)."

SECTION 23.(b) This section becomes effective July 1, 2024, and applies to applications for permits on or after that date.

USE OF LOANER/DEALER PLATES ON SERVICE LOANER VEHICLES

SECTION 24.(a) G.S. 20-79.02(g) reads as rewritten:

"(g) Applicability. – ~~Prior to January 1, 2025, a~~ A new motor vehicle dealer may, but is not required to, display an LD license plate on a service loaner vehicle. ~~Beginning on or after January 1, 2025, a new motor vehicle dealer shall display an LD license plate on any new motor vehicle placed into service as a loaner vehicle if either of the following circumstances exists:~~

- ~~(1) The new motor vehicle dealer is receiving incentive or warranty compensation from a manufacturer, factory branch, distributor, or distributor branch for the use of the vehicle as a service loaner.~~
- ~~(2) The new motor vehicle dealer is receiving a fee or other compensation from the dealer's customers for the use of the vehicle as a service loaner."~~

SECTION 24.(b) Section 1.1(b) of S.L. 2015-232, as amended by Section 4.5(b) of S.L. 2018-27 and Section 1(b) of S.L. 2020-51, reads as rewritten:

"SECTION 1.1.(b) This section is effective when this act becomes law and expires ~~December 31, 2024.~~law."

SECTION 24.(c) Section 1.4(b) of S.L. 2015-232, as amended by Section 4.5(c) of S.L. 2018-27 and Section 1(c) of S.L. 2020-51, reads as rewritten:

"SECTION 1.4.(b) This section is effective when this act becomes law and expires December 31, 2024.law."

AUTHORIZE SPECIAL REGISTRATION PLATES

SECTION 25.(a) G.S. 20-63(b1) is amended by adding a new subdivision to read:

"() Home of the Venus Flytrap."

SECTION 25.(b) G.S. 20-79.4(b) is amended by adding two new subdivisions to read:

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

...

() Home of the Venus Flytrap. – Issuable to a registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear a picture of a Venus Flytrap and the phrase "Home of the Venus Flytrap."

() North Carolina School of Science and Mathematics. – Issuable to a registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall feature the school logo and the acronym "NCSSM," and the letters "SM" to the right of the segment of the plate designated for the special plate design.

...."

SECTION 25.(c) G.S. 20-79.7 reads as rewritten:

"§ 20-79.7. Fees for special registration plates and distribution of the fees.

...

(a1) Fees. – All other special registration plates are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

Special Plate	Additional Fee Amount
...	
Home of American Golf	Expired July 1, 2016
<u>Home of the Venus Flytrap</u>	<u>\$30.00</u>
HOMES4NC	\$30.00
...	
North Carolina Paddle Festival	Expired July 1, 2016
<u>North Carolina School of Science and Mathematics</u>	<u>\$30.00</u>
North Carolina Sheriffs' Association	\$30.00

(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a1) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the Clean Water Management Trust Fund (CWMTF), which is established under G.S. 143B-135.234, and the Parks and Recreation Trust Fund, which is established under G.S. 143B-135.56, as follows:

<u>Special Plate</u>	SRPA	CCAPA	CWMTF	PRTF
...				
Home of American Golf – Ex- pired July 1, 2016				
<u>Home of the Venus Flytrap</u>	<u>\$10</u>	<u>\$20</u>	<u>0</u>	<u>0</u>
HOMES4NC	\$10	\$20	0	0
...				
North Carolina Paddle Festival – Expired July 1, 2016				
<u>North Carolina School of Science and Mathematics</u>	<u>\$10</u>	<u>\$20</u>	<u>0</u>	<u>0</u>

1 North Carolina Sheriffs' \$10 \$20 0 0
 2 Association
 3"

4 **SECTION 25.(d)** G.S. 20-81.12 is amended by adding two new subsections to read:

5 "Q Home of the Venus Flytrap. – The Division shall transfer quarterly the money in the
 6 Collegiate and Cultural Attraction Plate Account derived from the sale of "Home of the Venus
 7 Flytrap" plates to the North Carolina Botanical Garden Foundation, Inc., to be used to support
 8 plant conservation and plant research.

9 Q North Carolina School of Science and Mathematics. – The Division shall transfer
 10 quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the
 11 sale of "North Carolina School of Science and Mathematics" plates to the NCSSM Foundation."

12 **SECTION 25.(e)** The Revisor of Statutes is authorized to alphabetize, number, and
 13 renumber the special registration plates listed in G.S. 20-63(b1), 20-79.4(b), 20-79.7(a1) and (b),
 14 and 20-81.12 to ensure that all special registration plates are listed in alphabetical order and
 15 numbered accordingly.

16 **SECTION 25.(f)** This section becomes effective July 1, 2024.

17
 18 **AMEND DEFINITION OF ESTABLISHED SALESROOM**

19 **SECTION 26.** G.S. 20-286(6) reads as rewritten:

20 "(6) Established salesroom. – A salesroom that meets the following requirements:

- 21 a. Contains at least 96 square feet of floor space in a permanent enclosed
 22 building. This requirement does not preclude a dealer from utilizing
 23 the same permanent enclosed building for other business uses,
 24 including uses conducted by a separate business entity, as long as all
 25 requirements for an established salesroom are met.
- 26 b. Displays, or is located immediately adjacent to, a sign having block
 27 letters not less than three inches in height on contrasting background,
 28 clearly and distinctly designating the trade name of the business.
- 29 c. Is a place at which a permanent business of bartering, trading, and
 30 selling motor vehicles will be carried on in good faith on an ongoing
 31 basis whereby the dealer can be contacted by the public at reasonable
 32 times.
- 33 d. Is a place where the books, records, and files required by the Division
 34 under this Article are kept.

35 The term includes the area contiguous to or located within 500 feet of the
 36 premises on which the salesroom is located. The term does not include a tent,
 37 a temporary stand, or other temporary quarters. The minimum area
 38 requirement does not apply to any place of business lawfully in existence and
 39 duly licensed on or before January 1, 1978."
 40

41 **INCREASE DURATION OF DEALER LICENSE FROM ONE TO TWO YEARS**

42 **SECTION 27.(a)** G.S. 20-288 reads as rewritten:

43 **"§ 20-288. Application for license; license requirements; expiration of license; bond.**

44 ...

45 (a1) A used motor vehicle dealer may obtain a license by filing an application, as
 46 prescribed in subsection (a) of this section, and providing the following:

- 47 (1) The required fee.
- 48 (2) Proof that the applicant, within the last 12 months, has completed a 12-hour
 49 licensing course approved by the Division if the applicant is seeking an initial
 50 license and a one six-hour course approved by the Division for each year of
 51 the licensing period immediately preceding the renewal if the applicant is

1 seeking a renewal license. The requirements of this subdivision do not apply
2 to a used motor vehicle dealer the primary business of which is the sale of
3 salvage vehicles on behalf of insurers or to a manufactured home dealer
4 licensed under G.S. 143-143.11 who complies with the continuing education
5 requirements of G.S. 143-143.11B. The requirement of this subdivision does
6 not apply to persons age 62 or older as of July 1, 2002, who are seeking a
7 renewal license. This subdivision also does not apply to an applicant who
8 holds a license as a new motor vehicle dealer as defined in G.S. 20-286(13)
9 and operates from an established showroom located in an area within a radius
10 of 30 miles around the location of the established showroom for which the
11 applicant seeks a used motor vehicle dealer license. An applicant who also
12 holds a license as a new motor vehicle dealer may designate a representative
13 to complete the licensing course required by this subdivision.

14 (3) If the applicant is an individual, proof that the applicant is at least 18 years of
15 age and proof that all salespersons employed by the dealer are at least 18 years
16 of age.

17 (4) The application for a dealer license plate.

18 (5) A certification as to whether the applicant or any entity having any common
19 ownership or affiliation with the applicant is a motor vehicle manufacturer,
20 factory branch, factory representative, distributor, distributor branch, or
21 distributor representative. In the event the applicant indicates on the
22 application that the applicant or any parent, subsidiary, affiliate, or any other
23 entity related to the applicant is a manufacturer, factory branch, factory
24 representative, distributor, distributor branch, or distributor representative, the
25 applicant shall be required to state whether the applicant contends it qualifies
26 for a motor vehicle dealer's license in accordance with any of the exceptions
27 to the prohibition on the issuance of a motor vehicle dealer's license to any
28 manufacturer, factory branch, factory representative, distributor, distributor
29 branch, or distributor representative, as provided in G.S. 20-305.2(a).

