



HOUSE BILL 206: DOT Legislative Changes.

2019-2020 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	March 18, 2019
Introduced by:	Rep. Torbett	Prepared by:	Wendy Ray Staff Attorney
Analysis of:	PCS to First Edition H206-CSSU-7		

OVERVIEW: *House Bill 206 would make the following changes to transportation laws, as recommended by the Department of Transportation:*

- *Give private educational institutions condemnation authority to facilitate transportation improvements required by the Department.*
- *Enact a new Airport Improvement Program to provide for allocation of funds to airports.*
- *Direct the Department's Office of Civil Rights to increase outreach to small professional service firms.*
- *Reenact a provision first enacted in 2009 to authorize the Department to participate in private developer contracts for engineering, design, or construction of improvements in limited circumstances.*

The Proposed Committee Substitute makes changes to the distribution formula for funds in the Airport Improvement Program to address concerns expressed by some airports.

CURRENT LAW AND BILL ANALYSIS: House Bill 206 would amend transportation-related laws as follows:

Condemnation by private educational institutions. Under current law, some private organizations have been given the power of eminent domain to acquire property in limited circumstances for the public use or benefit. G.S. 40A-3 currently gives that authority to private educational institutions for the purpose of obtaining an adequate water supply. **Section 1** of the bill would expand that authority, giving private educational institutions the power of eminent domain to acquire right-of-way for transportation improvements required by the Department of Transportation.

Airport Improvement Program. The 2017 budget appropriated funds for infrastructure improvements at the State's commercial service airports and further directed the Division of Aviation to assess airport funding needs and to develop a formula for allocating future funds to airports based on their needs and economic output. **Section 2** of the bill would implement recommendations resulting from that assessment and enact a new Airport Improvement Program to provide for allocation of funding to eligible airports based on a biennial economic impact study conducted by the Department.

Outreach to small professional service firms. G.S. 136-28.4 sets out the policy of the State to encourage and promote participation by disadvantaged businesses in contracts let by the Department. **Section 3** of

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House PCS 206

Page 2

the bill would direct the Department's Office of Civil Rights to increase outreach efforts to small professional service firms, with a goal that utilization of those firms increases by 5% by January 1, 2021.

Reenact authorization for partnership with private developers. This provision was first enacted in 2009 and expired in 2011. It was subsequently reenacted in 2014, with an expiration of 2016, and then was extended in 2016. It expired last on July 1, 2017. **Section 4** of the bill would reenact the provision, which authorizes the Department to participate, in limited circumstances, in private developer contracts for State highway system engineering, design, or construction of improvements. The Department's participation under this law would be limited to the lesser of 10% of the contract or \$250,000. The Department would be required to report annually on all agreements entered into.

EFFECTIVE DATE: The act would be effective when it becomes law.