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SENATE BILL 774
Transportation Committee Substitute Adopted 5/25/22
Finance Committee Substitute Adopted 5/31/22
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Short Title: DOT Legislative Changes.-AB

(Public)

Sponsors:

Referred to:

May 25, 2022

A BILL TO BE ENTITLED
AN ACT TO MAKE CHANGES TO LAWS RELATED TO TRANSPORTATION, AS
RECOMMENDED BY THE DEPARTMENT OF TRANSPORTATION.

The General Assembly of North Carolina enacts:

PENALIZE FAILURE TO INSPECT MOTOR VEHICLE BEFORE RETAIL SALE

SECTION 1.(a) G.S. 20-183.8(a) reads as rewritten:

"(a) Infractions. – A person who does any of the following commits an infraction and, if found responsible, is liable for a penalty of up to fifty dollars (\$50.00):

...

(5) Fails to inspect a used motor vehicle before it is offered for retail sale, as required by G.S. 20-183.4C. This subdivision only applies to motor vehicle dealers, as defined in G.S. 20-286."

SECTION 1.(b) This section becomes effective December 1, 2022, and applies to offenses committed on or after that date.

REQUIRE IDENTIFICATION TO TITLE AND REGISTER A COMPANY VEHICLE

SECTION 2.(a) G.S. 20-52 reads as rewritten:

"§ 20-52. Application for registration and certificate of title.

(a) An owner of a vehicle subject to registration must apply to the Division for a certificate of title, a registration plate, and a registration card for the vehicle. To apply, an owner must complete an application provided by the Division. The application shall contain a preprinted option that co-owners may use to title the vehicle as a joint tenancy with right of survivorship. The co-owners' designation of a joint tenancy with right of survivorship on the application shall be valid notwithstanding whether this designation appears on the assignment of title. The application must request all of the following information and may request other information the Division considers necessary:

...

(1b) If the owner is a firm, partnership, a corporation, or another entity, the address of the ~~entity~~ entity and a drivers license number or identification card number belonging to a responsible member of the entity.

...."

SECTION 2.(b) This section becomes effective October 1, 2022.



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FEE FOR RECORDS REQUESTS

SECTION 3.(a) G.S. 20-43.1 reads as rewritten:

"§ 20-43.1. Disclosure of personal information in motor vehicle records.

...

(e1) The Division may provide copies of individual motor vehicle and drivers license records to authorized individuals seeking verification of information regarding license numbers, ownership, or liability insurance upon written request and payment of a fee of one dollar (\$1.00) per individual record.

...."

SECTION 3.(b) G.S. 20-4.02 reads as rewritten:

"§ 20-4.02. Quadrennial adjustment of certain fees and rates.

(a) Adjustment for Inflation. – Beginning July 1, 2020, and every four years thereafter, the Division shall adjust the fees and rates imposed pursuant to the statutes listed in this subsection for inflation in accordance with the Consumer Price Index computed by the Bureau of Labor Statistics. The adjustment for per transaction rates in subdivision (8a) of this subsection shall be rounded to the nearest cent and all other adjustments under this subsection shall be rounded to the nearest twenty-five cents (25¢):

...

(8) G.S. 20-42(b).

(8a) G.S. 20-43.1(e1), with respect to the per individual record fee set in that subsection.

~~(8a)~~(8b) G.S. 20-63(h), with respect to the per transaction rates set in that subsection.

(9) G.S. 20-85(a)(1) through (10).

...."

SECTION 3.(c) This section becomes effective July 1, 2022.

EXEMPT FROM TAXES AND FEES VEHICLES TO BE USED BY A STATE AGENCY FOR RESEARCH OR DEMONSTRATION PROJECT

SECTION 4.(a) G.S. 105-187.6(a) is amended by adding a new subdivision to read:

"(13) To be used by a State agency in a research pilot or demonstration project."

SECTION 4.(b) G.S. 20-85(c) reads as rewritten:

"(c) The Division shall not collect a fee for a certificate of title for a motor vehicle entitled to a permanent registration plate under G.S. 20-84. The Division shall not collect a fee for a certificate of title for a motor vehicle to be used by a State agency in a research pilot or demonstration project."

SECTION 4.(c) G.S. 20-87 is amended by adding a new subdivision to read:

"(14) Research pilot or demonstration project motor vehicles. – The Division shall not collect a registration fee for a motor vehicle to be used by a State agency in a research pilot or demonstration project."

