



SENATE BILL 391: Ferry Transportation Authority.

2017-2018 General Assembly

Committee: House Finance	Date: June 25, 2017
Introduced by: Sen. Rabon	Prepared by: Cindy Avrette
Analysis of: Third Edition	Staff Attorney

OVERVIEW: Senate Bill 391 authorizes the creation of a Ferry Transportation Authority to operate a ferry system in the area of a tidal river, and adjoining estuaries, in the vicinity of a municipality that is only accessible by water. The bill received a favorable recommendation from the House Transportation Committee on Tuesday, June 20th.

CURRENT LAW: Under current law, public transportation authorities are authorized by Articles 25, 26, and 27 of Chapter 160A, for the purpose of operating public bus and rail transportation systems in specified areas of the State.

BILL ANALYSIS: Senate Bill 391 authorizes the creation of a Ferry Transportation Authority to operate a ferry transportation system.

The bill specifies the following:

- **Service Area:** The service area of a Ferry Transportation Authority is defined as the area of a tidal river, and adjoining estuaries, in the vicinity of a municipality that is only accessible by water.¹
- **Creation:** Following notice and public hearing, a Ferry Transportation Authority could be created by resolution of each of the following: (1) The elected board of a municipality only accessible by vessel, (2) The elected board of a municipality where any mainland terminal of the Authority is located, (3) The board of commissioners of the county where the Authority is located.
- **Board of Trustees:** The Ferry Transportation Authority would be governed by an 11 member Board of Trustees, with staggered 3-year terms, appointed as specified in new G.S. 160A-685(b). One member would be appointed by the Governor, one by the President Pro Tem, one by the Speaker, three by the Secretary of DOT, one by the affected county, one by the mainland terminal municipality, and one by the island municipality.
- **Fiscal Accountability:** The Ferry Transportation Authority would be subject to the provision of Chapter 159, the Local Government Local Government Budget and Fiscal Control Act.
- **No State Funds.** The bill provides the State would not be required to provide any funds for the operation of the Authority.

¹ The Village of Bald Head Island, The Town of Southport, and adjacent areas meet the description of an authorized service area of a Ferry Transportation Authority authorized by this act.

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- **Powers:** A Ferry Transportation Authority would have the powers listed in new G.S. 160A- 685, including the power to acquire the component parts of a ferry transportation system, to operate the system, sets rates for its services, and to issue revenue bonds and bond anticipation notes.
- **Rates, Routes, Schedules.** A Ferry Transportation Authority authorized under this act would be exempt from Utilities Commission rate-making jurisdiction, and would be required to give 30 days' public notice of any changes to rates, routes, and schedules. The initial rates, routes and schedules of a ferry service provided by an Authority would have to be the same as any private ferry service an Authority acquired.
- **Competition:** Competition by the Ferry Transportation Authority with private entities would be limited to authorized charter services, as provided by new G.S. 160A-687.
- **Eminent Domain:** A Ferry Transportation Authority would be authorized to utilize eminent domain for the purposes of the Authority.

EFFECTIVE DATE: This act is effective when it becomes law.

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