30 ...

31 (c) All licenses that are granted shall be for a period of ~~one year~~ two years unless sooner
32 revoked or suspended. The Division shall vary the expiration dates of all licenses that are granted
33 so that an equal number of licenses expire at the end of each month, quarter, or other period
34 consisting of one or more months to coincide with G.S. 20-79(c).

35 ...

36 (f) A corporate surety bond furnished pursuant to this section or renewal thereof may
37 also be canceled by the surety prior to the next premium anniversary date without the prior written
38 consent of the license holder for the following reasons:

39 (1) Nonpayment of premium in accordance with the terms for issuance of the
40 surety bond; or

41 (2) An act or omission by the license holder or his representative that constitutes
42 substantial and material misrepresentation or nondisclosure of a material fact
43 in obtaining the surety bond or renewing the bond.

44 Any cancellation permitted by this subsection is not effective unless written notice of cancellation
45 has been delivered or mailed to the license holder and to the Commissioner not less than 30 days
46 before the proposed effective date of cancellation. The notice must be ~~given or mailed delivered~~
47 by certified mail or electronic means to the license holder at its last known address. The notice
48 must state the reason for cancellation. Cancellation for nonpayment of premium is not effective
49 if the amount due is paid before the effective date set forth in the notice of cancellation.
50 Cancellation of the surety shall not affect any liability incurred or accrued prior to the termination
51 of the 30-day notice period.

1 (g) A corporate surety may refuse to renew a surety bond furnished pursuant to this
2 section by giving or mailing written notice of nonrenewal to the license holder and to the
3 Commissioner not less than 30 days prior to the premium anniversary date of the surety bond.
4 The notice must be ~~given or mailed~~ delivered by certified mail or electronic means to the license
5 holder at its last known address. Nonrenewal of the surety bond shall not affect any liability
6 incurred or accrued prior to the premium anniversary date of the surety bond."

7 **SECTION 27.(b)** This section becomes effective October 1, 2024, and applies to
8 licenses issued on or after that date. For licensed used motor vehicle dealers applying for renewal
9 on or after that date, the Division shall stagger the expiration dates of licenses issued to those
10 dealers such that, if a license was initially issued to the dealer in an even-numbered year, the first
11 license issued on or after October 1, 2024, shall expire in the next even-numbered year, and, if a
12 license was initially issued to the dealer in an odd-numbered year, the first license issued on or
13 after October 1, 2024, shall expire in the next odd-numbered year.

14 **INCREASE LITTERING PENALTIES**

15 **SECTION 28.(a)** G.S. 14-399 reads as rewritten:

16 **"§ 14-399. Littering.**

17 (a) No person, including any firm, organization, private corporation, or governing body,
18 agents or employees of any municipal corporation shall intentionally or recklessly throw, scatter,
19 spill or place or intentionally or recklessly cause to be blown, scattered, spilled, thrown or placed
20 or otherwise dispose of any litter upon any public property or private property not owned by the
21 person within this State or in the waters of this State including any public highway, public park,
22 lake, river, ocean, beach, campground, forestland, recreational area, trailer park, highway, road,
23 street or alley except:

- 24
- 25 (1) When the property is designated by the State or political subdivision thereof
26 for the disposal of garbage and refuse, and the person is authorized to use the
27 property for this purpose; or
 - 28 (2) Into a litter receptacle in a manner that the litter will be prevented from being
29 carried away or deposited by the elements upon any part of the private or
30 public property or waters.

31 (a1) No person, including any firm, organization, private corporation, or governing body,
32 agents, or employees of any municipal corporation shall scatter, spill, or place or cause to be
33 blown, scattered, spilled, or placed or otherwise dispose of any litter upon any public property or
34 private property not owned by the person within this State or in the waters of this State including
35 any public highway, public park, lake, river, ocean, beach, campground, forestland, recreational
36 area, trailer park, highway, road, street, or alley except:

- 37
- 38 (1) When the property is designated by the State or political subdivision thereof
39 for the disposal of garbage and refuse, and the person is authorized to use the
40 property for this purpose; or
 - 41 (2) Into a litter receptacle in a manner that the litter will be prevented from being
42 carried away or deposited by the elements upon any part of the private or
43 public property or waters.

44 (a2) Subsection (a1) of this section does not apply to the accidental blowing, scattering, or
45 spilling of an insignificant amount of municipal solid waste, as defined in G.S. 130A-290(18a),
46 during the automated loading of a vehicle designed and constructed to transport municipal solid
47 waste if the vehicle is operated in a reasonable manner and according to manufacturer
48 specifications.

49 (b) When litter is blown, scattered, spilled, thrown or placed from a vehicle or watercraft,
50 the operator thereof shall be presumed to have committed the offense. This presumption,
51 however, does not apply to a vehicle transporting nontoxic and biodegradable agricultural or
garden products or supplies, including mulch, tree bark, wood chips, and raw logs.

1 (c) Any person who violates subsection (a) of this section in an amount not exceeding ~~15~~
2 10 pounds and not for commercial purposes is guilty of a Class 3 misdemeanor punishable by a
3 fine of not less than ~~two five hundred fifty~~ two hundred fifty dollars (~~\$250.00~~) (~~\$500.00~~) nor more than one
4 thousand dollars (\$1,000) for the first offense. In addition, the court may require the violator to
5 perform community service of not less than eight hours nor more than 24 hours. The community
6 service required shall be to pick up litter if feasible, and if not feasible, to perform other labor
7 commensurate with the offense committed. Any second or subsequent violation of subsection (a)
8 of this section in an amount not exceeding ~~15-10~~ pounds and not for commercial purposes within
9 three years after the date of a prior violation is a Class 3 misdemeanor punishable by a fine of
10 not less than ~~five hundred one thousand~~ five hundred dollars (~~\$500.00~~) (~~\$1,000~~) nor more than ~~two three~~
11 three thousand dollars (~~\$2,000~~) (~~\$3,000~~). In addition, the court may require the violator to perform
12 community service of not less than 16 hours nor more than 50 hours. The community service
13 required shall be to pick up litter if feasible, and if not feasible, to perform other labor
14 commensurate with the offense committed.

15 (c1) Any person who violates subsection (a1) of this section in an amount not exceeding
16 ~~15-10~~ pounds is guilty of an infraction punishable by a fine of not more than ~~one two~~ one hundred
17 dollars (~~\$100.00~~) (~~\$200.00~~). In addition, the court may require the violator to perform
18 community service of not less than four hours nor more than 12 hours. The community service
19 required shall be to pick up litter if feasible, and if not feasible, to perform other labor
20 commensurate with the offense committed. Any second or subsequent violation of subsection
21 (a1) of this section in an amount not exceeding ~~15-10~~ pounds within three years after the date of
22 a prior violation is an infraction punishable by a fine of not more than ~~two five~~ two hundred
23 dollars (~~\$200.00~~) (~~\$500.00~~). In addition, the court may require the violator to perform community
24 service of not less than eight hours nor more than 24 hours. The community service required shall
25 be to pick up litter if feasible, and if not feasible, to perform other labor commensurate with the
26 offense committed. For purposes of this subsection, the term "litter" shall not include nontoxic
27 and biodegradable agricultural or garden products or supplies, including mulch, tree bark, and
28 wood chips.

29 (d) Any person who violates subsection (a) of this section in an amount exceeding ~~15-10~~
30 pounds but not exceeding 500 pounds and not for commercial purposes is guilty of a Class 3
31 misdemeanor punishable by a fine of not less than ~~five hundred one thousand~~ five hundred
32 (\$1,000) nor more than ~~two three~~ three thousand dollars (~~\$2,000~~) (~~\$3,000~~). In addition, the court shall
33 require the violator to perform community service of not less than ~~24-50~~ 24 hours nor more than 100
34 hours. The community service required shall be to pick up litter if feasible, and if not feasible, to
35 perform other community service commensurate with the offense committed.

