



HOUSE BILL 110: DOT/DMV Changes - Megaproject Funding.

2017-2018 General Assembly

Committee:	House State and Local Government II	Date:	April 18, 2017
Introduced by:	Reps. Torbett, Iler, Shepard	Prepared by:	Cindy Avrette Staff Attorney
Analysis of:	PCS to Second Edition H110-CSR-5		

OVERVIEW: *House Bill 110¹ makes changes to State law related to DOT and DMV, as recommended by the Joint Legislative Transportation Oversight Committee. The PCS makes a technical change in Section 10.*

The PCS also incorporates the substance of House Bill 219 into a new Part III of this bill. House Bill 219 would establish a Megaproject Fund to fund higher cost and larger scale transportation projects, as recommended by the House Select Committee on Strategic Transportation Planning and Long Term Funding Solutions.

CURRENT LAW and BILL ANALYSIS:

PART I. Department of Transportation Changes

Section 1. This section codifies and makes modifications to DOT's existing residual property disposal procedures. Residual property must be sold by public sale and approved by the Board of Transportation except in the following circumstances:

- Properties located adjacent to controlled access projects that are landlocked may be sold to adjoining property owner by negotiation.
- Properties may be sold to State agencies or institutions by negotiation.
- Properties may be exchanged with a public utility company in consideration for property to be acquired for highway purposes from the utility.
- Properties with an area of one acre or less and a value of \$25,000 or less, and the highest and best use is for assemblage with adjacent property, may be sold to adjoining owner by negotiation.
- Properties with values of less than \$5,000 may be sold by negotiation without approval of the Governor and Council of State.
- Properties located outside the right-of-way for a project may be sold by negotiation to property owners and tenants displaced by the project.

¹ As introduced, this bill was identical to S3, as introduced by Sens. Rabon and Harrington, which is currently in the Senate Committee on Judiciary.

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Section 2. This section extends the sunset of DOT's minority-owned and women-owned business program from August 31, 2017 to August 31, 2019. The sunset has been extended four times since enacted in 2009. The statute does not establish a percentage goal. It requires DOT to conduct periodic studies on the availability and utilization of minority-owned and women-owned businesses and to report to the Transportation Oversight Committee on the results of the study.

Section 3. This section repeals a requirement that the Department of Administration, Office of State Human Resources, Department of Transportation, and Department of Environmental Quality jointly develop and periodically update a plan to reduce vehicle miles traveled by State employees and private sector employees. The requirement was part of a State goal to reduce air pollution. There continues to be a State goal to replace light duty cars and trucks with alternative-fueled vehicles and to reduce State employee vehicle miles traveled in commuting without reducing total work hours or productivity.

PART II. Division of Motor Vehicles Changes

Section 4. This section amends current law applicable to vehicle emissions inspections in certain counties by clarifying that fuel cell electric and plug-in electric vehicles with a gasoline engine component are subject to the requirement.

Section 5. This section modifies the process by which DMV determines whether to revoke the driver's license of a person who has been adjudicated incompetent.

- It provides that if a clerk of court, in any incompetency adjudication order under Chapter 35A of the General Statutes recommends that any person's driving privilege be revoked, DMV shall immediately revoke it.
- If the clerk of court, in the order, recommends that the person retain their driving privilege or makes no recommendation concerning the driving privilege, DMV must determine whether the person can retain their driving privilege, based upon an inquiry of the facts.
- Any revocation would be subject to review by the DMV Medical Review Board.

This section would become effective February 1, 2018, and apply to adjudications on or after that date.

Section 6. This section redesignates DMV License and Theft "inspectors" as "agents".

Section 7. This section restricts issuance of 10-day temporary license plates to no more than two per year per person.

This section would become effective January 1, 2018.

Section 8. In 2016, in House Bill 959, enacted as S.L. 2016-90, the General Assembly repealed the requirement for an owner to sign a motor vehicle registration card. This section makes a technical correction to the prior change, to repeal the requirement of "space for the owner's signature" on the registration card.

Section 9. This section authorizes remote renewal and conversion of a full provisional license to a regular Class C license, provides that a full provisional license expires on the 60th day after the holder's 21st birthday; and authorizes persons remotely renewing a license to update their address.

This section would become effective March 1, 2018.

