

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 927

Short Title: Reestablish NC as the "Good Roads State". (Public)

Sponsors: Representatives Torbett, Iler, Shepard, and Tine (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Transportation, if favorable, Finance, if favorable, Appropriations.

April 20, 2015

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE COMPUTATION OF THE MOTOR FUEL EXCISE TAX RATE; TO ELIMINATE THE DISCOUNT FOR TIMELY PAYMENT OF MOTOR FUELS TAXES BY LICENSED DISTRIBUTORS, IMPORTERS, AND SUPPLIERS; TO MODIFY THE HIGHWAY USE TAX RATE; TO PHASE OUT THE TRANSFER OF FUNDS FROM THE HIGHWAY FUND TO THE GENERAL FUND; TO MODIFY THE AMOUNT OF FEES CHARGED BY THE DIVISION OF MOTOR VEHICLES; TO ESTABLISH A SUPPLEMENTAL TAX ON THE GROSS PREMIUMS FROM MOTOR VEHICLE INSURANCE CONTRACTS; TO TRANSFER CERTAIN FUNDS FROM THE HIGHWAY TRUST FUND TO THE HIGHWAY FUND; TO DIRECT THE DEPARTMENT OF TRANSPORTATION TO ESTABLISH THE "DOT REPORT" PROGRAM; TO APPROPRIATE FUNDS FOR CERTAIN PURPOSES; AND TO MAKE VARIOUS CONFORMING CHANGES.

Whereas, roads, bridges, ports, and rails are critical to facilitating the safe movement of goods and people and spurring economic growth in this State; and

Whereas, the volatility and inconsistency in the primary transportation funding source creates uncertainty as to whether there will be a sufficient amount of funding to maintain the roads, bridges, ports, and rails in this State; and

Whereas, the General Assembly intends to develop a stable and consistent funding source to use solely for the maintenance and improvement of the roads, bridges, ports, and rails in this State; Now, therefore,
The General Assembly of North Carolina enacts:

PART I. MOTOR FUELS TAX RATE/DISCOUNT FOR TIMELY PAYMENT

SECTION 1. G.S. 105-449.80 reads as rewritten:

"§ 105-449.80. Tax rate.

(a) Rate. – ~~For the period that begins~~Beginning on JanuaryJuly 1, 2016, and ends on June 30, 2016,2015, the motor fuel excise tax rate is a flat rate of ~~thirty five cents (35¢)~~thirty cents (30¢) per gallon. ~~For the period that begins on July 1, 2016, and ends on December 31, 2016, the motor fuel excise tax rate is a flat rate of thirty four cents (34¢) per gallon. For the ealendar years beginning on January 1, 2017, the motor fuel excise tax rate is a flat rate of thirty four cents (34¢) per gallon, multiplied by a percentage. For calendar years beginning on or after January 1, 2018,2017,~~ the motor fuel excise tax rate is the amount for the preceding calendar year, multiplied by a percentage. The percentage is one hundred percent (100%) plus or minus the sum of the following:



- 1 (1) The percentage change in population for the applicable calendar year, as
 2 estimated under G.S. 143C-2-2, multiplied by seventy-five percent (75%).
 3 (2) The annual percentage change in the Consumer Price Index for All Urban
 4 Consumers, multiplied by twenty-five percent (25%). For purposes of this
 5 subdivision, "Consumer Price Index for All Urban Consumers" means the
 6 United States city average for energy index contained in the detailed report
 7 released in the October prior to the applicable calendar year by the Bureau of
 8 Labor Statistics of the United States Department of Labor.
 9

10 (b1) Additional Adjustment. – For calendar years beginning on or after January 1, 2016,
 11 the Department of Revenue shall increase the motor fuel excise tax rate set in subsection (a) of
 12 this section by one cent (1¢) if there is a decrease of one hundred million dollars
 13 (\$100,000,000) in the actual expenditures of federal funds to the Department of Transportation
 14 for the reimbursement of Highway Trust Fund projects, as measured by comparing the
 15 difference in the prior two federal fiscal years' expenditures and excluding all federal funds
 16 received through competitive awards or discretionary grants. The Department of Transportation
 17 shall provide written notice to the Department of Revenue and the Joint Legislative
 18 Transportation Oversight Committee no later than November 1 of each year detailing the
 19 amount of federal expenditures, as calculated in this subsection, received during the prior two
 20 federal fiscal years. If the motor fuel excise tax rate is increased under this subsection, and
 21 federal funding increases to an amount that negates the loss that triggered the increase under
 22 this subsection, the Department of Transportation shall include this information in the notice
 23 provided under this subsection and the Department of Revenue shall reduce the motor fuel
 24 excise tax rate accordingly on January 1.
 25

26"

27 **SECTION 2.(a)** G.S. 105-449.93 is repealed.

28 **SECTION 2.(b)** Subsections (b) and (c) of G.S. 105-449.97 are repealed.

29 **SECTION 2.(c)** Subdivision (6) of G.S. 105-449.96 is repealed.

30 **SECTION 2.(d)** G.S. 105-449.99(b) reads as rewritten:

31 "(b) Discounts. – An importer may not deduct an administrative discount from the
 32 amount remitted with a return. ~~An importer that imports motor fuel received from an elective~~
 33 ~~supplier or a permissive supplier may deduct the percentage discount allowed by~~
 34 ~~G.S. 105-449.93(b) when remitting tax to the supplier, as trustee, for payment to the State. An~~
 35 ~~importer that imports motor fuel received from a supplier that is not an elective supplier or a~~
 36 ~~permissive supplier may not deduct the percentage discount allowed by G.S. 105-449.93(b)~~
 37 ~~when filing a return for the tax due."~~

38 **SECTION 2.(e)** G.S. 105-449.105(e) reads as rewritten:

39 "(e) Refund Amount. – The amount of a refund allowed under this section is the amount
 40 of excise tax paid, ~~less the amount of any discount allowed on the fuel under~~
 41 ~~G.S. 105-449.93:paid."~~

42 **SECTION 2.(f)** G.S. 105-449.105A(a) reads as rewritten:

43 "(a) Refund for Undyed Kerosene Sold to an End User for Non-Highway Use. – A
 44 distributor who sells kerosene to an end user for one of the purposes listed in this subsection
 45 may obtain a monthly refund for the excise tax the distributor paid on the kerosene, ~~less the~~
 46 ~~amount of any discount allowed on the kerosene under G.S. 105-449.93,~~ kerosene if the
 47 distributor dispenses the kerosene into a storage facility of the end user that contains fuel used
 48 only for one of those purposes and the storage facility is installed in a manner that makes use of
 49 the fuel for any other purpose improbable.

