



# SENATE BILL 356: DOT Cash and Accountability.

2019-2020 General Assembly

**Committee:** Conference Committee  
**Introduced by:**  
**Analysis of:** Conference Committee Substitute  
(S356-PCCS45380-SU-8)

**Date:** November 14, 2019  
**Prepared by:** Joshua Freeman  
Staff Attorney

**OVERVIEW:** *The CCS for Senate Bill 356 implements budget stabilization and financial transparency measures for the Department of Transportation.*

## BILL ANALYSIS:

### SECTION 1.1

For fiscal year 2019-2020, authorizes the issuance and sale of \$400 million in Build NC Bonds (an issuance of \$100 million more than provided for in the Build NC Bond Act). No change in \$3 billion limit on total amount of special indebtedness from the issuance of Build NC Bonds.

### SECTION 1.2

Directs the Department to transfer \$100 million (\$50 million by February 1, 2020 and \$50 million by May 1, 2020) from Highway Trust Fund to Highway Fund as a loan. Repayment to the Highway Trust Fund shall be according to a schedule approved by the Department of the State Treasurer.

### SECTION 1.3

Creates a Transportation Emergency Reserve to hold \$125 million in funds for use by the Department for presidentially declared major disasters. Initial funding of \$64 million is from General Fund. Going forward, the Department shall fund the reserve by July 30 each fiscal year to maintain the fund at \$125 million.

Additionally, the Department (in coord. with OSBM): (1) shall report at the beginning of each biennium on projected minimum fund need for the reserve; (2) may adjust the Department budget for any category of expenditure (except salaries) to pay for unanticipated expenditures from snow and ice removal and emergencies (action taken under this authorization has reporting requirement); and (3) shall revise the base budget to increase funds available for snow and ice removal and emergencies.

### SECTION 1.4

Effective December 1, 2019, limits the amount of Department funds available each fiscal year to pay for Map Act damages to \$150 million.

For causes of action filed on or after January 1, 2020, revises the statute governing the interest rate for condemnation actions of the Department by making the legal rate apply until satisfaction of the judgment, and by disallowing the addition of compound interest to just compensation damages.

### SECTION 1.5

Directs the Department to expeditiously seek reimbursement from federal government for qualifying disaster expenditures, along with reporting requirement.

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Legislative Drafting  
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## SECTION 1.6

Removes requirement to repay General Fund loan made to the Department pursuant to S.L. 2019-15 of \$90 million.

## SECTION 1.7

Appropriates \$36 million from General Fund to the Department for disaster relief.

## SECTION 2.1

Imposes additional reporting requirements on the Department, including a weekly cash watch report modeled after General Fund Cash Watch report produced by the Office of State Controller.

## SECTION 2.3

Requires the Office of the State Auditor to conduct a performance audit of the Department with report due by March 1, 2020.

## SECTION 2.4

Requires the Department to submit a comprehensive financial management report to the Joint Legislative Transportation Oversight Committee by January 15, 2020

## EFFECTIVE DATE:

Except as otherwise provided, the act is effective when it becomes law.

### **ESTIMATED FISCAL IMPACT PREPARED BY THE FISCAL RESEARCH DIVISION**

	<b><u>FY 2019-20</u></b>	<b><u>FY 2020-21</u></b>
<b>State Impact</b>		
General Fund Revenue	-	-
SL 2019-15 - Loan Forgiveness		(90.0)
Less Expenditures	-	-
Transfer/Transportation Emergency Reserve	64.0	-
Disaster Relief	36.0	-
<b>General Fund Impact</b>	<b>(100.0)</b>	<b>(90.0)</b>
Highway Fund Revenue	-	-
Transportation - Emergency Reserve	64.0	-
Loan from Highway Trust Fund	100.0	-
Disaster Relief	36.0	-
SL 2019-15 - Loan Forgiveness	-	90.0
Less Expenditures	-	-
<b>Highway Fund Impact</b>	<b>200.0</b>	<b>90.0</b>