36 (d1) Any person who violates subsection (a1) of this section in an amount exceeding ~~15~~
37 10 pounds but not exceeding 500 pounds is guilty of an infraction punishable by a fine of not
38 more than ~~two five~~ two hundred dollars (~~\$200.00~~) (~~\$500.00~~). In addition, the court may require the
39 violator to perform community service of not less than ~~eight 24~~ eight hours nor more than ~~24-50~~
40 24 hours. The community service required shall be to pick up litter if feasible, and if not feasible, to perform
41 other labor commensurate with the offense committed.

42 (e) Any person who violates subsection (a) of this section in an amount exceeding 500
43 pounds or in any quantity for commercial purposes, or who discards litter that is a hazardous
44 waste as defined in G.S. 130A-290 is guilty of a Class I ~~felony~~ felony punishable by a fine of
45 five thousand dollars (\$5,000). In addition, the court shall require the violator to perform
46 community service of not less than 100 hours. The community service required shall be to pick
47 up litter if feasible, and if not feasible, to perform other community service commensurate with
48 the offense committed.

49 (e1) Any person who violates subsection (a1) of this section in an amount exceeding 500
50 pounds is guilty of an infraction punishable by a fine of not more than ~~three hundred two thousand~~
51 three hundred five hundred dollars (~~\$300.00~~) (~~\$2,500~~). In addition, the court ~~may shall~~ require the violator to

1 perform community service of not less than ~~16 hours nor more than~~ 50 hours. The community
2 service required shall be to pick up litter if feasible, and if not feasible, to perform other labor
3 commensurate with the offense committed.

4 (e2) If any person violates subsection (a) or (a1) of this section in an amount exceeding ~~45~~
5 10 pounds or in any quantity for commercial purposes, or discards litter that is a hazardous waste
6 as defined in G.S. 130A-290, the court shall order the violator to:

- 7 (1) Remove, or render harmless, the litter that he discarded in violation of this
8 section;
- 9 (2) Repair or restore property damaged by, or pay damages for any damage
10 arising out of, his discarding litter in violation of this section; or
- 11 (3) Perform community public service relating to the removal of litter discarded
12 in violation of this section or to the restoration of an area polluted by litter
13 discarded in violation of this section.

14 (e3) Any violation of this section involving the disposal of any litter into the waters of this
15 State shall be punished as a violation of subsection (a) of this section.

16 (f) A court may enjoin a violation of this section.

17 (f1) If a violation of subsection (a) of this section involves the operation of a motor
18 vehicle, upon a finding of guilt, the court shall forward a record of the finding to the Department
19 of Transportation, Division of Motor Vehicles, which shall record a penalty of one point on the
20 violator's drivers license pursuant to the point system established by G.S. 20-16. There shall be
21 no insurance premium surcharge or assessment of points under the classification plan adopted
22 under G.S. 58-36-65 for a finding of guilt under this section.

23 (g) A motor vehicle, vessel, aircraft, container, crane, winch, or machine involved in the
24 disposal of more than 500 pounds of litter in violation of subsection (a) of this section is declared
25 contraband and is subject to seizure and summary forfeiture to the State.

26 (h) If a person sustains damages arising out of a violation of subsection (a) of this section
27 that is punishable as a felony, a court, in a civil action for the damages, shall order the person to
28 pay the injured party threefold the actual damages or two hundred dollars (\$200.00), whichever
29 amount is greater. In addition, the court shall order the person to pay the injured party's court
30 costs and attorney's fees.

31 (i) For the purpose of the section, unless the context requires otherwise:

- 32 (1) "Aircraft" means a motor vehicle or other vehicle that is used or designed to
33 fly, but does not include a parachute or any other device used primarily as
34 safety equipment.
- 35 (2) Repealed by Session Laws 1999-454, s. 1.
- 36 (2a) "Commercial purposes" means litter discarded by a business, corporation,
37 association, partnership, sole proprietorship, or any other entity conducting
38 business for economic gain, or by an employee or agent of the entity.
- 39 (3) "Law enforcement officer" means any law enforcement officer sworn and
40 certified pursuant to Article 1 of Chapter 17C or 17E of the General Statutes,
41 except company police officers as defined in G.S. 74E-6(b)(3). In addition,
42 and solely for the purposes of this section, "law enforcement officer" means
43 any employee of a county or municipality designated by the county or
44 municipality as a litter enforcement officer.
- 45 (4) "Litter" means any garbage, rubbish, trash, refuse, can, bottle, box, container,
46 wrapper, paper, paper product, tire, appliance, mechanical equipment or part,
47 building or construction material, tool, machinery, wood, motor vehicle or
48 motor vehicle part, vessel, aircraft, farm machinery or equipment, sludge from
49 a waste treatment facility, water supply treatment plant, or air pollution control
50 facility, dead animal, or discarded material in any form resulting from
51 domestic, industrial, commercial, mining, agricultural, or governmental

operations. While being used for or distributed in accordance with their intended uses, "litter" does not include political pamphlets, handbills, religious tracts, newspapers, and other similar printed materials the unsolicited distribution of which is protected by the Constitution of the United States or the Constitution of North Carolina.

(5) "Vehicle" has the same meaning as in G.S. 20-4.01(49).

(6) "Watercraft" means any boat or vessel used for transportation across the water.

(j) It shall be the duty of all law enforcement officers to enforce the provisions of this section.

(k) This section does not limit the authority of any State or local agency to enforce other laws, rules or ordinances relating to litter or solid waste management."

SECTION 28.(b) This section becomes effective December 1, 2024, and applies to offenses committed on or after that date.

CLARIFY CIVILIAN TRAFFIC INVESTIGATORS ARE NOT PRIVATE INVESTIGATORS

SECTION 29. G.S. 74C-3(b) is amended by adding a new subdivision to read:

"(19) A person performing duties as a Civilian Traffic Investigator pursuant to G.S. 160A-499.6."

INCREASE MAXIMUM VEHICLE REGISTRATION TAX RATE FOR TRANSPORTATION AUTHORITIES

SECTION 30.(a) G.S. 105-561 reads as rewritten:

"§ 105-561. Authority registration tax authorized.

(a) Tax Authorized. – The board of trustees of an Authority may, by resolution, levy an annual license tax in accordance with this Article upon any motor vehicle with a tax situs within its territorial jurisdiction. The purpose of the tax levied under this Article is to raise revenue for capital and operating expenses of an Authority in providing public transportation systems. The rate of tax levied under this Article must be a full dollar amount, but may not exceed ~~eight dollars (\$8.00)~~ ten dollars (\$10.00) a year.

...

(d) Special Tax District. – If a regional transportation authority created under Article 27 of Chapter 160A of the General Statutes or a regional public transportation authority created under Article 26 of Chapter 160A of the General Statutes has not levied the tax under this section or has levied the tax at a rate of less than ~~eight dollars (\$8.00)~~ ten dollars (\$10.00), it may create a special district that consists of the entire area of one or more counties within its territorial jurisdiction and may levy on behalf of the special district the tax authorized in this section. The rate of tax levied within the special district may not, when combined with the rate levied within the entire territorial jurisdiction of the authority; exceed ~~eight dollars (\$8.00)~~ ten dollars (\$10.00). The regional transportation authority may not levy or increase a tax within the special district unless the board of commissioners of each county in the special district has adopted a resolution approving the levy or increase.

A special district created pursuant to this subsection is a body corporate and politic and has the power to carry out the purposes of this subsection. The board of trustees of the regional transportation authority created under Article 27 of Chapter 160A of the General Statutes or a regional public transportation authority created under Article 26 of Chapter 160A of the General Statutes shall serve, ex officio, as the governing body of a special district it creates pursuant to this subsection. The proceeds of a tax levied under this subsection may be used only for the benefit of the special district and only for the purposes provided in G.S. 105-564. Except as provided in this subsection, a tax levied under this subsection is governed by the provisions of this Article."

1 **SECTION 30.(b)** This section becomes effective July 1, 2024.

