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HOUSE BILL 975

Short Title:	Spcl Economic Development Fund for Rail.	(Public)
Sponsors:	Representatives Reives, Carney, K. Brown, and Cervania (Primary Sponsors). *For a complete list of sponsors, refer to the North Carolina General Assembly web site.*	
Referred to:	Appropriations, if favorable, Rules, Calendar, and Operations of the House	

May 6, 2024

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A SPECIAL ECONOMIC DEVELOPMENT FUND FOR RAIL.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2D of Chapter 136 of the General Statutes reads as rewritten:

"Article 2D.

"Railroad ~~Revitalization.~~Development.

…

"**§ 136-44.41. Special Economic Development Fund for Rail.**

(a) Creation. – The Special Economic Development Fund for Rail (Fund) is established as a special fund within the Department of Transportation to be administered by the Division of Rail in accordance with this Article.

(b) Purpose. – The purpose of the Fund is primarily for rail construction, rail improvements, industry rail connections, railcar and locomotive acquisition, and railyard construction. A portion of the Fund may also be used for project preparation uses such as preliminary engineering and due diligence.

(c) Source. – The Fund shall consist of funds transferred to the Fund and revenue generated by Fund investments and interest. Unexpended funds appropriated to the Fund shall not revert.

(d) Uses. – Funds in the Fund shall be used in accordance with the purpose of this section.

(e) Cost-Sharing. – An allocation of funds under this section shall be in accordance with the following requirements:

(1) No more than sixty percent (60%) of the annual allocations from the Fund shall be for the State match on federal grant applications.

(2) No more than thirty percent (30%) of the annual allocations from the Fund shall be for project preparation uses such as preliminary engineering and due diligence.

(f) Criteria. – The Division shall establish procedures and criteria and adopt rules for allocating funds from the Fund in accordance with the purpose of this section and the following criteria:

(1) The rail project is projected to increase capital investment, jobs, and revenue, independently determined by the Department.

(2) Allocations shall be competitive and, after consultation with the Department of Commerce, awarded to proposals with the greatest projected economic impact benefitting North Carolina.

(g) Administrative Costs. – The Department may use no more than three percent (3%) of the Fund for administrative costs.

(h) Report. – No later than March 1, 2025, the Division shall submit an initial report on the implementation of this section to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division and thereafter shall submit an annual report no later than December 1 of each year. The report shall include the following information: use of funds, projects approved, and estimated economic impact."

SECTION 2. There is appropriated from the General Fund to the Special Economic Development Fund for Rail the sum of one hundred million dollars ($100,000,000) in nonrecurring funds.

SECTION 3. This act is effective when it becomes law.