50 (1) Heating.

51 (2) Drying crops.

(3) A manufacturing process."

1 **SECTION 2.(g)** G.S. 105-449.105B is repealed.

2 **SECTION 2.(h)** Subdivision (12) of subsection (a) of G.S. 105-449.120 is
3 repealed.

4 **SECTION 2.(i)** G.S. 119-18(a1) reads as rewritten:

5 "**§ 119-18. Inspection tax and distribution of the tax proceeds.**

6 ...

7 (a1) **Deferred Payment.** – A licensed kerosene distributor that buys kerosene from a
8 supplier licensed under Part 2 of Article 36C of Chapter 105 of the General Statutes has the
9 right to defer payment of the inspection tax until the supplier is required to remit the tax to this
10 State or another state. ~~A licensed kerosene distributor that pays the tax due a supplier licensed~~
11 ~~under that Part by the date the supplier must pay the tax to the State may deduct from the~~
12 ~~amount due a discount in the amount set in G.S. 105-449.93."~~

13 **SECTION 3.** Section 1 of this act becomes effective July 1, 2015. The remainder
14 of this Part becomes effective for taxable years beginning on or after January 1, 2016.

15 **PART II. HIGHWAY USE TAX**

16 **SECTION 4.** G.S. 105-187.3 reads as rewritten:

17 "**§ 105-187.3. Rate of tax.**

18 ...

19 (a1) **Tax Rate.** – ~~The~~Except as provided in subsection (a2) of this section, the tax rate is
20 three percent (3%)~~four percent (4%).~~ The maximum tax is ~~one thousand dollars (\$1,000)~~two
21 thousand dollars (\$2,000) for each certificate of title issued for a Class A or Class B motor
22 vehicle that is a (i) commercial motor vehicle, as defined in ~~G.S. 20-4.01.~~ ~~The maximum tax is~~
23 ~~one thousand five hundred dollars (\$1,500) for each certificate of title issued for a recreational~~
24 ~~vehicle that is not subject to the one thousand dollar (\$1,000) maximum tax.~~G.S. 20-4.01, or
25 (ii) recreational vehicle. The tax is payable as provided in G.S. 105-187.4.

26 (a2) **Additional Adjustment.** – For calendar years beginning on or after January 1, 2016,
27 the Department of Revenue shall increase the tax rate set in subsection (a1) of this section by
28 one-half of one percent (0.5%) if there is a decrease of two hundred million dollars
29 (\$200,000,000) in the actual expenditures of federal funds to the Department of Transportation
30 for the reimbursement of Highway Trust Fund projects, as measured by comparing the
31 difference in the prior two federal fiscal years' expenditures and excluding all federal funds
32 received through competitive awards or discretionary grants. The Department of Transportation
33 shall provide written notice to the Department of Revenue and the Joint Legislative
34 Transportation Oversight Committee no later than November 1 of each year detailing the
35 amount of federal expenditures, as calculated in this subsection, received during the prior two
36 federal fiscal years. If the tax rate set in subsection (a1) of this section is increased under this
37 subsection, and federal funding increases to an amount that negates the loss that triggered the
38 increase under this subsection, the Department of Transportation shall include this information
39 in the notice provided under this subsection and the Department of Revenue shall reduce the
40 tax rate accordingly on January 1.

41 "

42 **SECTION 5.** G.S. 105-187.5(b) reads as rewritten:

43 (b) **Rate.** – The tax rate on the gross receipts from the short-term lease or rental of a
44 motor vehicle is ~~eight percent (8%)~~nine percent (9%) and the tax rate on the gross receipts from
45 the long-term lease or rental of a motor vehicle is ~~three percent (3%)~~four percent (4%). Gross
46 receipts does not include the amount of any allowance given for a motor vehicle taken in trade
47 as a partial payment on the lease or rental price. The maximum tax in G.S. 105-187.3(a) on
48 certain motor vehicles applies to a continuous lease or rental of such a motor vehicle to the
49 same person."

50 **SECTION 6.** G.S. 105-187.6(c) reads as rewritten:

1 "(c) Out-of-state Vehicles. – A maximum tax of ~~one hundred fifty dollars (\$150.00)~~two
2 hundred dollars (\$200.00) applies when a certificate of title is issued for a motor vehicle that, at
3 the time of applying for a certificate of title, is and has been titled in another state for at least 90
4 days."

5 **SECTION 7.(a)** For the 2015-2016 fiscal year, twelve and two-tenths percent
6 (12.2%) of the revenues generated from the tax levied under G.S. 105-187.3(a1), the tax levied
7 on gross receipts from the long-term lease or rental of a motor vehicle under G.S. 105-187.5(b),
8 and the tax levied under G.S. 105-187.6(c), after the adjustments enacted in this Part, shall be
9 transferred from the Highway Trust Fund to the Highway Fund.

10 **SECTION 7.(b)** For the 2016-2017, 2017-2018, and 2018-2019 fiscal years,
11 twenty-five percent (25%) of the revenues generated from the tax levied under
12 G.S. 105-187.3(a1), the tax levied on gross receipts from the long-term lease or rental of a
13 motor vehicle under G.S. 105-187.5(b), and the tax levied under G.S. 105-187.6(c), after the
14 adjustments enacted in this Part, shall be transferred from the Highway Trust Fund to the
15 Highway Fund.

16 **SECTION 8.** Subsection (a) of Section 7 of this act becomes effective July 1,
17 2015. Subsection (b) of Section 7 of this act becomes effective July 1, 2016. The remainder of
18 this Part becomes effective January 1, 2016.

19 20 **PART III. FUNDING FOR DREDGING**

21 **SECTION 9.(a)** Article 21 of Chapter 143 of the General Statutes is amended by
22 adding a new section to read:

23 **"§ 143-215.73G. Conditional funding for maintenance dredging.**

24 If actual expenditures of federal funds by the Wilmington District of the United States
25 Army Corps of Engineers for the maintenance dredging of shallow draft inlets and deep draft
26 navigation channels located within the State decline by an average rate of five percent (5%), as
27 measured by averaging the percentage difference in actual expenditures from each preceding
28 fiscal year for the prior five federal fiscal years, the Department of Transportation shall, by the
29 first of January of the current fiscal year, allocate from the unencumbered cash balance of the
30 Highway Fund to the Department of Environment and Natural Resources an amount equivalent
31 to twenty percent (20%) of the actual federal expenditures for maintenance dredging during the
32 prior federal fiscal year. Funds transferred in accordance with this section shall be allocated by
33 the Department of Environment and Natural Resources for emergency or prioritized
34 maintenance dredging of shallow draft inlets and deep draft navigation channels performed in
35 accordance with a memorandum of agreement entered into with the United States Army Corps
36 of Engineers. The Departments of Transportation and Environment and Natural Resources shall
37 jointly report the transfer of funds and project selection to the Joint Legislative Commission on
38 Governmental Operations no later than 30 days after the transfer of funds. To the extent any of
39 the funds transferred under this subsection are deemed unappropriated, these funds are hereby
40 appropriated for the purposes set forth in this section."