2
3 **REQUIRE PRIVATE ENTITY TO ADMINISTER LOGO SIGN PROGRAM**

4 **SECTION 31.(a)** G.S. 136-89.56 reads as rewritten:

5 "**§ 136-89.56. Commercial enterprises.**

6 (a) No commercial enterprises or activities shall be authorized or conducted by the
7 Department of Transportation, or the governing body of any city or town, within or on the
8 property acquired for or designated as a controlled-access facility, as defined in this Article,
9 except for:

- 10 (1) Materials displayed at welcome centers which shall be directly related to
11 travel, accommodations, tourist-related activities, tourist-related services, and
12 attractions. The Department of Transportation shall issue rules regulating the
13 display of these materials. These materials may contain advertisements for
14 real estate; and
- 15 (2) Vending machines permitted by the Department of Transportation and placed
16 by the Division of Services for the Blind, Department of Health and Human
17 Services, as the State licensing agency designated pursuant to Section 2(a)(5)
18 of the Randolph-Sheppard Act (20 USC 107a(a)(5)). The Department of
19 Transportation shall regulate the placing of the vending machines in highway
20 rest areas and shall regulate the articles to be dispensed. In order to permit the
21 establishment of adequate fuel and other service facilities by private owners
22 or their lessees for the users of a controlled-access facility, the Department of
23 Transportation shall permit access to service or frontage roads within the
24 publicly owned right-of-way of any controlled-access facility established or
25 designated as provided in this Article, at points which, in the opinion of the
26 Department of Transportation, will best serve the public interest. The location
27 of such fuel and other service facilities may be indicated to the users of the
28 controlled-access facilities by appropriate signs, the size, style, and
29 specifications of which shall be determined by the Department of
30 Transportation.

31 (b) The location of fuel, gas, food, lodging, camping, and attraction facilities may be
32 indicated to the users of the controlled-access facilities by appropriate logos placed on signs
33 owned, controlled, and erected within the right-of-way of fully and partially controlled-access
34 highways ~~by by, or pursuant to contract with,~~ the Department of Transportation. ~~The Department~~
35 shall contract with a private entity to administer the erection of signs and placement of logos, as
36 authorized by this subsection. The responsibilities of the private entity shall include the
37 following: acquisition and erection of signs; design, manufacture, and placement of logos on
38 signs; maintenance of signs and logos; receipt and response to information requests concerning
39 the program; and management of the financial transactions related to the program. The owners,
40 operators or lessees of fuel, gas, food, lodging, camping, and attraction facilities who wish to
41 place a logo identifying their business or service on a sign shall furnish a logo meeting the size,
42 style and specifications determined by the Department of Transportation and shall pay ~~the~~
43 ~~Department of Transportation~~ a fee set by the vendor and approved by the Board of
44 Transportation. ~~The Board shall set the~~ The fee set by the vendor shall be determined based on
45 market rates for the number of vehicles that pass by the sign, reflecting the value of the visibility
46 and access provided to the participating businesses and to cover the initial costs of signs, sign
47 installation, and maintenance, and the costs of administering the logo sign program. ~~The~~
48 ~~Transportation Mobility and Safety Division of the Department of Transportation shall~~
49 ~~administer the logo sign program, including receiving requests for information concerning the~~
50 ~~logo sign program.~~ Nothing in this subsection shall be construed to authorize any Department

1 contractor to conduct any commercial activity upon signs erected and maintained within the
2 right-of-way of fully and partially controlled-access highways pursuant to this subsection."

3 **SECTION 31.(b)** The Department of Transportation may adopt temporary rules and
4 shall adopt permanent rules consistent with subsection (a) of this section.

5 **SECTION 31.(c)** No later than 120 days after the effective date of this section, the
6 Department shall issue a request for proposal (RFP) and select a vendor in accordance with this
7 section.

8
9 **CLARIFY TURNPIKE AUTHORITY STATUTES FOR COMPLETE 540 AND**
10 **MID-CURRITUCK BRIDGE PROJECTS**

11 **SECTION 32.(a)** G.S. 136-89.183(a) reads as rewritten:

12 "(a) The Authority shall have all of the powers necessary to execute the provisions of this
13 Article, including the following:

14 ...
15 (2) To study, plan, develop, and undertake preliminary design work on Turnpike
16 Projects. At the conclusion of these activities, the Turnpike Authority is
17 authorized to design, establish, purchase, construct, operate, and maintain no
18 more than eleven projects, which shall include the following:

19 a. Triangle Expressway, including segments also known as N.C. 540,
20 Triangle Parkway, Phases 1 and 2 of Complete 540, and the Western
21 Wake Freeway in Wake and Durham Counties. The described
22 segments constitute one project.

23 ...
24 Any other project proposed by the Authority in addition to the projects listed
25 in this subdivision requires prior consultation with the Joint Legislative
26 Commission on Governmental Operations pursuant to G.S. 120-76.1 no less
27 than 180 days prior to initiating the process required by Article 7 of Chapter
28 159 of the General Statutes.

29 With the exception of the two projects set forth in sub subdivisions a. and c.
30 of this subdivision, the Turnpike projects selected for construction by the
31 Turnpike Authority, prior to the letting of a contract for the project, shall meet
32 the following conditions: (i) two of the projects must be ranked in the top 35
33 based on total score on the Department produced list entitled "Mobility Fund
34 Project Scores" dated June 6, 2012, and, in addition, may be subject to
35 G.S. 136-18(39a); (ii) of the projects not ranked as provided in (i), one may
36 be subject to G.S. 136-18(39a); (iii) the projects shall be included in any
37 applicable locally adopted comprehensive transportation plans; (iv) the
38 projects shall be shown in the current State Transportation Improvement
39 Program; and (v) toll projects must be approved by all affected Metropolitan
40 Planning Organizations and Rural Transportation Planning Organizations for
41 tolling.

42"

43 **SECTION 32.(b)** G.S. 136-189A(b) reads as rewritten:

44 "(b) Contract to Construct Accelerated Pilot Toll Bridge Project. – The Authority shall
45 contract with ~~a single one or more private firm~~ firm ~~firms~~ to design, obtain all necessary permits for,
46 and construct the toll bridge ~~described in G.S. 136-89.183(a)(2)~~, known as the Mid-Currituck
47 Bridge, in order to provide accelerated, efficient, and cost-effective completion of the project."

48
49 **AUTHORIZE RAIL TRANSPORTATION CORRIDOR AUTHORITY**

50 **SECTION 33.(a)** Chapter 160A of the General Statutes is amended by adding a new
51 Article to read:

1 "Article 33.

2 "Rail Transportation Corridor Authority.

3 **"§ 160A-880. Title and purpose.**

4 This Article shall be known and may be cited as the "Rail Transportation Corridor Authority
5 Act." The purpose of this Article is to authorize the creation of an Authority to establish,
6 construct, purchase, maintain, equip, and operate any structure, facility, or improvement to aid
7 commerce, public transportation, and any other rail services associated with rail corridors.

8 **"§ 160A-881. Definitions.**

9 The following definitions apply in this Article:

- 10 (1) Authority. – A Rail Transportation Corridor Authority.
- 11 (2) Board of Trustees. – The governing board of an Authority.
- 12 (3) Costs. – The capital cost of a rail corridor project or special user project,
13 including:
- 14 a. The costs of doing any or all of the following:
- 15 1. Acquiring, constructing, erecting, providing, developing,
16 installing, furnishing, and equipping.
- 17 2. Reconstructing, remodeling, altering, renovating, replacing,
18 refurnishing, and reequipping.
- 19 3. Enlarging, expanding, and extending.
- 20 4. Demolishing, relocating, improving, grading, draining,
21 landscaping, paving, widening, and resurfacing.
- 22 b. The costs of all property, both real and personal and both improved
23 and unimproved, and of plants, works, appurtenances, structures,
24 facilities, furnishings, machinery, equipment, vehicles, easements,
25 water rights, air rights, franchises, and licenses used or useful in
26 connection with a rail corridor project or special user project.
- 27 c. The costs of demolishing or moving structures from land acquired and
28 acquiring land to which the structures are to be moved.
- 29 d. Financing charges, including estimated interest during the acquisition
30 or construction of a rail corridor project or special user project and for
31 one year thereafter.
- 32 e. The costs of services to provide plans, specifications, studies, reports,
33 surveys, and estimates of costs and revenues.
- 34 f. The costs of paying any interim financing, including principal,
35 interest, and premium, related to the acquisition or construction of a
36 rail corridor project or special user project.
- 37 g. Administrative and legal expenses and administrative charges.
- 38 h. The costs of establishing and maintaining debt service and other
39 reserves.
- 40 i. Any other services, costs, and expenses necessary or incidental to a
41 rail corridor project or special user project.
- 42 (4) Credit facility. – An agreement with a banking institution, an insurance
43 institution, an investment institution, or other financial institution located
44 inside or outside the United States of America that provides for prompt
45 payment, whether at maturity, presentment, or tender for purchase,
46 redemption, or acceleration, of part or all of the principal or purchase price,
47 redemption premium, if any, and interest on a debt issued by the Authority
48 and for repayment of the institution.
- 49 (5) Financing agreement. – A written instrument establishing the rights and
50 responsibilities of the Authority and the operator concerning a financed
51 special user project. A financing agreement may be a lease, a lease and lease

