



HOUSE BILL 198: DOT Legislative Changes.

2023-2024 General Assembly

Committee:	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	Date:	May 13, 2024
Introduced by:	Reps. B. Jones, Shepard, McNeely, Tyson	Prepared by:	Trina Griffin*
Analysis of:	Fourth Edition		Staff Attorney

OVERVIEW: *House Bill 198 makes various changes to transportation laws, as recommended by the North Carolina Department of Transportation (NCDOT).*

The Finance sections are as follows:

- *Sections 9 and 10 would extend from 2028 to 2031, the expiration date of the Build NC Bond Act, eliminate the cash balance requirement, and temporarily shorten from 6 to 3 months, the timeframe that NCDOT is required to consult with the State Treasurer, JLOC, and Gov Ops, and in advance of a bond issuance.*
- *Section 13 would increase from \$6.00 to \$9.00 the processing fee, and the corresponding maximum fee cap from \$48 to \$72, for costs associated with collecting unpaid tolls, effective July 1, 2024.*
- *Section 14 would clarify that the fee for a priority annual pass for vehicles boarding a ferry vessel is a \$150 per vehicle annual fee.*
- *Section 17 would modify vegetation removal cut zones and would allow the owner of an outdoor advertising sign to pay a new \$150 fee per caliper inch to the Department of Transportation that would enable the owner to cut vegetation located between viewing zones of two sign faces on the same structure, effective July 1, 2024.*
- *Section 18 would change from quarterly to monthly, the period which the Secretary of Revenue must transfer a percentage of sales and use tax proceeds to the Highway Fund and Highway Trust Fund, effective July 1, 2024.*
- *Section 23 would allow beer and wine to be sold and delivered by any wholesaler or retailer to an officer or agent of a rail line that is at least 100 miles long and connects to the national rail network. Currently, these sales and deliveries are permitted only to a rail line that carries at least 60,000 passengers annually.*

CURRENT LAW/BILL ANALYSIS:

Section 1: Currently, G.S. 136-44.2E(e) requires the NCDOT to submit a biennial report to the House of Representatives Appropriations Committee on Transportation, the Senate Appropriations Committee on the Department of Transportation, and the Fiscal Research Division on the Transportation Emergency Reserve, which includes results of its evaluation to determine the minimum amount of funds needed in the Emergency Reserve.

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This section would amend G.S. 136-44.2E(e) to require NCDOT to submit an annual report for any year expenditures are made from the Emergency Reserve, and submit that report to the Chairs of House and Senate Transportation in addition to those currently receiving the report.

Section 2: This section would authorize the NCDOT to establish, and submit a report based on, a pilot project to award contracts for up to five (5) transportation projects utilizing a Progressive Design-Build delivery method. Only projects less than \$500,000,000, and meeting other criteria, are eligible.

Section 3: Section 34.13 of S.L. 2018-5, as amended by Section 21 of S.L. 2022-68, authorized the NCDOT to establish, and submit a report based on, a pilot project to award contracts for up to five (5) transportation projects utilizing a construction manager-general contractor delivery method. Only projects less than \$500,000,000, and meeting other criteria, are eligible.

This section would increase the number of projects allowed under this pilot project from five to ten projects, and increase the project cost limit from \$500,000,000 to \$750,000,000.

Section 4: G.S. 136-93.1A outlines the NCDOT's process, and time frames, for reviewing and making decisions on traffic impact analyses submitted to the Department. The Department must submit a report to the Joint Legislative Transportation Oversight Committee on the number of times the Department failed during the year preceding the report to meet the time frames and reasoning for each failure.

This section would repeal this reporting requirement.

Section 5: G.S. 143C-6-11(m) requires the NCDOT to submit a monthly report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division when the combined average daily cash balance of the Highway Fund and the Highway Trust Fund is outside an amount equal to between fifteen and twenty percent (15-20%) of the total appropriations for the current fiscal year from those funds.

This section would repeal this reporting requirement.

Section 6: Article 8 of Chapter 143 outlines requirements and procedures that relate to public contracting and outlines specific requirements and procedures for public building contracts.

This section would specify that the general provisions, except for advertising and contract award provisions, of this article do not apply to building contracts entered into by the Department for the construction, alteration, or repair of facilities jointly occupied by personnel of the Division of Motor Vehicles and the North Carolina Highway Patrol, and further specifies that Department of Transportation and the Department of Administration have sole responsibility for these contracts.