41 **SECTION 9.(b)** This Part becomes effective July 1, 2015.

42 43 **PART IV. ELIMINATION OF CERTAIN TRANSFERS**

44 **SECTION 10.(a)** The total amount of funds transferred each fiscal year from the
45 Highway Fund to the General Fund shall be reduced according to the following schedule:

- 46 (1) For the 2017-2018 fiscal year, the total amount of funds transferred shall be
47 reduced by forty-nine million one hundred forty-five thousand seven
48 hundred forty-five dollars and twenty-five cents (\$49,145,745.25) in
49 recurring funds.
- 50 (2) For the 2018-2019 fiscal year, the total amount of funds transferred shall be
51 reduced by an additional forty-nine million one hundred forty-five thousand

seven hundred forty-five dollars and twenty-five cents (\$49,145,745.25) in recurring funds.

(3) For the 2019-2020 fiscal year, the total amount of funds transferred shall be reduced by an additional forty-nine million one hundred forty-five thousand seven hundred forty-five dollars and twenty-five cents (\$49,145,745.25) in recurring funds.

(4) For the 2020-2021 fiscal year, the total amount of funds transferred shall be reduced by an additional forty-nine million one hundred forty-five thousand seven hundred forty-five dollars and twenty-five cents (\$49,145,745.25) in recurring funds and, except for transfers required by statute, any transfer of funds from the Highway Fund to the General Fund shall be eliminated.

SECTION 10.(b) G.S. 105-449.125 reads as rewritten:

"§ 105-449.125. Distribution of tax revenue among various funds and accounts.

The Secretary shall allocate the amount of revenue collected under this Article from an excise tax of one-half cent (1/2¢) a gallon to the following funds and accounts in the fraction indicated:

<u>Fund or Account</u>	<u>Amount</u>
Commercial Leaking Petroleum	
Underground Storage Tank Cleanup Fund	Nineteen thirty-seconds
Noncommercial Leaking Petroleum	
Underground Storage Tank Cleanup Fund	Three thirty-seconds
Water and Air Quality Account	Five sixteenths.

The Secretary shall allocate seventy-five percent (75%) of the remaining excise tax revenue collected under this Article to the Highway Fund and shall allocate twenty-five percent (25%) to the Highway Trust Fund.

The Secretary shall charge a proportionate share of a refund allowed under this Article to each fund or account to which revenue collected under this Article is credited. The Secretary shall credit revenue or charge refunds to the appropriate funds or accounts on a monthly basis."

SECTION 10.(c) Subsection (b) of this section becomes effective January 1, 2016.

The remainder of this section is effective when the act becomes law.

PART V. DMV FEES

SECTION 11. G.S. 20-7 reads as rewritten:

"§ 20-7. Issuance and renewal of drivers licenses.

...

(i) Fees. – The fee for a regular drivers license is the amount set in the following table multiplied by the number of years in the period for which the license is issued:

Class of Regular License	Fee for Each Year
Class A	\$4.00 <u>\$6.00</u>
Class B	\$4.00 <u>\$6.00</u>
Class C	\$4.00 <u>\$6.00</u>

The fee for a motorcycle endorsement is ~~one dollar and seventy-five cents (\$1.75)~~two dollars and sixty cents (\$2.60) for each year of the period for which the endorsement is issued. The appropriate fee shall be paid before a person receives a regular drivers license or an endorsement.

(i1) Restoration Fee. – Any person whose drivers license has been revoked pursuant to the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of ~~fifty dollars (\$50.00)~~seventy-five dollars (\$75.00). A person whose drivers license has been revoked under G.S. 20-17(a)(2) shall pay a restoration fee of ~~one hundred dollars (\$100.00)~~one hundred fifty dollars (\$150.00). The fee shall be paid to the Division prior to the issuance to such person of a new drivers license or the restoration of the drivers license. The restoration fee

1 shall be paid to the Division in addition to any and all fees which may be provided by law. This
2 restoration fee shall not be required from any licensee whose license was revoked or voluntarily
3 surrendered for medical or health reasons whether or not a medical evaluation was conducted
4 pursuant to this Chapter. The ~~fifty-dollar (\$50.00) fee, seventy-five-dollar (\$75.00) fee,~~ and the
5 first ~~fifty-dollars (\$50.00) one hundred dollars (\$100.00)~~ of the ~~one hundred dollar~~
6 ~~(\$100.00) one hundred fifty-dollar (\$150.00)~~ fee, shall be deposited in the Highway Fund.
7 Twenty-five dollars (\$25.00) of the ~~one hundred dollar (\$100.00) one hundred fifty-dollar~~
8 ~~(\$150.00)~~ fee shall be used to fund a statewide chemical alcohol testing program administered
9 by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the
10 Department of Health and Human Services. The remainder of the ~~one hundred dollar~~
11 ~~(\$100.00) one hundred fifty-dollar (\$150.00)~~ fee shall be deposited in the General Fund. The
12 Office of State Budget and Management shall annually report to the General Assembly the
13 amount of fees deposited in the General Fund and transferred to the Forensic Tests for Alcohol
14 Branch of the Chronic Disease and Injury Section of the Department of Health and Human
15 Services under this subsection.

16 Effective with the 2011-2012 fiscal year, from the funds deposited in the General Fund
17 under this subsection the sum of five hundred thirty-seven thousand four hundred fifty-five
18 dollars (\$537,455) shall be transferred annually to the Board of Governors of The University of
19 North Carolina to be used for the operating expenses of the Bowles Center for Alcohol Studies
20 at The University of North Carolina at Chapel Hill.

21 ...

22 (l) Learner's Permit. – A person who is at least 18 years old may obtain a learner's
23 permit. A learner's permit authorizes the permit holder to drive a specified type or class of
24 motor vehicle while in possession of the permit. A learner's permit is valid for a period of 18
25 months after it is issued. The fee for a learner's permit is ~~fifteen dollars (\$15.00), twenty-two~~
26 ~~dollars and fifty cents (\$22.50).~~ A learner's permit may be renewed, or a second learner's permit
27 may be issued, for an additional period of 18 months. The permit holder must, while operating
28 a motor vehicle over the highways, be accompanied by a person who is licensed to operate the
29 motor vehicle being driven and is seated beside the permit holder.