- 1 back, a sale and lease back, a lease purchase, an installment sale and purchase
2 agreement, a conditional sales agreement, a secured or unsecured loan
3 agreement, or other similar contract and may involve property in addition to
4 the financed property.
- 5 (6) Obligor. – A person, including an operator, who has entered into a financing
6 or other agreement obligating the person to make payments to the Authority
7 to finance a special user project.
- 8 (7) Operator. – The person entitled to the use or occupancy of a special user
9 project.
- 10 (8) Organizing entity. – The elected boards of county commissioners and each
11 municipality that have created or joined an Authority in accordance with
12 G.S. 160A-883.
- 13 (9) Person. – Any person, corporation, partnership, association, trust, or other
14 legal entity.
- 15 (10) Public transportation. – Transportation of passengers whether or not for hire
16 by any means of conveyance, including, but not limited to, a street or elevated
17 railway or guideway, subway, motor vehicle or motor bus, carpool or vanpool,
18 either publicly or privately owned and operated, holding itself out to the
19 general public for the transportation of persons within or working within the
20 territorial jurisdiction of the Authority or as otherwise provided by this
21 Article.
- 22 (11) Public transportation system. – Without limitation, a combination of real and
23 personal property, structures, improvements, buildings, equipment, vehicle
24 parking, or other facilities, railroads and railroad rights-of-way whether held
25 in fee simple by quitclaim or easement, and rights-of-way, or any combination
26 thereof, used or useful for the purposes of public transportation.
- 27 (12) Rail. – Transportation of passengers, as a mode of public transportation, or
28 freight utilizing fixed or semi-fixed tracks.
- 29 (13) Railroad. – Any person or company providing transportation by rail for
30 compensation.
- 31 (14) Rail corridor. – A combination of rail line and real and personal property,
32 structures, improvements, buildings, equipment, vehicle parking, and other
33 appurtenant fixtures essential to rail operations and public transportation,
34 including any facilities, maintenance yard, marshalling yard, transfer yard,
35 utilities, pedestrian foot paths, and bicycle paths.
- 36 (15) Rail corridor project. – Any of the following that is part of or used in
37 connection with a rail corridor and is not a special user project:
38 a. Any land, equipment, or buildings or other structures, whether located
39 on one or more sites within a rail corridor.
40 b. The addition to or the rehabilitation, improvement, renovation, or
41 enlargement of any property described in sub-subdivision a. of this
42 subdivision.
- 43 The term includes infrastructure improvements, such as improvements to
44 railroad facilities, roads, bridges, and water, sewer, or electric utilities. A rail
45 corridor project may include a facility leased to one or more entities under a
46 true lease.
- 47 (16) Rail Transportation Corridor Authority. – A public body corporate and politic
48 organized in accordance with the provisions of this Article for the purposes,
49 with the powers, and subject to the restrictions hereinafter set forth.
- 50 (17) Revenues. – For a special user project, the term means rents, fees, charges,
51 payments, proceeds, or other income or profit derived from the special user

1 project or from the financing agreement or security document for the special
2 user project. For a rail corridor project, the term means rents, fees, charges,
3 payments, proceeds, or other income or profit derived from the rail corridor
4 project or from any pledge of nontax revenues, appropriation, or payment
5 made by the State or unit of local government in which the rail corridor is
6 located.

7 (18) Security document. – One or more written instruments establishing the rights
8 and responsibilities of the Authority to finance a special user project. A
9 security document may contain an assignment, pledge, mortgage, or other
10 encumbrance of part or all of the Authority's interest in, or right to receive
11 revenues from, a special user project or any other property provided by the
12 operator or other obligor under a financing agreement. A financing agreement
13 and a security document may be combined as one instrument.

14 (19) Special user project. – Any land, equipment, or buildings or other structures
15 located on one or more sites within the rail corridor and the addition to or the
16 rehabilitation, improvement, renovation, or enlargement of a structure located
17 within the rail corridor when the property is to be used as or in connection
18 with any of the following:

19 a. An undertaking for industry, including an industrial or a
20 manufacturing factory, mill, assembly plant, or fabricating plant; a
21 freight terminal; an industrial research, development, or laboratory
22 facility; or an industrial processing or distribution facility for industrial
23 or manufactured products.

24 b. A commercial, processing, mining, transportation, distribution,
25 storage, marine, aviation, rail, or environmental facility or
26 improvement.

27 c. Any combination of items mentioned in sub-subdivisions a. and b. of
28 this subdivision.

29 A special user project, during its economic life, is to be principally used by
30 one or more for-profit entities other than as lessee under a lease that has a fair
31 market value rental and is not treated as a financing lease or installment sale
32 for federal tax law purposes. A special user project may include all
33 appurtenances and incidental facilities such as land, a headquarters or office
34 facility, warehouses, distribution centers, access roads, sidewalks, utilities,
35 railway sidings, trucking and similar facilities, parking facilities, waterways,
36 docks, wharves, and other improvements necessary or convenient for the
37 construction, maintenance, and operation of any structure.

38 (20) Unit of local government. – A county, city, town, or municipality of this State,
39 and any other political subdivision, public corporation, authority, or district in
40 this State, that is or may be authorized by law to acquire, establish, construct,
41 improve, maintain, own, or operate a rail corridor.

42 (21) Unit of local government's chief administrative official. – The county
43 manager, city manager, town manager, or other person in whom the
44 responsibility for the unit of local government's administrative duties is
45 vested.

46 **"§ 160A-882. Definition of territorial jurisdiction of the Authority; rail corridor boundary**
47 **and service area designation.**

48 (a) An Authority may be created for any area of the State that, at the time of creating the
49 Authority, meets the following criteria:

50 (1) The area consists of three or more contiguous counties each containing
51 portions of an existing rail corridor.

- 1 (2) The distance between the rail corridor milepost origination and termination
2 points is no more than 25 miles in length.
- 3 (3) If the Authority intends to receive existing rail corridor interests in property,
4 those rail property interests can be transferred to the Authority without
5 purchase of those rail corridor interests in property.
- 6 (4) An Authority shall not have jurisdiction over any Class I railroad, as that term
7 is defined under 49 U.S.C. § 20102 and 49 C.F.R. § 1201.1-1, nor a rail line
8 or rail corridor owned or operated by the United States Department of
9 Defense.

10 (b) The territorial jurisdiction of the Authority shall be coterminous with the boundaries
11 of the three or more organizing counties, except as provided in subdivision (3) of subsection (a)
12 of this section.

13 (c) The rail corridor service area of the Authority shall be designated by and recorded in
14 the minutes of the Board of Trustees, consistent with its purpose, and shall not exceed the
15 immediately adjacent and proximate area of the rail corridor as owned or otherwise controlled
16 by the Authority for the powers provided under G.S. 160A-886.

17 (d) The boundaries of the rail corridor of the Authority shall be designated by and
18 recorded in the minutes of the Board of Trustees once the properties and rail line making up the
19 rail corridor are in the Authority's possession or control. If there is a change in the rail corridor
20 boundaries after it is initially designated, the rail corridor designation shall be updated and
21 recorded in the minutes of the Board of Trustees at its next meeting. The Authority may not
22 extend the rail corridor into a political subdivision that is not an organizing entity under
23 G.S. 160A-883 without (i) the consent of the governing body of that political subdivision or (ii)
24 the political subdivision having first become an organizing entity as provided under
25 G.S. 160A-883(e). A majority vote of the governing body shall constitute consent.

26 (e) The designation required by subsection (d) of this section shall describe the rail
27 corridor boundaries by its rail milepost origination and termination points and one or more of the
28 following:

- 29 (1) Reference to a map, deed, or other title instrument.
- 30 (2) Metes and bounds.
- 31 (3) General descriptions referring to natural boundaries, boundaries of existing
32 political subdivisions, or boundaries of tracts or parcels of land.

