



# HOUSE BILL 954: Terminate Agreement for Tolling of I-77.

2016-2017 General Assembly

<b>Committee:</b>	House Appropriations	<b>Date:</b>	June 1, 2016
<b>Introduced by:</b>	Reps. Jeter, Hager, Bradford	<b>Prepared by:</b>	Giles Perry
<b>Analysis of:</b>	PCS to Second Edition H954-CSLR-56		Committee Counsel

**SUMMARY:** *House Bill 954 terminates the I-77 toll lanes agreement between the North Carolina Department of Transportation and I-77 Mobility Partners, LLC.*

**CURRENT LAW:** On June 26, 2014, the North Carolina Department of Transportation and I-77 Mobility Partners, LLC entered into a Comprehensive Agreement for the construction and operation of toll lanes on I-77 in Mecklenburg and Iredell Counties, pursuant to the provisions of G.S. 136-18.

### BILL ANALYSIS:

**Section 1** of the bill directs DOT to terminate the I-77 toll lanes agreement for cause, pursuant to the provisions of Section 17.1.1.7 of that agreement.<sup>1</sup>

**Section 2** of the bill:

- Directs that State funds in the reserve account be used to pay any damages or other monetary penalties resulting from the termination of the Comprehensive Agreement.
- Provides that any funds remaining in the reserve account after paying any damages or other monetary penalties arising from the termination shall be used by the Department to fund the projects suspended under Section 3 of this act, in their Strategic Transportation Investments Act Prioritization 3.0 order.
- Provides that if the funds remaining are insufficient to fund any of the projects, those unfunded projects shall continue to be suspended, and shall be eligible for prioritization resubmission under the Strategic Transportation Investments Act after 10 years.

**Section 3** of the bill suspends specified DOT highway projects in Mecklenburg County.

**Section 4** of the bill directs that State funds resulting from the project suspensions listed in Section 3 be placed into a reserve account.

<sup>1</sup> "ARTICLE 17. DEFAULT; REMEDIES; DISPUTE RESOLUTION

...  
**17.1.1 Developer Default**

...Developer shall be in breach under this Agreement upon the occurrence of any one or more of the following events or conditions (each a "Developer Default"):

...  
**17.1.1.7** Any representation or warranty in the CA Documents made by Developer, or any certificate, schedule, report, instrument or other document delivered by or on behalf of Developer to NCDOT pursuant to the CA Documents is false or materially misleading or materially inaccurate when made or omits any required material information when made;

..."

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Director



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**Section 5** of the bill removes the future authority of the Department of Transportation or Turnpike Authority to construct and operate a toll managed lane public-private partnership project on I-77 in Mecklenburg or Iredell Counties.

**Section 6** of the bill provides that the bill has no effect on the provisions or implementation of the Strategic Transportation Investments Act, Article 14B of Chapter 136 of the General Statutes, except as otherwise provided in the bill.

**Section 7** of the bill appropriates \$25,000 in nonrecurring funds from the Highway Fund to the Department of Transportation for the 2016-2017 fiscal year, to be used for any legal fees incurred in determining the amount of damages that may be owed, and other effects resulting from cancellation of the Comprehensive Agreement in accordance with Section 1 of this act.

**EFFECTIVE DATE:** Sections 7 and 8 of the act would become effective July 1, 2016. The remainder of the bill would become effective September 1, 2016.