This section would become effective when it becomes law and would apply to contracts entered into on or after that date.

Section 7: G.S. 136-28.1 outlines contract letting procedures for construction, maintenance, operations, and repair necessary to carry out the responsibilities of the Department.

This section would authorize the Department to specify brand names or specific manufacturers for construction materials under specific circumstances.

This section would become effective when it becomes law and would apply to contracts entered into on or after that date.

Section 8: Section 41.7 of S.L. 2022-74 required the State Controller to transfer the sum of \$109,834,972 from the Highway Fund to the Advance ROW Acquisition Account, of the Highway Trust Fund, for the purchase of property under the Undue Hardship Advance Acquisition Program, and also directed the Department to streamline the Undue Hardship Acquisition Program and submit quarterly reports to the General Assembly with program updates.

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This section would amend the transfer directive to broaden its use to the Advance Acquisition Program generally, rather than limiting those funds to Undue Hardship Acquisitions, and would remove quarterly reporting requirements.

Sections 9: S.L. 2018-16 enacted the Build NC Bond Act of 2018, which is a financing tool available to the Department using special indebtedness under certain conditions set out in that act, and that act is set to expire December 31, 2028.

This section would extend the validity of this act, by amending its expiration date to December 31, 2031.

Sections 10: S.L. 2018-16 enacted the Build NC Bond Act of 2018, which is a financing tool available to the Department using special indebtedness under certain conditions set out in that act.

This section would repeal the cash balance threshold issuance criteria that the average month-end cash balance for the first three months in the prior calendar year is equal to or less than \$1,000,000,000. This section would also temporarily (expires January 1, 2025) reduce from 6 months to 3 months the lead time required for NCDOT to consult with the State Treasurer, the Joint Legislative Transportation Oversight Committee, and the Joint Legislative Commission on Governmental Operations.

The section would be effective when it becomes law. Subsection (c) of this section would expire January 1, 2025.

Section 11: G.S. 160A-605 outlines the appointed membership requirements, among other aspects, for Regional Public Transportation Authority Boards of Trustees established under Article 26 of Chapter 160A.

This section would repeal the requirement that ex-officio members, appointed by the Secretary of Transportation, must reside within the territorial jurisdiction of the Authority.

Section 12: The North Carolina Turnpike Authority is a public agency, within the Department of Transportation, charged with the construction, maintenance, and operation of toll roads and bridges within this State. Current law outlines procedures for sending bills by first-class mail to motor vehicle owners for the purpose of unpaid toll collection, and specifies the information a bill must contain, such as the name and address of the registered owner, turnpike segment, etc.

This section would amend bill information requirements to further require that the Vehicle Identification Number (VIN) or other vehicle identifying information appear on a bill, and additionally authorize the Authority to utilize digital communications and methods for motor vehicle owner verification to pursue a bill by first-class mail.

This section would become effective July 1, 2024.

Section 13: A person that receives a unpaid toll bill from the Turnpike Authority must either pay the bill or submit a request for bill review. The Authority is authorized to levy an additional \$6.00 processing fee, capped at \$48.00 per year, against a person that fails to act in a timely manner.

This section would increase this processing fee authorization to \$9.00, with a \$72.00 annual cap.

This section would become effective July 1, 2024.

Section 14: Current law outlines the requirements and limitations for annual ferry priority boarding passes for vehicles providing commercial goods and services.

This section would limit issuance of commercial goods and services priority passes to individual vehicles, rather than multiple vehicles owned by the same person, and clarify that only one pass shall be issued per vehicle per year.

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This section would become effective July 1, 2024.

Section 15: G.S. 63-74.5 requires the Division of Aviation of the NCDOT to submit an annual report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division of the General Assembly, which includes a summary of activities related to unmanned aircraft systems.

This section would repeal this reporting requirement.

Section 16: The Joint Conference Committee Report on the Current Operations Appropriations Act of 2022 (H103, June 28, 2022), provides for \$7,527,000 in non-recurring funds to match the Consolidated Rail Infrastructure and Safety Improvements (CRISI) federal grant funds for surveys, preliminary engineering, and rail improvements on the S-Line rail corridor.