33 "**§ 160A-883. Creation and expansion of Authority.**

34 (a) Resolution of Creation. – An Authority may be organized under the provisions of this
35 Article upon the adoption of a resolution to create such an Authority by the boards of
36 commissioners of all three or more counties within an area for which an Authority may be created
37 pursuant to G.S. 160A-882(a) and the elected board of each municipality containing a portion of
38 the rail corridor.

39 (b) Public Hearing. – A resolution to form an Authority under this Article shall be
40 adopted after a public hearing. Notice of the public hearing must be given at least once, not less
41 than 10 days prior to the date fixed for the hearing, in a newspaper having a general circulation
42 in the county. The notice must contain a brief statement of the substance of the proposed
43 resolution; a description of the rail corridor to be controlled, purchased, or otherwise operated by
44 the Authority; the proposed articles of incorporation of the Authority; and the time and place of
45 the public hearing.

46 (c) Articles of Incorporation. – A resolution to form an Authority under this Article must
47 include articles of incorporation that set forth all of the following:

- 48 (1) The name of the Authority.
- 49 (2) A statement that the Authority is organized under this Article.
- 50 (3) The name of each organizing entity.

1 (d) Certificate of Incorporation. – A certified copy of each resolution organizing an
2 Authority under the provisions of this Article shall be filed with the Secretary of State, together
3 with proof of publication of the notice of hearing. If the Secretary of State finds that each
4 resolution, including the articles of incorporation, conform to the provisions of this Article and
5 that the notice of hearing was properly published, then the Secretary must issue a certificate of
6 incorporation under the seal of the State and record the same in an appropriate book of record.
7 The issuance of the certificate of incorporation by the Secretary of State shall constitute the
8 Authority a public body and body politic and corporate of the State of North Carolina. The
9 certificate of incorporation is conclusive evidence of the fact that the Authority has been duly
10 created and established under the provisions of this Article.

11 (e) Resolution to Join. – If, at any time subsequent to the creation of an Authority, the
12 Authority proposes or otherwise intends to extend the rail corridor into a county or municipality
13 that is not already an organizing entity of the Authority, that county or municipality may join the
14 Authority under the provisions of this Article upon the adoption of a resolution to join by the
15 elected board of the county or municipality. A resolution to join an Authority under this Article
16 shall be adopted after a public hearing. Notice of the public hearing must be given at least once,
17 not less than 10 days prior to the date fixed for the hearing, in a newspaper having a general
18 circulation in the county. The notice must contain a brief statement of the substance of the
19 proposed resolution; a description of the rail corridor to be controlled, purchased, or otherwise
20 operated by the Authority; the proposed articles of incorporation of the Authority as updated to
21 include the new organizing entity; and the time and place of the public hearing. A certified copy
22 of each resolution to join an Authority under the provisions of this Article shall be filed with the
23 Secretary of State, together with proof of publication of the notice of hearing. If the Secretary of
24 State finds that the resolution, including the updated articles of incorporation, conform to the
25 provisions of this Article and that the notice of hearing was properly published, then the Secretary
26 of State must issue an updated certificate of incorporation under the seal of the State and record
27 the same in an appropriate book of record. The updated certificate of incorporation is conclusive
28 evidence of the fact that the Authority has been duly updated under the provisions of this Article.

29 (f) Members. – When the Authority has been duly organized or updated and its members
30 appointed to the Board of Trustees, the chair of the Board of Trustees shall certify to the Secretary
31 of State the names and addresses of the members as well as the address of the principal office of
32 the Authority.

33 (g) Members Not Liable. – No member of the Board of Trustees shall be subject to any
34 personal liability or accountability by reason of their execution of any debt or the issuance of any
35 debt.

36 (h) Compensation of the Board of Trustees. – Members of the Board of Trustees shall
37 receive the sum of fifty dollars (\$50.00) as compensation for the attendance at each duly
38 conducted meeting of the Authority.

39 (i) The Authority shall, promptly following the close of each fiscal year, submit an
40 annual report of its activities for the preceding year to the Governor, the General Assembly, and
41 the Local Government Commission. Each report shall be accompanied by an audit of its books
42 and accounts. The costs of all audits, whether conducted by the State Auditor's staff or contracted
43 with a private auditing firm, shall be paid from funds of the Authority. The Authority shall submit
44 annual reports to the Joint Legislative Commission on Governmental Operations. The reports
45 shall summarize the Authority's activities during the quarter and contain any information about
46 the Authority's activities that is requested by the Commission.

47 **"§ 160A-884. Board of Trustees.**

48 (a) Members. – The Authority shall be governed by a Board of Trustees and consist of
49 one member for each organizing entity having adopted a resolution for the creation of or a
50 resolution to join the Authority under G.S. 160A-883, and one member for each regional council

1 of government, as created pursuant to Part 2 of Article 20 of Chapter 160A of the General
2 Statutes, containing a portion of the rail corridor.

3 (b) Appointment. – The Board of Trustees seats held by each member of the organizing
4 entities having adopted a resolution for the creation of or a resolution to join the Authority shall
5 be filled by the respective unit of local government's chief administrative official or its designee.
6 The Board of Trustees seats held by each regional council of government containing a portion of
7 the rail corridor shall be held by the Executive Director of that council or the Executive Director's
8 designee.

9 (c) Ex Officio. – Any unit of local government's chief administrative official serving on
10 the Board of Trustees is an ex officio voting member as part of the duties of their office in
11 accordance with G.S. 128-1.2 and not considered to be serving in a separate office.

12 (d) Ethics. – Members of the Board of Trustees are subject to the provisions of
13 G.S. 136-13, 136-13.1, and 136-14.

14 (e) Quorum. – A majority of the membership of the Board of Trustees, excluding vacant
15 seats, shall constitute a quorum. A member who has withdrawn from a meeting without being
16 excused by a majority vote of the remaining members present shall be counted as present for the
17 purposes of determining whether or not a quorum is present. No member shall be excused from
18 voting except upon matters involving the consideration of the member's own financial interest or
19 official conduct or on matters on which the member is prohibited from voting under any other
20 provision of law.

21 (f) Action. – An affirmative vote equal to a majority of all members of the Board of
22 Trustees not excused from voting on the question at issue shall be required to authorize or commit
23 the expenditure of public funds, or make, ratify, or authorize any contract on behalf of the
24 Authority.

25 (g) Chair and Vice-Chair of the Board of Trustees. – At the first meeting of the Board of
26 Trustees, the chair of the Board of Trustees shall be elected from the Board of Trustees'
27 membership by a majority vote of a quorum of the Board of Trustees. Also, at the first meeting
28 of the Board of Trustees, and from the remaining Board of Trustees' membership not elected as
29 chair, a vice-chair of the Board of Trustees shall be elected by a majority vote of a quorum of the
30 Board of Trustees to fulfill the roles and duties of the chair of the Board of Trustees in the chair's
31 absence. The terms of the chair and vice-chair so elected shall be for three years with no limit on
32 the number of consecutive terms for which the chair or vice-chair may serve.

33 (h) Vacancies. – All members of the Board of Trustees shall remain in office unless (i) a
34 unit of local government's chief administrative official no longer holds that office in its respective
35 government, (ii) a unit of local government's chief administrative official replaces its designee,
36 (iii) the Executive Director of the regional council of government no longer holds the office of
37 Executive Director of the council, or (iv) the Executive Director of the council replaces its
38 designee. A vacancy for the chair of the Board of Trustees shall be filled by the vice-chair for the
39 remainder of the applicable three-year term, and a special election for a replacement vice-chair
40 shall occur at the next Board of Trustees meeting pursuant to the procedure set out in subsection
41 (g) of this section. A vacancy of the vice-chair shall prompt a special election for a replacement
42 vice-chair at the next Board of Trustees meeting pursuant to the procedure set out in subsection
43 (g) of this section.

44 **"§ 160A-885. Advisory committees.**

45 The Board of Trustees may provide for the selection of such advisory committees as it may
46 find appropriate, which may or may not include members of the Board of Trustees.