30"

31 **SECTION 12.** G.S. 20-11(j) reads as rewritten:

32 "(j) Duration and Fee. — A limited learner's permit expires on the eighteenth birthday of
33 the permit holder. A limited provisional license expires on the eighteenth birthday of the
34 license holder. A limited learner's permit or limited provisional license issued under this section
35 that expires on a weekend or State holiday shall remain valid through the fifth regular State
36 business day following the date of expiration. A full provisional license expires on the date set
37 under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is
38 ~~fifteen dollars (\$15.00), twenty-two dollars and fifty cents (\$22.50).~~ The fee for a full
39 provisional license is the amount set under G.S. 20-7(i)."

40 **SECTION 13.** G.S. 20-14 reads as rewritten:

41 "**§ 20-14. Duplicate licenses.**

42 A person may obtain a duplicate of a license issued by the Division by paying a fee of ~~ten~~
43 ~~dollars (\$10.00) fifteen dollars (\$15.00)~~ and giving the Division satisfactory proof that any of
44 the following has occurred:

- 45 (1) The person's license has been lost or destroyed.
- 46 (2) It is necessary to change the name or address on the license.
- 47 (3) Because of age, the person is entitled to a license with a different color
48 photographic background or a different color border.
- 49 (4) The Division revoked the person's license, the revocation period has expired,
50 and the period for which the license was issued has not expired."

51 **SECTION 14.** G.S. 20-16(e) reads as rewritten:

"(e) The Division may conduct driver improvement clinics for the benefit of those who have been convicted of one or more violations of this Chapter. Each driver attending a driver improvement clinic shall pay a fee of ~~fifty dollars (\$50.00)~~ seventy-five dollars (\$75.00)."

SECTION 15. G.S. 20-26(c) reads as rewritten:

"(c) The Division shall furnish copies of license records required to be kept by subsection (a) of this section in accordance with G.S. 20-43.1 to other persons for uses other than official upon prepayment of the following fees:

- (1) Limited extract copy of license record, for period up to three years~~\$8.00~~\$12.00
- (2) Complete extract copy of license record.....~~8.00~~12.00
- (3) Certified true copy of complete license record~~11.00~~16.50.

All fees received by the Division under this subsection shall be credited to the Highway Fund."

SECTION 16. G.S. 20-37.15(a1) reads as rewritten:

"(a1) The application must be accompanied by a nonrefundable application fee of ~~thirty dollars (\$30.00)~~ forty-five dollars (\$45.00). This fee does not apply in any of the following circumstances:

- (1) When an individual surrenders a commercial driver learner's permit issued by the Division when submitting the application.
- (2) When the application is to renew a commercial drivers license issued by the Division.

This fee shall entitle the applicant to three attempts to pass the written knowledge test without payment of a new fee. No application fee shall be charged to an applicant eligible for a waiver under G.S. 20-37.13(c)."

SECTION 17. G.S. 20-37.16(d) reads as rewritten:

"(d) The fee for a Class A, B, or C commercial drivers license is ~~fifteen dollars (\$15.00)~~ twenty-two dollars and fifty cents (\$22.50) for each year of the period for which the license is issued. The fee for each endorsement is ~~three dollars (\$3.00)~~ four dollars and fifty cents (\$4.50) for each year of the period for which the endorsement is issued. The fees required under this section do not apply to employees of the Driver License Section of the Division who are designated by the Commissioner."

SECTION 18. G.S. 20-42(b) reads as rewritten:

"(b) The Commissioner and officers of the Division designated by the Commissioner may prepare under the seal of the Division and deliver upon request a certified copy of any document of the Division for a fee. The fee for a document, other than an accident report under G.S. 20-166.1, is ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00). The fee for an accident report is five dollars (\$5.00). A certified copy shall be admissible in any proceeding in any court in like manner as the original thereof, without further certification. The certification fee does not apply to a document furnished for official use to a judicial official or to an official of the federal government, a state government, or a local government."

SECTION 19. G.S. 20-50(b) reads as rewritten:

"(b) The Division may issue a temporary license plate for a vehicle. A temporary license plate is valid for the period set by the Division. The period may not be less than 10 days nor more than 60 days.

A person may obtain a temporary license plate for a vehicle by filing an application with the Division and paying the required fee. An application must be filed on a form provided by the Division.

The fee for a temporary license plate that is valid for 10 days is ~~five dollars (\$5.00)~~ seven dollars and fifty cents (\$7.50). The fee for a temporary license plate that is valid for more than 10 days is the amount that would be required with an application for a license plate for the vehicle. If a person obtains for a vehicle a temporary license plate that is valid for more than 10 days and files an application for a license plate for that vehicle before the temporary license

1 plate expires, the person is not required to pay the fee that would otherwise be required for the
2 license plate.

3 A temporary license plate is subject to the following limitations and conditions:

- 4 (1) It may be issued only upon proper proof that the applicant has met the
- 5 applicable financial responsibility requirements.
- 6 (2) It expires on midnight of the day set for expiration.
- 7 (3) It may be used only on the vehicle for which issued and may not be
- 8 transferred, loaned, or assigned to another.
- 9 (4) If it is lost or stolen, the person who applied for it must notify the Division.
- 10 (5) It may not be issued by a dealer.
- 11 (6) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 that apply to license
- 12 plates apply to temporary license plates insofar as possible."

13 **SECTION 20.** G.S. 20-73(c) reads as rewritten:

14 "(c) Penalties. – A person to whom a vehicle is transferred who fails to apply for a
15 certificate of title within the required time is subject to a civil penalty of ~~fifteen dollars~~
16 ~~(\$15.00)~~ twenty-two dollars and fifty cents (\$22.50) and is guilty of a Class 2 misdemeanor. A
17 person who undertakes to apply for a certificate of title on behalf of another person and who
18 fails to apply for a title within the required time is subject to a civil penalty of ~~fifteen dollars~~
19 ~~(\$15.00)~~ twenty-two dollars and fifty cents (\$22.50). When a person to whom a vehicle is
20 transferred fails to obtain a title within the required time because a person who undertook to
21 apply for the certificate of title did not do so within the required time, the Division may impose
22 a civil penalty only on the person who undertook to apply for the title. Civil penalties collected
23 under this subsection shall be credited to the Highway Fund."