This section would expand the authorized use of these funds for a future grant to develop the S-Line beyond the CRISI grant announced from FY 2021 funds.

Section 17: Article 11 of Chapter 136, entitled Outdoor Advertising Control Act, outlines State policies, requirements, procedures, and limitations that relate to outdoor advertising placement, relocation, removal, and related vegetation clearance and maintenance surrounding outdoor advertising. Current law authorizes the issuance of permits for selective vegetation removal by owners of outdoor advertising, sets limitations for cut or removal zones, and outlines other aspects of the permitting process for that purpose.

This section would: (i) amend maximum vegetation cut zone limits; (ii) clarify that a sign owner may also include in the cut zone, any area within ROW between the viewing zones of two sign faces on the same structure upon payment of \$150 per caliper inch to the Department; (iii) remove native redbud preservation requirements; (iv) specify that vegetation removal permits may be issued for relocated outdoor advertising, that are otherwise compliant, within 2-years of relocation; (v) specify that a new relocation site shall not be denied due to the presence of viewing zone obstruction by vegetation; and (vi) specify that an outdoor advertisement owner is permitted to remove any vegetation from private property to improve visibility with landowner consent.

This section would become effective July 1, 2024, and would apply to applications for selective vegetation removal permits submitted on or after that date.

Section 18: G.S. 150B-19.3(b) specifies the percentages of privilege taxes imposed on a retailer engaged in business in the State that are transferred quarterly to the Highway Fund and Highway Trust Fund for transportation needs.

This section would increase the frequency of transfers from quarterly to monthly transfers.

This section becomes effective July 1, 2024.

Section 19: G.S. 143C-6-11(q) requires the NCDOT to post on their website, and submit to the Board of Transportation, the Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division a financial statement report that includes, among other information, the Department's projected revenues and Spend Plan for the next 18 months.

This section would reduce the projection window from 18 months to 12 months.

Section 20: This section would require the Department to study, and submit a report by December 31, 2024, on current fee authorizations, and their implementation, for programs that issue permits, approvals, or certifications related to driveways, subdivisions, traffic impact analyses, and encroachment reviews. The report must also include legislative recommendations for additional fee authority/clarifications needed for these programs and include funding requirements/changes based on those recommendations.

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Section 21: Article 10 of Chapter 63, entitled Operation of Unmanned Aircraft Systems, regulates unmanned aircraft systems within this State and outlines training requirements and permit requirements for commercial operation of unmanned aircraft systems.

This section would repeal Article 10 of Chapter 63 and make various conforming changes to strike references within the General Statutes, and would clarify that prosecution for offenses under this Article are not abated or affected by its repeal.

This section becomes effective December 1, 2024.

Section 22: This section would make various revisions to Highway Fund and Highway Trust Fund availability schedules for the fiscal years of 2021-2022 and 2022-2023 within appropriations acts for those fiscal years.

Section 23: Currently alcoholic beverages may be sold on trains in this State in compliance with Article 2C of Chapter 105 (Alcoholic Beverage License and Excise Taxes). Malt beverages, unfortified wine, and fortified wine may be sold and delivered by any wholesaler or retailer licensed in this State to an officer or agent of a rail line that carries at least 60,000 passengers annually.

This section would expand rail line eligibility to buy and have malt beverages, unfortified wine, and fortified wine delivered to include rail lines that are at least 100 miles long and connect to the national rail network.

Section 24: Section 41.7 of S.L. 2023-134 required the NCDOT to designate various road sections and bridges as named bridges in honor of certain individuals.

This section would amend Sec. 41.7 to include the following designations:

- The bridge on North Carolina Highway 87 that crosses over U.S. Highway 701 in Bladen County as the "Deputy Sheriff James B. Collins Bridge."
- The bridge on U.S. Highway 701 that crosses over Browns Creek in Bladen County as the "Deputy Sheriff J. Roger Stocks Bridge."
- The bridge on North Carolina Highway 410 that crosses over Crawley Swamp in Bladen County as the "Deputy Sheriff Dewayne C. Hester Bridge."
- The bridge on U.S. Highway 701 that crosses over Turnbull Creek in Bladen County as the "Detention Officer James A. Smith Bridge."

EFFECTIVE DATE: Except at otherwise provided, this act would become effective when it becomes law.

Howard Marsilio, counsel to Senate Transportation, substantially contributed to this summary.