47 **"§ 160A-886. Rail Transportation Corridor Authority.**

48 (a) The Authority shall have all powers necessary to execute the provisions of this
49 Article, which shall include at least the following powers:

- 1 (1) The powers of a corporate body, including the power to sue and be sued, to
2 make contracts, to adopt and use a common seal, and to alter the adopted seal
3 as needed.
- 4 (2) To make rules and regulations and create and operate agencies, committees,
5 and departments as needed to implement this Article.
- 6 (3) To pay all necessary costs and expenses in the formation, organization,
7 administration, and operation of the Authority.
- 8 (4) To employ persons deemed necessary to carry out the functions and duties
9 assigned to them by the Authority and to fix their compensation within the
10 limit of available funds.
- 11 (5) To retain and employ counsel, appraisers, auditors, architects, engineers,
12 private consultants, and real estate counselors on an annual salary, contract
13 basis, or otherwise for rendering professional or technical services from funds
14 available to the Authority.
- 15 (6) To operate a rail corridor and enter and perform contracts to provide and
16 operate rail and rail corridor services and facilities within the rail corridor
17 service area.
- 18 (7) To charge and collect fees and rents for the use of the rail corridor or for
19 services rendered in the operation of the rail corridor.
- 20 (8) To develop and make data, plans, information, surveys, and studies within the
21 territorial jurisdiction of the Authority and to prepare and make
22 recommendations in regard thereto.
- 23 (9) To enter in a reasonable manner lands, waters, or premises of the territorial
24 jurisdiction for the purpose of making data, examinations, plans, surveys, and
25 studies whereby such entry shall not be deemed a trespass except that the
26 Authority shall be liable for any actual and consequential damages resulting
27 from such entries.
- 28 (10) To purchase or finance real or personal property in the manner provided for
29 cities and counties under G.S. 160A-20.
- 30 (11) To acquire, lease as lessee with or without option to purchase, hold, own, and
31 use any property within the rail corridor service area, real or personal, tangible
32 or intangible, or any interest therein, and to sell, lease as lessor with or without
33 option to purchase, transfer, or dispose thereof, whenever the same is no
34 longer required for purposes of the Authority, or exchange same for other
35 property or rights that are useful for the Authority's purposes, including
36 construction of bridges, buildings, cargo transfer systems, culverts, facilities,
37 industrial track, main track, mass transit systems, maintenance yards,
38 marshalling yards, rights-of-way, roadbed, sidings, structures, transfer yards,
39 tunnels, and all other railroad appurtenances. Before constructing a bridge, the
40 Authority shall consult with the Department of Transportation.
- 41 (12) To acquire by gift, purchase, lease as lessee with or without option to purchase
42 or otherwise to construct, improve, maintain, repair, operate, or administer
43 any component parts of a rail corridor or to contract for the maintenance,
44 operation, or administration thereof, or to lease as lessor the same for
45 maintenance, operation, or administration by private parties.
- 46 (13) To make or enter contracts, agreements, deeds, leases with or without option
47 to purchase, conveyances, or other instruments, including contracts and
48 agreements with the United States, the State of North Carolina, units of local
49 government, public transportation authorities, and private parties, to
50 effectuate the purpose of this Article.

1 (14) With the consent of the unit of local government that would otherwise have
2 jurisdiction to exercise the powers enumerated in this subdivision, to issue
3 certificates of public convenience and necessity, and to grant franchises and
4 enter into franchise agreements, and in all respects to regulate the operation
5 of rail, buses, trams, taxicabs, and other methods of public transportation that
6 originate and terminate within the rail corridor as fully as the unit of local
7 government is now or hereafter empowered to do within the jurisdiction of the
8 unit of local government.

9 (15) To issue debt for the purpose of financing the costs of a rail corridor project
10 or any part thereof and to refund, whether or not in advance of maturity or the
11 earliest redemption date, any such debt. The principal of and interest on the
12 debt is payable solely from the revenues pledged to its payment and neither
13 the State, municipality, or county is obligated to pay the principal or interest,
14 except from such revenues.

15 (16) To apply for, accept, and administer loans and grants of money from any
16 federal agency, the State, or its political subdivisions, or from any other public
17 or private sources available, to expend the money in accordance with the
18 requirements imposed by the lender or donor, and to give any evidence of
19 indebtedness that are required. No indebtedness of any kind incurred or
20 created by the Authority shall constitute an indebtedness of the State or its
21 political subdivisions, and no indebtedness of the Authority shall involve or
22 be secured by the faith, credit, or taxing power of the State or its political
23 subdivisions.

24 (b) To execute the powers provided in subsection (a) of this section, the Board of Trustees
25 shall determine the policies of the Authority by majority vote of the members of the Board of
26 Trustees present and voting, a quorum having been established. Once a policy is determined, the
27 Board of Trustees shall communicate it to the chair, who shall have the sole and exclusive
28 authority to execute the policy of the Authority. No member of the Board of Trustees shall have
29 the responsibility or authority to give operational directives to any employee of the Authority
30 other than the chair.

31 **"§ 160A-887. Fiscal accountability.**

32 An Authority created under this Article is a public authority subject to the provisions of
33 Chapter 159 of the General Statutes.

34 **"§ 160A-888. Funds.**

35 The establishment and operation of an Authority are governmental functions and constitute
36 a public purpose, and the State of North Carolina and any unit of local government may
37 appropriate funds to support the establishment and operation of the Authority. The State of North
38 Carolina and any unit of local government may also dedicate, sell, convey, donate, or lease any
39 of their interests in any property to the Authority. An Authority may apply for grants from the
40 State of North Carolina, or from the United States or any department, agency, or instrumentality
41 thereof. The Department of Transportation may allocate to an Authority any funds appropriated
42 for rail corridors, public transportation, or any funds whose use is not restricted by law.

43 **"§ 160A-889. Public hearing and approval requirements.**

44 (a) To the extent federal tax law requires public hearings to be held with respect to the
45 issuance of debt to finance a rail corridor project or special user project, the hearings may be
46 called for by the chair and must be held before one or more members of the Board of Trustees.
47 The hearings may be held at any place within the territorial jurisdiction of the Authority pursuant
48 to public notice given in accordance with current federal tax regulations.

49 (b) To the extent federal tax law requires approval following the hearing of the issuance
50 of debt to finance a rail corridor project or special user project and except as otherwise provided
51 under federal tax regulations, approval shall be sought from, and the chair of the Board of

1 Trustees shall report the results of the public hearing accompanied by information relating to the
2 purposes for the proposed debt to the following:

- 3 (1) For host approval, the (i) elected board of county commissioners of an
4 organizing entity of the Authority for each county in which a financed project
5 is partially located or (ii) an at-large, elected official of the board of county
6 commissioners for each county in which a financed project is partially located.
7 (2) For issuer approval, the organizing entities of the Authority may, by mutual
8 agreement, specify either of the following as an "applicable elected
9 representative," as defined in 26 U.S.C. § 147(f)(2), of the Authority and
10 authorize such applicable elected representative to approve the issuance of
11 debt on behalf of the Authority for the purposes of 26 U.S.C. § 147(f)(2)(A)(i):
12 a. The elected governing board of an organizing entity of the Authority.
13 b. An at-large, elected official of the governing board of an organizing
14 entity of the Authority.

15 **"§ 160A-890. Special user project financing agreement.**

16 (a) Every special user project financing agreement shall contain provisions ensuring all
17 of the following:

- 18 (1) That the amounts payable under the financing agreement are sufficient to pay,
19 when due, the principal of, redemption premium, if any, and interest on issued
20 debt to pay the costs of the special user project.
21 (2) That the operator pays all costs incurred by the Authority in connection with
22 the financing and administration of the special user project, including
23 insurance costs, the cost of administering the financing agreement and the
24 security document, and the fees and expenses of the fiscal agent or trustee,
25 paying agents, attorneys, consultants, and others.
26 (3) That the operator pays all of the costs and expenses of operation, maintenance,
27 and upkeep of the special user project.

28 (b) The financing agreement, if in the nature of a lease agreement, shall either provide
29 that the obligor shall have an option to purchase, or require that the obligor purchase, the special
30 user project upon the expiration or termination of the financing agreement subject to the condition
31 that payment in full of the debt principal shall have been made.

32 (c) The financing agreement may provide the Authority with rights and remedies in the
33 event of a default by the obligor, including, without limitation, any one or more of the following:

- 34 (1) Acceleration of all amounts payable under the financing agreement.
35 (2) Reentry and repossession of the special user project.
36 (3) Termination of the financing agreement.
37 (4) Leasing or sale of foreclosure of the special user project to others.
38 (5) Taking whatever actions at law or in equity may appear necessary or desirable
39 to collect the amounts payable under, and to enforce covenants made in, the
40 financing agreement.

