



# SENATE BILL 391: Ferry Transportation Authority.

2017-2018 General Assembly

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<b>Committee:</b>		<b>Date:</b>	August 10, 2017
<b>Introduced by:</b>		<b>Prepared by:</b>	Giles Perry Staff Attorney
<b>Analysis of:</b>	S.L. 2017-120		

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**OVERVIEW:** *S.L. 2017-120 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.*

*This act became effective July 18, 2017.*

**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:** S.L. 2017-120 authorizes the creation of a Ferry Transportation Authority to operate a ferry transportation system.

The act 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.<sup>1</sup>
- **Creation:** Following notice and public hearing, the act authorizes a Ferry Transportation Authority to 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 is to be governed by an 11 member Board of Trustees, with staggered three-year terms, appointed as specified in new G.S. 160A-685(b). The Mayor and Mayor Pro Tempore of the municipality only accessible by vessel serve as ex officio voting members<sup>2</sup>. One member is to 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 is subject to the provisions of Chapter 159, The Local Government Finance Act.
- **No State Funds.** The act provides the State is not required to provide any funds for the operation of the Authority.

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<sup>1</sup> 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.

<sup>2</sup> The Village of Bald Head Island fits this description.

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# Senate Bill 391

Page 2

- **Powers:** A Ferry Transportation Authority has 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, set rates for its services, and to issue revenue bonds and bond anticipation notes.
- **Rates, Routes, Schedules.** A Ferry Transportation Authority authorized under this act is exempt from Utilities Commission rate-making jurisdiction, and is 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 must be the same as any private ferry service an Authority acquired.
- **Competition:** Competition by the Ferry Transportation Authority with private entities is limited to authorized charter services, as provided by new G.S. 160A-687.
- **Eminent Domain:** A Ferry Transportation Authority is authorized to utilize eminent domain for the purposes of the Authority.

**EFFECTIVE DATE:** This act became effective July 18, 2017.

*Cindy Avrette of the Legislative Analysis Division substantially contributed to this summary.*