24 **SECTION 21.** G.S. 20-85(a) reads as rewritten:

25 "(a) The following fees are imposed concerning a certificate of title, a registration card,
26 or a registration plate for a motor vehicle. These fees are payable to the Division and are in
27 addition to the tax imposed by Article 5A of Chapter 105 of the General Statutes.

- 28 (1) Each application for certificate of title..... ~~\$40.00~~ \$60.00
- 29 (2) Each application for duplicate or corrected certificate of title ~~15.00~~ 22.50
- 30 (3) Each application of reposessor for certificate of title ~~15.00~~ 22.50
- 31 (4) Each transfer of registration ~~15.00~~ 22.50
- 32 (5) Each set of replacement registration plates ~~15.00~~ 22.50
- 33 (6) Each application for duplicate registration card..... ~~15.00~~ 22.50
- 34 (7) Each application for recording supplementary lien ~~15.00~~ 22.50
- 35 (8) Each application for removing a lien from a certificate of title ~~15.00~~ 22.50
- 36 (9) Each application for certificate of title for a motor vehicle transferred to a
37 manufacturer, as defined in G.S. 20-286, or a motor vehicle retailer for the
38 purpose of resale ~~15.00~~ 22.50
- 39 (10) Each application for a salvage certificate of title made by an insurer or by a
40 used motor vehicle dealer pursuant to subdivision (b)(2) or subsection (e1)
41 of G.S. 20-109.1 ~~15.00~~ 22.50
- 42 (11) Each set of replacement Stock Car Racing Theme plates issued under
43 G.S. 20-79.4 25.00."

44 **SECTION 22.** G.S. 20-85.1(b) reads as rewritten:

45 "(b) The Commissioner and the employees of the Division designated by the
46 Commissioner may prepare and deliver upon request a certificate of title, charging a fee of
47 ~~seventy five dollars (\$75.00)~~ one hundred twelve dollars and fifty cents (\$112.50) for one-day
48 title service, in lieu of the title fee required by G.S. 20-85(a). The fee for one-day title service
49 must be paid by cash or by certified check. This fee shall be credited to the Highway Trust
50 Fund."

51 **SECTION 23.** G.S. 20-87 reads as rewritten:

"§ 20-87. Passenger vehicle registration fees.

These fees shall be paid to the Division annually for the registration and licensing of passenger vehicles, according to the following classifications and schedules:

(1) For-Hire Passenger Vehicles. – The fee for a passenger vehicle that is operated for compensation and has a capacity of 15 passengers or less is ~~seventy-eight dollars (\$78.00)~~ one hundred seventeen dollars (\$117.00). The fee for a passenger vehicle that is operated for compensation and has a capacity of more than 15 passengers is ~~one dollar and forty cents (\$1.40)~~ two dollars and ten cents (\$2.10) per hundred pounds of empty weight of the vehicle.

(2) U-Drive-It Vehicles. – U-drive-it vehicles shall pay the following tax:

Motorcycles:	1-passenger capacity.....	\$18.00 <u>\$27.00</u>
	2-passenger capacity.....	22.00 <u>33.00</u>
	3-passenger capacity.....	26.00 <u>39.00</u>
Automobiles:	15 or fewer passengers	\$51.00 <u>\$76.50</u>
Buses:	16 or more passengers	\$2.00 <u>\$3.00</u> per
		hundred
		pounds of
		empty weight
Trucks under		
7,000 pounds		
that do not		
haul products		
for hire:	4,000 pounds.....	\$41.50 <u>\$62.25</u>
	5,000 pounds.....	\$51.00 <u>\$76.50</u>
	6,000 pounds.....	\$61.00 <u>\$91.50</u>

(5) Private Passenger Vehicles. – There shall be paid to the Division annually, as of the first day of January, for the registration and licensing of private passenger vehicles, fees according to the following classifications and schedules:

Private passenger vehicles of not more than fifteen passengers ~~\$28.00~~\$42.00
Private passenger vehicles over fifteen passengers..... ~~31.00~~46.50

Provided, that a fee of only ~~one dollar (\$1.00)~~ one dollar and fifty cents (\$1.50) shall be charged for any vehicle given by the federal government to any veteran on account of any disability suffered during war so long as such vehicle is owned by the original donee or other veteran entitled to receive such gift under Title 38, section 252, United States Code Annotated.

(6) Private Motorcycles. – The base fee on private passenger motorcycles shall be ~~fifteen dollars (\$15.00)~~ twenty-two dollars and fifty cents (\$22.50); except that when a motorcycle is equipped with an additional form of device designed to transport persons or property, the base fee shall be ~~twenty-two dollars (\$22.00)~~ thirty-three dollars (\$33.00). An additional fee of ~~three dollars (\$3.00)~~ four dollars and fifty cents (\$4.50) is imposed on each private motorcycle registered under this subdivision in addition to the base fee. The revenue from the additional fee, in addition to any other funds appropriated for this purpose, shall be used to fund the Motorcycle Safety Instruction Program created in G.S. 115D-72.

(9) House Trailers. – In lieu of other registration and license fees levied on house trailers under this section or G.S. 20-88, the registration and license fee on house trailers shall be ~~eleven dollars (\$11.00)~~sixteen dollars and fifty cents (\$16.50) for the license year or any portion thereof.

...
 (11) Any vehicle fee determined under this section according to the weight of the vehicle shall be increased by the sum of ~~three dollars (\$3.00)~~four dollars and fifty cents (\$4.50) to arrive at the total fee.

...
 (13) Additional fee for certain electric vehicles. – At the time of an initial registration or registration renewal, the owner of a plug-in electric vehicle that is not a low-speed vehicle and that does not rely on a nonelectric source of power shall pay a fee in the amount of ~~one hundred dollars (\$100.00)~~one hundred fifty dollars (\$150.00) in addition to any other required registration fees."

SECTION 24.(a) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-88.03. Late fee; motor vehicle registration.

(a) Late Fee. – In addition to the applicable fees required under this Article for the registration of a motor vehicle and any interest assessed under G.S. 105-330.4, the Division shall charge a late fee according to the following schedule to a person who pays the applicable registration fee required under this Article after the registration expires:

- (1) If the registration has been expired for less than one month, a late fee of fifteen dollars (\$15.00).
- (2) If the registration has been expired for one month or greater, but less than two months, a late fee of twenty dollars (\$20.00).
- (3) If the registration has been expired for two months or greater, a late fee of twenty-five dollars (\$25.00).