41 (d) The Authority's interest in a special user project under a financing agreement may be
42 that of owner, lessor, lessee, conditional or installment vendor, mortgagor, mortgagee, secured
43 party, or otherwise, but the Authority need not have any ownership or possessory interest in the
44 special user project.

45 (e) The Authority may assign all or any of its rights and remedies under the financing
46 agreement to debt holders under a security document.

47 (f) The financing agreement may contain additional provisions as in the determination
48 of the Board of Trustees are necessary or convenient to effectuate the purposes of this Article.

49 **"§ 160A-891. County and municipal agreements.**

50 Any county or municipality in which all or part of the rail corridor is located may enter into
51 an agreement with the Authority providing for payments to be made by the county or

1 municipality, as applicable, to the Authority. A county or municipality may not enter into an
2 agreement to make payments to the Authority until after the Authority designates the rail
3 corridor. Neither the county nor municipality's obligations under the agreement shall constitute
4 a pledge of its faith and credit. The Authority has the power and authorization to enter into
5 agreements with such local governments as provided in the Interlocal Cooperation Act,
6 G.S. 160A-460 through G.S. 160A-466.

7 **"§ 160A-892. Taxation of property.**

8 The property of the Authority, both real and personal, its acts, activities, and income shall be
9 exempt from any tax or tax obligation; in the event of any lease of Authority property, or other
10 arrangement which amounts to a leasehold interest, to a private party, this exemption shall not
11 apply to the value of such leasehold interest, nor shall it apply to the income of the lessee.
12 Otherwise, however, for the purpose of taxation, when property of the Authority is leased to
13 private parties solely for the purpose of the Authority, the acts and activities of the lessee shall
14 be considered as the acts and activities of the Authority and the exemption. The interest on debt
15 or obligations issued by the Authority shall be exempt from State taxes. Property that is part of
16 or is located on the rail corridor and is not owned by the Authority, including property that is part
17 of a special user project, is not exempt from tax due to its location.

18 **"§ 160A-893. Authority of Utilities Commission not affected.**

19 (a) Except as otherwise provided in this Article, nothing in this Article shall be construed
20 to limit or otherwise affect the power or authority of the North Carolina Utilities Commission or
21 the right of appeal to the North Carolina Utilities Commission as provided by law.

22 (b) The North Carolina Utilities Commission shall not have jurisdiction over rates, fees,
23 charges, routes, and schedules of an Authority for service within the rail corridor.

24 **"§ 160A-894. Removal and relocation of utility structures.**

25 (a) The Authority shall have the power to require any public utility, railroad, or other
26 public service corporation owning or operating any installations, structures, equipment,
27 apparatus, appliances, or facilities in, upon, under, over, across, or along any ways on which the
28 Authority has the right to own, construct, operate, or maintain its rail corridor, to relocate such
29 installation, structures, equipment, apparatus, appliances, or facilities from their locations, or, in
30 the sole discretion of the affected public utility, railroad, or other public service corporation, to
31 remove such installations, structures, equipment, apparatus, appliances, or facilities from their
32 locations.

33 (b) If the owner or operator thereof fails or refuses to relocate them, the Authority may
34 proceed to do so.

35 (c) The Authority shall provide any necessary new locations and necessary real estate
36 interests for such relocation, and for that purpose the power of eminent domain as provided in
37 G.S. 160A-898 may be exercised provided the new locations shall not be in, on, or above, a
38 public highway; the Authority may also acquire the necessary new locations by purchase or
39 otherwise.

40 (d) Any affected public utility, railroad, or other public service corporation shall be
41 compensated for any real estate interest taken in a manner consistent with G.S. 160A-898, subject
42 to the right of the Authority to reduce the compensation due by the value of any property
43 exchanged under this section.

44 (e) The method and procedures of a particular adjustment to the facilities of a public
45 utility, railroad, or other public service corporation shall be covered by an agreement between
46 the Authority and the affected party or parties.

47 (f) The Authority shall reimburse the public utility, railroad, or other public service
48 corporation, for the cost of relocations or removals which shall be the entire amount paid or
49 incurred by the utility properly attributable thereto after deducting the cost of any increase in the
50 service capacity of the new installations, structures, equipment, apparatus, appliances, or

1 facilities and any salvage value derived from the old installations, structures, equipment,
2 apparatus, or appliances.

3 **"§ 160A-895. Acquisition, disposition, or exchange of real property.**

4 (a) The Authority shall have continuing power to acquire, by gift, grant, devise,
5 exchange, purchase, lease with or without option to purchase, or any other lawful method,
6 including, but not limited to, the power of eminent domain, the fee or any lesser interest in real
7 or personal property for use by the Authority.

8 (b) Exercise of the power of eminent domain by the Authority shall be in accordance with
9 Chapter 40A of the General Statutes.

10 (c) Exchange. – The Authority may exchange any property it acquires for other property
11 usable in carrying out the powers conferred on the Authority and also, upon the payment of just
12 compensation, may remove a building or another structure from land needed for its purposes and
13 reconstruct the structure on another location. The Authority may not use the power of eminent
14 domain to acquire property for exchange.

15 (d) Site Selection. – In selecting one or more sites for adjoining rail facilities or property
16 for shell or storage buildings, the Authority shall consider comprehensive plans and land-use
17 regulations adopted by local governments and the capability of local governments to provide
18 services as specified in subdivisions (1) through (3) of this subsection. This subsection shall not
19 be construed to require the Authority to comply with any local ordinance, regulation, or plan
20 except as may be otherwise specifically provided by federal or State law, regulation, or rule.
21 Plans, regulations, and capabilities to be considered are:

22 (1) Local comprehensive plans, including education, emergency response, law
23 enforcement, water supply, stormwater management, solid waste
24 management, and wastewater treatment.

25 (2) Local land use regulations, including appearance, floodplain zoning,
26 subdivision zoning, and watershed protection elements.

27 (3) The capability of local governments to provide services and manage growth
28 and development related to the establishment of the rail corridor.

29 **"§ 160A-896. Termination.**

30 Whenever the Board of Trustees shall by resolution determine that the purposes for which
31 the Authority was formed have been substantially fulfilled and that debt issued and all other
32 obligations incurred by the Authority have been fully paid or satisfied, the Board may declare
33 the Authority to be dissolved. On the effective date of the resolution, the title to all funds and
34 other property owned by the Authority at the time of the dissolution shall vest in and possession
35 of the funds and other property shall be delivered to the State."

36 **SECTION 33.(b)** G.S. 160A-20 reads as rewritten:

37 **"§ 160A-20. Security interests.**

38 ...

39 (h) Local Government Defined. – As used in this section, the term "unit of local
40 government" means any of the following:

41 ...

42 (16) A Rail Transportation Corridor Authority created pursuant to Article 33 of
43 this Chapter."

44
45 **BUDGET ALIGNMENT AND TRANSPARENCY**

46 **SECTION 34.(a)** The Chief Financial Officer of the Department of Transportation
47 (CFO), in consultation with the Office of State Budget and Management, the Office of the State
48 Controller, and the Fiscal Research Division, shall align the internal ledger and business practices
49 of the Department of Transportation with the Department's certified budget in accordance with
50 the standards established by the Governmental Accounting Standards Board (GASB). For this
51 purpose, the CFO shall use the State Accounting System to guide the development and adoption

1 of procedures to ensure that budget compliance, including the movement of appropriations across
2 fiscal years, is clearly documented. The requirements of this section shall be completed by July
3 1, 2025.

4 **SECTION 34.(b)** Beginning October 1, 2024, and every quarter thereafter until the
5 completion date set forth in subsection (a) of this section, the CFO shall submit progress reports
6 on the implementation of this section, including any legislative recommendations, to the Joint
7 Legislative Transportation Oversight Committee (JLTOC) and the Fiscal Research Division.

8
9 **BRIDGE NAMING**

10 **SECTION 35.** Notwithstanding any provision of law to the contrary, the Department
11 of Transportation shall designate the SR 1740/Old Lake Road overpass being constructed over
12 U.S. 74/76 in Columbus County near the Town of Lake Waccamaw as the "Waccamaw Siouan
13 Tribe Bridge."

14
15 **EFFECTIVE DATE**

16 **SECTION 36.** Except as otherwise provided, this act is effective when it becomes
17 law.