INCLUDE RAIL EQUIPMENT WITHIN MEANING OF HIGHWAY CONSTRUCTION, MAINTENANCE, OR REPAIR FOR PURPOSES OF CONTRACTING

SECTION 5. G.S. 136-28.1(c) reads as rewritten:

"(c) The construction, maintenance, and repair of rail equipment, ferryboats and all other marine floating equipment and the construction and repair of all types of docks by the Department of Transportation shall be deemed highway construction, maintenance, or repair for the purpose of G.S. 136-28.1 and Chapter 44A and Chapter 143C of the General Statutes, the State Budget Act. In cases of a written determination by the Secretary of Transportation that the requirement

for compatibility does not make public advertising feasible for the repair of rail equipment or ferryboats, the public advertising as well as the soliciting of informal bids may be waived."

INCLUDE NEVI AND CRP FEDERAL FUNDS WITHIN STI FORMULA

SECTION 6. G.S. 136-189.11, as amended by Section 3.5 of S.L. 2021-185, reads as rewritten:

"§ 136-189.11. Transportation Investment Strategy Formula.

...

(b) Funds Excluded From Formula. – The following funds are not subject to this section:

(1) Federal congestion mitigation and air quality improvement program funds appropriated to the State by the United States pursuant to 23 U.S.C. § 104(b)(2) and 23 U.S.C. § 149.

(1a) Federal Carbon Reduction Program formula funds appropriated to the State.

(2) Funds received through competitive awards or discretionary grants through federal appropriations either for local governments, transportation authorities, transit authorities, or the Department.

(3) Funds received from the federal government that under federal law may only be used for Appalachian Development Highway System projects.

(4) Funds used in repayment of "GARVEE" bonds related to Phase I of the Yadkin River Veterans Memorial Bridge project.

(5) Funds committed to gap funding for toll roads funded with bonds issued pursuant to G.S. 136-176.

(6) Funds obligated for projects in the State Transportation Improvement Program that are scheduled for construction as of October 1, 2013, in State fiscal year 2012-2013, 2013-2014, or 2014-2015.

(7) Toll collections from a turnpike project under Article 6H of this Chapter and other revenue from the sale of the Authority's bonds or notes or project loans, in accordance with G.S. 136-89.192.

(8) Toll collections from the State-maintained ferry system collected under the authority of G.S. 136-82.

(9) Federal State Planning and Research Program funds (23 U.S.C. § 505) and Metropolitan Planning funds (23 U.S.C. §§ 104 and 134).

(10) Federal Lands Access Program funds received by the State pursuant to 23 U.S.C. § 204.

(11) Funds advanced pursuant to G.S. 136-186.

(12) Funds appropriated to the North Carolina State Ports Authority for the purposes described in G.S. 136-176(b3).

...

(c) Funds With Alternate Criteria. – The following federal program activities shall be included in the applicable category of the Transportation Investment Strategy Formula set forth in subsection (d) of this section but shall not be subject to the prioritization criteria set forth in that subsection:

(1) Bridge replacement.

(2) Interstate maintenance.

(3) Highway safety improvement.

(4) State funds used to match federal Congestion Mitigation and Air Quality Improvement (CMAQ) program funds apportioned to the State pursuant to 23 U.S.C. § 104(b)(2) and 23 U.S.C. § 149 for projects on the State highway system that improve the safety, mobility, and operational characteristics of the State highway system for motorists.

(5) State funds used to match federal Carbon Reduction Program formula funds appropriated to the State for projects on the State highway system that improve the safety, mobility, and operational characteristics of the State highway system for motorists.

...
(d) Transportation Investment Strategy Formula. – Funds subject to the Formula shall be distributed as follows:

...
(3) Division Need Projects. – Thirty percent (30%) of the funds subject to this section shall be allocated in equal share to each of the Department divisions, as defined in G.S. 136-14.1, and used for Division Need Projects.

...
b. Alternate criteria. – Funding from the following programs shall be included in the computation of each of the Department division equal shares but shall be subject to alternate quantitative criteria:

1. Federal Surface Transportation Program-Direct Attributable funds expended on eligible projects in the Division Need Projects category.

2. Federal Transportation Alternatives funds appropriated to the State.

3. Federal Railway-Highway Crossings Program funds appropriated to the State.

3a. Federal National Electric Vehicle Infrastructure (NEVI) Program formula funds appropriated to the State.

4. Projects requested from the Department in support of a time-critical job creation opportunity, provided that (i) the Department investment for all projects funded under this sub-sub-subdivision in any five-year period shall not exceed one hundred million dollars (\$100,000,000) in the aggregate, (ii) the amount of funding associated with a project under this sub-sub-subdivision does not exceed the lesser of ten million dollars (\$10,000,000) and the greater of ten thousand dollars (\$10,000) per job created or ten percent (10%) of the amount of private investment associated with the project, (iii) the Department ensures that funding under this sub-sub-subdivision, when combined with any other grants, does not result in the costs of the project to the State outweighing its total benefits and determines that the funding is necessary for completion of the project in this State. Upon the release of a State Transportation Improvement Program, the Department shall submit a report to the Joint Legislative Transportation Oversight Committee detailing the projects funded under this sub-sub-subdivision.