(b) Proceeds. – The clear proceeds of any late fee charged under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(c) Construction. – For purposes of this section, payment by mail of a registration fee required under this Article is considered to be made on the date shown on the postmark stamped by the United States Postal Service. If payment by mail is not postmarked or does not show the date of mailing, the payment is considered to be made on the date the Division receives the payment."

SECTION 24.(b) G.S. 105-330.10 reads as rewritten:

"§ 105-330.10. Disposition of interest.

The interest collected on unpaid registration fees pursuant to G.S. 105-330.4 shall be transferred on a monthly basis to the North Carolina Highway ~~Fund for technology improvements within the Division of Motor Vehicles Fund.~~

SECTION 25. G.S. 20-88 reads as rewritten:

"§ 20-88. Property-hauling vehicles.

...
 (b) The following fees are imposed on the annual registration of self-propelled property-hauling vehicles; the fees are based on the type of vehicle and its weight:

SCHEDULE OF WEIGHTS AND RATES
 Rates Per Hundred Pound Gross Weight

	Farmer Rate
Not over 4,000 pounds	\$0.29\$0.44
4,001 to 9,000 pounds inclusive	.40.60
9,001 to 13,000 pounds inclusive	.50.75

1	13,001 to 17,000 pounds inclusive	<u>.681.02</u>
2	Over 17,000 pounds	<u>.771.16</u>
3	Rates Per Hundred Pound Gross Weight	
4		General Rate
5	Not over 4,000 pounds	\$0.59 <u>\$0.89</u>
6	4,001 to 9,000 pounds inclusive	.811.22
7	9,001 to 13,000 pounds inclusive	1.001.50
8	13,001 to 17,000 pounds inclusive	1.362.04
9	Over 17,000 pounds	1.542.31

10 (1) The minimum fee for a vehicle licensed under this subsection is ~~twenty-four~~
 11 ~~dollars (\$24.00)~~thirty-six dollars (\$36.00) at the former rate and ~~twenty-eight~~
 12 ~~dollars (\$28.00)~~forty-two dollars (\$42.00) at the general rate.

13 ...
 14 (6) There shall be paid to the Division annually the following fees for
 15 "wreckers" as defined under G.S. 20-4.01(50): a wrecker fully equipped
 16 weighing 7,000 pounds or less, ~~seventy-five dollars (\$75.00)~~one hundred
 17 twelve dollars and fifty cents (\$112.50); wreckers weighing in excess of
 18 7,000 pounds shall pay ~~one hundred forty-eight dollars (\$148.00)~~two
 19 hundred twenty-two dollars (\$222.00). Fees to be prorated monthly.
 20 Provided, further, that nothing herein shall prohibit a licensed dealer from
 21 using a dealer's license plate to tow a vehicle for a customer.

22 (c) The fee for a semitrailer or trailer is ~~nineteen dollars (\$19.00)~~twenty-eight dollars
 23 and fifty cents (\$28.50) for each year or part of a year. The fee is payable each year. Upon the
 24 application of the owner of a semitrailer or trailer, the Division may issue a multiyear plate and
 25 registration card for the semitrailer or trailer for a fee of ~~seventy-five dollars (\$75.00)~~one
 26 hundred twelve dollars and fifty cents (\$112.50). A multiyear plate and registration card for a
 27 semitrailer or trailer are valid until the owner transfers the semitrailer or trailer to another
 28 person or surrenders the plate and registration card to the Division. A multiyear plate may not
 29 be transferred to another vehicle.

30 The Division shall issue a multiyear semitrailer or trailer plate in a different color than an
 31 annual semitrailer or trailer plate and shall include the word "multiyear" on the plate. The
 32 Division may not issue a multiyear plate for a house trailer.

33 ...
 34 (i) Any vehicle fee determined under this section according to the weight of the vehicle
 35 shall be increased by the sum of ~~three dollars (\$3.00)~~four dollars and fifty cents (\$4.50)
 36 arrive at the total fee.
 37"

38 **SECTION 26.** G.S. 20-289(a) reads as rewritten:

- 39 "(a) The license fee for each fiscal year, or part thereof, shall be as follows:
- 40 (1) For motor vehicle dealers, distributors, distributor branches, and
 41 wholesalers, ~~seventy dollars (\$70.00)~~one hundred five dollars (\$105.00) for
 42 each place of business.
 - 43 (2) For manufacturers, ~~one hundred fifty dollars (\$150.00)~~two hundred
 44 twenty-five dollars (\$225.00) and for each factory branch in this State, ~~one~~
 45 ~~hundred dollars (\$100.00)~~one hundred fifty dollars (\$150.00).
 - 46 (3) For motor vehicle sales representatives, ~~fifteen dollars (\$15.00)~~twenty-two
 47 dollars and fifty cents (\$22.50).
 - 48 (4) For factory representatives, or distributor representatives, ~~fifteen dollars~~
 49 ~~(\$15.00)~~twenty-two dollars and fifty cents (\$22.50).
 - 50 (5) Repealed by Session Laws 1991, c. 662, s. 4."

51 **SECTION 27.** G.S. 20-385(a) reads as rewritten:

1 "(a) The fees listed in this section apply to a motor carrier. These fees are in addition to
2 any fees required under the Unified Carrier Registration Agreement.

- 3 (1) Repealed by Session Laws 2007-492, s. 5, effective August 30, 2007.
- 4 (2) Application by an intrastate motor carrier for a
5 certificate of exemption 45.0067.50
- 6 (3) Certification by an interstate motor carrier that it is
7 not regulated by the United States Department
8 of Transportation 45.0067.50
- 9 (4) Application by an interstate motor carrier for an
10 emergency trip permit ~~18.00.~~27.00."

11 **SECTION 28.** G.S. 44A-4(b)(1) reads as rewritten:

12 "(b) Notice and Hearings. –

- 13 (1) If the property upon which the lien is claimed is a motor vehicle that is
14 required to be registered, the lienor following the expiration of the relevant
15 time period provided by subsection (a) shall give notice to the Division of
16 Motor Vehicles that a lien is asserted and sale is proposed and shall remit to
17 the Division a fee of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00). The
18 Division of Motor Vehicles shall issue notice by certified mail, return receipt
19 requested, to the person having legal title to the property, if reasonably
20 ascertainable, to the person with whom the lienor dealt if different, and to
21 each secured party and other person claiming an interest in the property who
22 is actually known to the Division or who can be reasonably ascertained. The
23 notice shall state that a lien has been asserted against specific property and
24 shall identify the lienor, the date that the lien arose, the general nature of the
25 services performed and materials used or sold for which the lien is asserted,
26 the amount of the lien, and that the lienor intends to sell the property in
27 satisfaction of the lien. The notice shall inform the recipient that the
28 recipient has the right to a judicial hearing at which time a determination
29 will be made as to the validity of the lien prior to a sale taking place. The
30 notice shall further state that the recipient has a period of 10 days from the
31 date of receipt in which to notify the Division by certified mail, return
32 receipt requested, that a hearing is desired and that if the recipient wishes to
33 contest the sale of his property pursuant to such lien, the recipient should
34 notify the Division that a hearing is desired. The notice shall state the
35 required information in simplified terms and shall contain a form whereby
36 the recipient may notify the Division that a hearing is desired by the return
37 of such form to the Division. The Division shall notify the lienor whether
38 such notice is timely received by the Division. In lieu of the notice by the
39 lienor to the Division and the notices issued by the Division described
40 above, the lienor may issue notice on a form approved by the Division
41 pursuant to the notice requirements above. If notice is issued by the lienor,
42 the recipient shall return the form requesting a hearing to the lienor, and not
43 the Division, within 10 days from the date the recipient receives the notice if
44 a judicial hearing is requested. If the certified mail notice has been returned
45 as undeliverable and the notice of a right to a judicial hearing has been given
46 to the owner of the motor vehicle in accordance with G.S. 20-28.4, no
47 further notice is required. Failure of the recipient to notify the Division or
48 lienor, as specified in the notice, within 10 days of the receipt of such notice
49 that a hearing is desired shall be deemed a waiver of the right to a hearing
50 prior to the sale of the property against which the lien is asserted, and the
51 lienor may proceed to enforce the lien by public or private sale as provided

1 in this section and the Division shall transfer title to the property pursuant to
2 such sale. If the Division or lienor, as specified in the notice, is notified
3 within the 10-day period provided above that a hearing is desired prior to
4 sale, the lien may be enforced by sale as provided in this section and the
5 Division will transfer title only pursuant to the order of a court of competent
6 jurisdiction.

7 If the certified mail notice has been returned as undeliverable, or if the
8 name of the person having legal title to the vehicle cannot reasonably be
9 ascertained and the fair market value of the vehicle is less than eight hundred
10 dollars (\$800.00), the lienor may institute a special proceeding in the county
11 where the vehicle is being held, for authorization to sell that vehicle. Market
12 value shall be determined by the schedule of values adopted by the
13 Commissioner under G.S. 105-187.3.

14 In such a proceeding a lienor may include more than one vehicle, but the
15 proceeds of the sale of each shall be subject only to valid claims against that
16 vehicle, and any excess proceeds of the sale shall be paid immediately to the
17 Treasurer for disposition pursuant to Chapter 116B of the General Statutes.

18 The application to the clerk in such a special proceeding shall contain the
19 notice of sale information set out in subsection (f) hereof. If the application
20 is in proper form the clerk shall enter an order authorizing the sale on a date
21 not less than 14 days therefrom, and the lienor shall cause the application
22 and order to be sent immediately by first-class mail pursuant to G.S. 1A-1,
23 Rule 5, to each person to whom notice was mailed pursuant to this
24 subsection. Following the authorized sale the lienor shall file with the clerk a
25 report in the form of an affidavit, stating that the lienor has complied with
26 the public or private sale provisions of G.S. 44A-4, the name, address, and
27 bid of the high bidder or person buying at a private sale, and a statement of
28 the disposition of the sale proceeds. The clerk then shall enter an order
29 directing the Division to transfer title accordingly.

30 If prior to the sale the owner or legal possessor contests the sale or lien in
31 a writing filed with the clerk, the proceeding shall be handled in accordance
32 with G.S. 1-301.2."

33 **SECTION 29.(a)** For the 2015-2016 fiscal year, twenty percent (20%) of the
34 revenues generated from the fees set forth in subdivisions (1) through (9) of subsection (a) of
35 G.S. 20-85, after the adjustments enacted in this Part, shall be transferred from the Highway
36 Trust Fund to the Highway Fund.

37 **SECTION 29.(b)** For the 2016-2017, 2017-2018, and 2018-2019 fiscal years,
38 thirty-five percent (35%) of the revenues generated from the fees set forth in subdivisions (1)
39 through (9) of subsection (a) of G.S. 20-85, after the adjustments enacted in this Part, shall be
40 transferred from the Highway Trust Fund to the Highway Fund.

41 **SECTION 30.** Subsection (a) of Section 29 of this act becomes effective July 1,
42 2015. Subsection (b) of Section 29 of this act becomes effective July 1, 2016. Section 24 of this
43 act becomes effective July 1, 2016, and applies to renewals of registration and licensing of
44 passenger vehicles on or after that date. The remainder of this Part becomes effective January
45 1, 2016, and applies to issuances, renewals, restorations, and requests on or after that date.

46 47 **PART VI. SUPPLEMENTAL TAX ON GROSS PREMIUMS FROM MOTOR** 48 **VEHICLE INSURANCE CONTRACTS**

49 **SECTION 31.(a)** G.S. 105-228.5(d) is amended by adding a new subdivision to
50 read:

1 "(3a) Additional Rate on Motor Vehicle Insurance Contracts. – An additional tax
2 at the rate of six and one-half percent (6.5%) applies to gross premiums on
3 insurance contracts for motor vehicles. The net proceeds of this additional
4 tax must be credited to the Highway Fund."

5 **SECTION 31.(b)** This section becomes effective January 1, 2016, and applies to
6 motor vehicle insurance contracts entered into or renewed on or after that date.

7 8 **PART VII. ESTABLISH "DOT REPORT" PROGRAM**

9 **SECTION 32.(a)** It is the intent of the General Assembly that North Carolina's
10 reputation as the "Good Roads State" is restored, which requires a partnership between the
11 Governor, the Department of Transportation, the General Assembly, and all North Carolina
12 citizens. Further, the General Assembly finds that improving the condition of North Carolina's
13 roads requires increased oversight, accountability, innovation, and efficiency. It is the belief of
14 the General Assembly that, through increased transparency and responsiveness to the public,
15 the condition of the roads in this State will be the best in the nation within 10 years.

