



# SENATE BILL 774: DOT Legislative Changes.

**This Bill Analysis  
reflects the contents  
of the bill as it was  
presented in  
committee.**

2021-2022 General Assembly

<b>Committee:</b>	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	<b>Date:</b>	May 25, 2022
<b>Introduced by:</b>	Sens. McInnis, Sawyer, Britt	<b>Prepared by:</b>	Howard Marsilio
<b>Analysis of:</b>	Second Edition		Staff Attorney

**OVERVIEW:** *Senate Bill 774 would make various changes to transportation laws, as recommended by the Department of Transportation. by:*

- *Making it an infraction with up to a \$50 penalty for a motor vehicle dealer to fail to inspect a used motor vehicle offered for retail sale as required by law.*
- *Amending requirements for registration and certificate of title applications for motor vehicles owned by firms, partnerships, corporations, or other entities.*
- *Authorizing the Division of Motor Vehicles to charge a fee to authorized individuals to verify license numbers, ownership, or liability insurance from motor vehicle and drivers license records.*
- *Exempting motor vehicles used by State agencies for research pilot or demonstration projects from highway use tax, certificate of title fees, and registration fees.*
- *Expanding the application of certain Department of Transportation contracting laws to rail equipment.*
- *Specifying the treatment of certain federal funds within the STI formula.*
- *Expanding and clarifying the treatment of certain net proceeds from the disposition of lands that involve the Department.*
- *Expanding the application of the State's policy to encourage and promote participation by disadvantaged minority-owned and women-owned businesses in contracts let by the Department.*

### CURRENT LAW/BILL ANALYSIS:

**Section 1:** Current law requires that a used vehicle must be inspected by motor vehicle dealers before it is offered for sale at retail with exceptions.

This section would specify that a dealer's failure to inspect a used motor vehicle before it is offered for retail sale as required is an infraction with a maximum penalty of \$50.

**Section 2:** Current law requires that an application for a certificate of title or vehicle registration submitted by a vehicle owner that is a firm, partnership, a corporation, or another entity, include the address of the entity, along with other information required by law.

This section would specify that an entity owner must also provide a drivers license number or identification card number belonging to a responsible member of the entity in its application.

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**Section 3:** Current law outlines the authorities, prohibitions, and requirements, that relate to the Division's disclosure of information contained in motor vehicle records.

This section would authorize the Division to charge a fee of one dollar (\$1.00) per record to authorized individuals to verify license numbers, ownership, or liability insurance. Additionally, this section would require the Division to adjust this fee in accordance with the quadrennial inflation adjustment laws.

**Section 4:** This section would exempt motor vehicles to be used by a State agency in a research pilot or demonstration project from highway use taxes, certificate of title fees, and registration fees.

**Section 5:** Current law specifies that the construction, maintenance, and repair of ferryboats, marine floating equipment, and docks by the Department shall be deemed highway construction, maintenance, or repair for the purposes of G.S. 136-28.1 (contains various contract provisions specific to the Department) and Chapter 44A (Statutory Liens and Charges) and Chapter 143C (State Budget Act).

This section would specify that the construction, maintenance, and repair of rail equipment is treated the same as ferryboats, docks, etc. for the purposes of those laws.

**Section 6:** Current law (Article 14B of Chapter 136) sets out the requirements of the Transportation Investment Strategy Formula which the Department uses for transportation project planning using certain funds. For highway division need projects, the Department must utilize alternative quantitative criteria for funding from certain programs outlined by law.

This section expands the application of this alternative quantitative criteria to Federal National Electric Vehicle Infrastructure (NEVI) Program and Federal Carbon Reduction Program funds.

**Section 7:** Current law addresses disposition and management of most State lands, and further specifies how net proceeds must be handled. For these purposes, "net proceeds" generally means the gross amount received from the sale, lease, rental, or other disposition of any State lands, less certain expenses and a service charge to be paid into the State Land Fund. There are several exceptions to these general provisions, which includes that proceeds of any disposition by lease, rental, or easement of lands (i) owned by the Department of Transportation or (ii) owned by the Department of Administration and solely maintained by the Department of Transportation are not subject to State Land Fund service charge, and further directs these net proceeds to the Highway Fund.

This section would expand this State Land Fund service charge exception to lands which are disposed of by sale and makes various conforming changes.

**Section 8:** G.S. 136-28.4 outlines the State policy and Department's study requirements, program design requirements, and reporting requirements to encourage and promote participation by disadvantaged minority-owned and women-owned businesses in contracts let by the Department for State transportation infrastructure projects and in the procurement of materials for these projects. For these purposes, the term "contract" specifically include, contracts let under the procedures outlined by law for construction, maintenance, operations, or repair contracts over, or less than, a five million dollars (\$5,000,000) threshold. This policy and program expire August 31, 2022.

This section would further specify that contracts for professional engineering services and other kinds of professional or specialized services necessary in connection with the planning, operations, design, maintenance, repair, and construction of transportation infrastructure are included in the application of this policy and program. Additionally, this section would delay the expiration of this policy and program to August 31, 2027.

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**EFFECTIVE DATE:** Section 1 would become effective December 1, 2022 and apply to offenses committed on or after that date. Section 2 would become effective October 1, 2022. Section 3 would become effective July 1, 2022. The remainder of this act would become effective when it becomes law.