



# HOUSE BILL 309: Various Transportation Changes.

2023-2024 General Assembly

<b>Committee:</b> Senate Rules and Operations of the Senate	<b>Date:</b> June 18, 2024
<b>Introduced by:</b> Rep. Iler	<b>Prepared by:</b> Wendy Ray
<b>Analysis of:</b> Third Edition	Staff Attorney

**OVERVIEW:** *House Bill 309 would make the following changes to laws related to transportation:*

- *Provide for appointment of the Commissioner of Motor Vehicles by the Governor, subject to senatorial advice and consent.*
- *Authorize Department of Transportation contracting methodology flexibility for National Electric Vehicle Infrastructure (NEVI) Formula Program projects.*
- *Provide for evaluation and oversight of Division of Motor Vehicles modernization efforts.*
- *Make changes to appointments for the North Carolina Railroad Board of Directors.*
- *Authorize creation of a Railroad Transportation Corridor Authority.*

## CURRENT LAW/BILL ANALYSIS:

**Section 1:** Current law specifies the Commissioner of Motor Vehicles is appointed by, and serves at the pleasure of, the Secretary of Transportation. This section would amend the law to specify that the Commissioner of Motor Vehicles would be appointed by the Governor, subject to senatorial advice and consent procedures, and would serve at the pleasure of the Governor.

**Section 2:** Various State and federal laws outline construction methodologies which are appropriately utilized by the Department of Transportation (DOT) for the purposes of administering/implementing federal programs and those funds which are available to states. This section would authorize DOT to utilize various contracting methodologies authorized by applicable federal law to administer National Electric Vehicle Infrastructure (NEVI) Formula Program projects and would further specify those projects would not count against any State level DOT project contract award authorization caps limiting the use of certain construction methodologies.

**Section 3:** Section 11 of S.L. 2021-134 authorized DOT to enter into up to five contracts for information technology (IT) projects for Division of Motor Vehicles (DMV) system modernization, which are exempt from Department of Information Technology (DIT) oversight and requirements. The provision requires DOT to notify DIT of the nature and scope of any project undertaken pursuant to the exemption and to report to the General Assembly within 30 days of entering into a contract for a project undertaken pursuant to the exemption.

This section would repeal the exemption created by Section 11 of S.L. 2021-134 and would require DOT to allow any contract entered into pursuant to the exemption to expire and not renew those contracts. This section would also require DIT, in consultation with DMV, to contract with a third-party organization to evaluate DMV's ongoing efforts to modernize its IT systems. The evaluation must be completed and reported to the General Assembly by January 31, 2025. By May 1, 2025, DMV, in consultation with DIT, would be required to select a vendor to oversee and manage implementation of a cloud-based operating

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system. The vendor, in consultation with DMV and DIT, would then be required to report quarterly on the status of DMV's modernization efforts .

**Section 4:** Section 7.1 of S.L. 2023-136 would have amended appointments to the 13-person North Carolina Railroad Board of Directors by decreasing the number of appointments by the Governor from seven to six and giving the State Treasurer one appointment. The General Assembly would continue to appoint six members, three upon recommendation of the Speaker of the House of Representatives and three upon recommendation of the President Pro Tempore of the Senate. The Treasurer's appointee would replace a Governor's appointee with a term expiring in 2023. The provision was to become effective on the date that revisions to the Articles of Incorporation to implement the changes were enacted by the Board of Directors. The railroad was directed to report to the Revisor of Statutes the effective date of the changes. However, the Board has not acted, and the provision has not become effective, so the Board continues to have seven Governor's appointments and six General Assembly appointments.

This section would repeal the change in appointments made by Section 7.1 of S.L. 2023-136. It would also amend the appointments to the Board by decreasing the number of appointments by the Governor from seven to six and making one member of the Board the Commissioner of Agriculture or the Commissioner's designee. This section would be effective when it becomes law, and the Commissioner or the Commissioner's designee would replace a Governor's appointee with a term that began in 2023.

**Section 5:** This section would authorize the creation of Rail Transportation Corridor Authorities within this State and outline authorities/requirements for public hearings, acquisition/disposition of real property, etc. A Rail Transportation Corridor Authority may be created for areas, at the time of creating the Authority, that meet the following criteria:

- The area consists of three or more contiguous counties each containing portions of an existing rail corridor and meeting certain population requirements.
- The distance between the rail corridor milepost origination and termination points is no more than 25 miles in length.
- If the Authority intends to receive existing rail corridor interests in property, those rail property interests can be transferred to the Authority without purchase of those rail corridor interests in property.
- An Authority shall not have jurisdiction over any Class I railroad, as that term is defined under 49 U.S.C. § 20102 and 49 C.F.R. § 1201.1 1, nor a rail line or rail corridor owned or operated by the United States Department of Defense, nor a rail line owned or operated by the North Carolina Railroad or its subsidiaries.

**EFFECTIVE DATE:** Except as otherwise provided, this act would be effective when it becomes law.

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