5. Federal funds for municipal road projects.

...."

STI REPRIORITIZATION DELAY FOR CERTAIN PROJECTS WITH ROUTE REDESIGNATIONS

SECTION 6.5.(a) G.S. 136-189.11 is amended by adding a new subsection to read:

"(d2) Reprioritization Delay for Certain Projects with Route Redesignations. – After redesignation of an existing or proposed secondary route to a primary highway route, a project

shall not be eligible for evaluation in a newly-designated funding category under G.S. 136-189.10 until (i) the new route designation is reflected in the transportation plan that has been approved by the appropriate governing body and the Board of Transportation, and (ii) the Department has commenced its second subsequent prioritization after the date of final route redesignation approval. This subsection does not apply to a project that includes a route redesignation initiated by the Department to meet intrastate or interstate connectivity needs."

SECTION 6.5.(b) The Secretary of Transportation may waive, in the discretion of the Secretary, a project reprioritization delay required by G.S. 136-189.11(d2), as enacted by subsection (a) of this section, upon the request of an affected Metropolitan Planning Organization or Rural Transportation Planning Organization. The Secretary shall submit a report, by December 31, 2023, to the Joint Legislative Transportation Oversight Committee and Fiscal Research Division of the North Carolina General Assembly on waivers requested under this subsection. The information in the report required by this subsection shall summarize reasons for granting or denying each requested waiver.

SECTION 6.5.(c) In accordance with G.S. 136-189.11(h), the Department shall initiate a workgroup evaluation of potential Department policy and rule changes, potential conflicts with federal laws or regulations, effects to State Transportation Improvement Program prioritization processes, and any additional matter the Department deems relevant that relate to the implementation of G.S. 136-189.11(d2), as enacted by subsection (a) of this section. The Department shall submit a report of those findings with legislative recommendations, by December 1, 2022, to the Joint Legislative Transportation Oversight Committee and Fiscal Research Division of the North Carolina General Assembly.

SECTION 6.5.(d) This section is effective when it becomes law, and applies to State Transportation Improvement Program plan updates on or after that date. Subsection (b) of this section expires December 31, 2023.

CLARIFY APPLICATION OF NET PROCEEDS FROM THE SALE OF DEPARTMENT OF TRANSPORTATION LAND

SECTION 7.(a) G.S. 146-30(d)(4) reads as rewritten:

"(4) No service charge into the State Land Fund shall be deducted from or levied against the proceeds of any disposition by sale, 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. All net proceeds of these dispositions shall be deposited into the State Highway Fund."

SECTION 7.(b) G.S. 136-16 reads as rewritten:

"§ 136-16. Funds and property converted to State Highway Fund.

Except as otherwise provided in this Chapter, all funds and property collected by the Department of Transportation shall be paid or converted into the State Highway Fund. For the purposes of this section, funds include net proceeds from the sale of real property owned by the Department or owned by the Department of Administration and solely maintained by the Department of Transportation."

REVISE THE DISADVANTAGED BUSINESS PROGRAM AND EXTEND TO 2027

SECTION 8. G.S. 136-28.4 reads as rewritten:

"§ 136-28.4. State policy concerning participation by disadvantaged minority-owned and women-owned businesses in transportation contracts.

...

(c) The following definitions apply in this section:

(1) "Contract" includes, but is not limited to, contracts let under the procedures set forth in ~~G.S. 136-28.1(a) and (b)~~ G.S. 136-28.1(a), (b), and (f).

1 ...
2 (e) This section expires ~~August 31, 2022.~~August 31, 2027."
3

4 **INCREASED OUTSOURCING TO SMALL PROFESSIONAL SERVICES**

5 **SECTION 8.5.** G.S. 136-28.10 is amended by adding a new subsection to read:

6 "(a1) Notwithstanding the provisions of G.S. 136-28.4(b), the Department of
7 Transportation shall increase the outsourcing of professional services for Highway Fund and
8 Highway Trust Fund projects to Small Professional Services Firms. The Department of
9 Transportation may identify professional services likely to attract increased participation by
10 Small Professional Services Firms and restrict the solicitation and award to those firms. The
11 Board of Transportation may delegate full authority to award contracts, adopt necessary rules,
12 and administer the provisions of this section to the Secretary of Transportation."
13

14 **EFFECTIVE DATE**

15 **SECTION 9.** Except as otherwise provided, this act is effective when it becomes
16 law.