Section 10. This section requires a motor vehicle dealer who issues a temporary registration plate to a purchaser to deliver the sales documents and fees to DMV within 20 days (10 working days under current law). G.S. 20-58.2 provides that a security interest is perfected as of the date of the execution of the agreement if the application for notation of a security interest is delivered to DMV within 20 days

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after the date of the security agreement. This section conforms the deadline dates for dealers with the date in G.S. 20-58.2.

This section would become effective when it becomes law.

Section 11. This section modifies the law governing special identification cards issued by DMV, to:

- Provide that special ID cards issued to persons under age 18 expire after five years; to persons over age 18 after 8 years; and to non-citizens who are legally present under authority issued by the United States government at the expiration of their authorized legal presence.
- Clarify that the fee (\$13) for a special identification card also applies to the renewal, unless the special ID card applicant is eligible for a fee exception.
- Authorize an application for a free special ID card by a person with a developmental disability to be made on a form approved by DMV.
- Authorize remote renewal of special ID cards, in specified circumstances.
- Provide for central issuance and mailing of special ID cards.

This section becomes effective December 1, 2017.

Section 12. This section amends the law enforcement authority of officers and inspectors (renamed agents by Section 6) of DMV, to authorize them to enforce criminal laws "when they are responding to an emergency situation that (i) is occurring in their immediate vicinity and (ii) would likely result in bodily harm or loss of property without immediate intervention."

Section 13. This section repeals the Driver's License Technology Fund, which was established in 2001 to fund a driver license information verification system for ABC permittees. DMV reports the fund has a zero balance and is no longer in use.

Section 14. This section makes a technical correction to the definition of "motor vehicle" in the NC Motor Vehicle Reinsurance Facility statutes, to correct an error from the 2016 session in House Bill 959, S.L. 2016-90, in which the statute was inconsistently amended by two different sections of that bill.

PART III. Megaproject Fund to Fund Higher Cost and Larger Scale Transportation Projects

In 2013, the General Assembly enacted the Strategic Transportation Investments Act, known as STI, which created a Transportation Investment Strategy Formula for funding State transportation projects. The Act funds projects in three categories: Statewide, Regional, and Divisional.

- Statewide category projects are ranked based 100% on data from multiple criteria.
- Regional category projects are ranked based 70% on data from multiple criteria, and 30% on local input (Division Engineer, MPO and RPO input).
- Divisional category projects are ranked based 50% on data, and 50% on local input (Division Engineer, MPO and RPO input).

Section 15. This section creates a Megaproject Fund within the Highway Trust Fund and provides that the Megaproject Fund would consist of appropriations or transfers made by the General Assembly to the Fund. It directs DOT to use funds in the Megaproject Fund to fund transportation projects, of statewide or regional significance that exceed two hundred million dollars (\$200,000,000) in total project cost. The projects would be selected by a workgroup overseen by DOT, using project selection criteria established pursuant to Section 17 of this bill. This section directs DOT to shall develop, and update annually, a report containing a completion schedule for all projects to be funded from the Megaproject

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Fund, the selection criteria, and DOT's anticipated schedule for future projects. The Department is required to submit the report to the Joint Legislative Transportation Oversight Committee by November 1 of each year.

Section 16. This section amends the Strategic Transportation Investment Act formula to exclude funds appropriated or transferred to the Megaproject Fund.

Section 17. This section directs DOT to establish a workgroup for the purposes of developing megaproject selection criteria, and selecting projects using the criteria. This section becomes effective when it becomes law.

The Megaproject Fund selection criteria must do the following:

- Address large scale, significant transportation needs of the State.
- Provide for interstate and intrastate connectivity between urban and rural areas and between rural areas.
- Encourage economic development in both urban and rural areas of the State.
- Improve existing major highway corridors by increasing capacity and relieving congestion.
- Provide for infrastructure improvements and rail and highway connectivity to the State ports.
- Encourage delivery of projects in the most effective, efficient, and expeditious manner.

In addition, Section 17 of the bill:

- Provides for workgroup membership meeting times, and meeting frequency.
- Requires, with 45 days of its initial convening, for the workgroup to provide a report to the Joint Legislative Transportation Oversight Committee on its progress in creating the megaproject selection criteria.
- Requires, within 3 months of the workgroup's initial convening, for it to provide a report to the Joint Legislative Transportation Oversight Committee on the megaproject selection criteria it has developed.

PART IV. Effective Date

Section 18. Except as otherwise provided, this act becomes effective July 1, 2017.

Giles Perry, counsel to House Transportation, substantially contributed to this summary.