16 **SECTION 32.(b)** To achieve the intent set forth in subsection (a) of this section,
17 the Department of Transportation shall establish and implement the "DOT REPORT" Program
18 (Program). The Program shall include the following components:

- 19 (1) Responsiveness. – The Department of Transportation shall expand the
20 Program to gather citizen input and shall commit to quickly addressing
21 structural problems and other road hazards on State-maintained roads.
22 Citizens may report potholes, drainage issues, culvert blockages, guardrail
23 repairs, damaged or missing signs, malfunctioning traffic lights, highway
24 debris, or shoulder damage to the Department of Transportation by calling
25 1-877-DOT-4YOU or submitting an online work request through the Web
26 site link <http://www.ncdot.gov/reportDOT/fixmyroad>. Beginning January 1,
27 2016, upon receiving a citizen report in accordance with this subdivision, the
28 Department of Transportation shall either address the reported problem or
29 identify a solution to the reported problem. Excluding potholes, which shall
30 be repaired within two business days of the date the report is received, the
31 Department of Transportation shall properly address citizen reports no later
32 than 10 business days after the date the citizen report is received. The
33 Department of Transportation shall transmit information received about
34 potholes or other problems on roads not maintained by the State to the
35 appropriate locality within two business days of receiving the citizen report.
- 36 (2) Efficiency. – The Department of Transportation shall adopt procedures in all
37 stages of the construction process to streamline project delivery, including
38 consolidating environmental review processes, expediting multi-agency
39 reviews, accelerating right-of-way acquisitions, and pursuing design-build
40 and other processes to collapse project stages.

41 By October 1, 2015, the Department of Transportation shall establish a
42 baseline unit pricing structure for transportation goods used in highway
43 maintenance and construction projects and set annual targets for three years
44 based on its unit pricing. In forming the baseline unit prices and future
45 targets, the Department of Transportation shall collect data from each
46 Highway Division on its expenditures on transportation goods during the
47 2015-2016 fiscal year. Beginning January 1, 2016, no Highway Division
48 shall exceed a ten-percent (10%) variance over a baseline unit price set for
49 that year in accordance with this subdivision. The Department of
50 Transportation shall institute quarterly tracking to monitor pricing variances.
51 The ten-percent (10%) maximum variance set under this subdivision is

1 intended to account for regional differences requiring varying product mixes.
2 The Department of Transportation shall report to the Joint Legislative
3 Transportation Oversight Committee and the Fiscal Research Division on
4 October 1, 2015, on information required by this subdivision. If a Highway
5 Division exceeds the unit pricing threshold, the Department of
6 Transportation shall report to the Joint Legislative Transportation Oversight
7 Committee and the Fiscal Research Division no later than the fifteenth day
8 following the end of the quarter on why the variance occurred and what
9 steps are being taken to bring the Highway Division back into compliance.
10 In order to drive savings, unit pricing may be reduced annually as
11 efficiencies are achieved.

12 (3) Performance. – Beginning October 1, 2015, the Secretary of the Department
13 of Transportation shall conduct an annual job satisfaction survey of all
14 Department of Transportation personnel that shall address relationships
15 among all levels of leadership, work environment, issues impacting job
16 performance, and leadership performance in creating the dynamic work
17 environment necessary to meet new performance outcomes. In addition, the
18 Department of Transportation shall conduct an annual survey of North
19 Carolina citizens to measure the level of citizen satisfaction with the
20 condition of the roads and highways of this State. Within 30 days of
21 compiling the information received from surveys conducted in accordance
22 with this subdivision, the results of these surveys shall be reported to the
23 Joint Legislative Transportation Oversight Committee and the Fiscal
24 Research Division.

25 (4) Oversight. – No later than May 1, 2016, and to increase budget transparency
26 and allow for greater legislative and citizen oversight, the Department of
27 Transportation, in consultation with the Fiscal Research Division and the
28 Office of State Budget and Management, shall reclassify the funding source
29 for all full-time positions that are budgeted as receipt-supported on the basis
30 of charging to projects to appropriation and shall adjust budgeted funds
31 accordingly. Employees in the Division of Highways shall be attributed to
32 the respective Highway Division fund codes within the Highway Fund.
33 Notwithstanding any other provision of law, the Department of
34 Transportation is authorized to reallocate sufficient funds from the Primary
35 Maintenance, Secondary Maintenance, and General Maintenance Reserve
36 fund codes to each Highway Division to pay for salary and related costs
37 associated with the reclassified positions. Receipt-supported positions in
38 other organizational units within the Department of Transportation shall be
39 funded through existing fund codes and funding sources for their assigned
40 organizational units.

41 (5) Restructure. – An unbiased review of the organization, staffing, and
42 operations of the Division of Highways within the Department of
43 Transportation is needed to improve the efficiency and effectiveness of the
44 Division of Highways' operations and to align operations and staffing with
45 the strategic goals set for the Division of Highways. To that end, the Joint
46 Legislative Transportation Oversight Committee, through the Fiscal
47 Research Division and in consultation with the Department of
48 Transportation, shall study and review the Division of Highways. The Joint
49 Legislative Transportation Oversight Committee may use a Request for
50 Information process or a Request for Proposals process to contract with a

- 1 qualified consulting firm to perform this review and study. The study and
 2 review, at a minimum, shall include all of the following:
- 3 a. A review of current Division of Highways' operations, staffing
 4 levels, and employee performance management efforts.
 - 5 b. An evaluation of current laws and policies related to Division of
 6 Highways' operations and staffing.
 - 7 c. Recommendations on how best to align staffing with strategic goals
 8 and workload.
 - 9 d. Recommendations on performance- or incentive-based systems to
 10 improve the effectiveness of the Division of Highways.
 - 11 e. Recommendations on whether current laws and policies should be
 12 continued or modified based upon study results and human resource
 13 best practices.

14 Upon request, the Division of Highways shall provide any information, data,
 15 or documents within their possession, available from the Department of
 16 Transportation or other State agency records, as well as any other relevant
 17 information, data, or documents to complete this study and review.
 18 Information, data, and documents shall be provided in a timely manner to
 19 both the Fiscal Research Division and the consultant, if any. Upon request of
 20 the Fiscal Research Division or the consultant, if any, the Division of
 21 Highways shall dedicate and identify staff to aid in the reviews required in
 22 completing this report. The study and review shall be completed by March
 23 31, 2016. The Joint Legislative Transportation Oversight Committee shall
 24 report its findings to the 2015 Regular Session of the General Assembly
 25 upon its convening in 2016.

- 26 (6) Transparency. – In order for the public to access up-to-date information on
 27 highway and bridge projects and hold the Department of Transportation
 28 accountable for completing projects on time, the Department of
 29 Transportation shall adjust its performance dashboard available on the
 30 Department of Transportation's home page to track the weekly progress of
 31 all of the following:

 - 32 a. Maintenance projects costing over one million dollars (\$1,000,000).
 - 33 b. Bridge replacement projects.
 - 34 c. Bridge repair and bridge renovation projects requiring road closures
 35 in excess of 24 hours.
 - 36 d. All construction projects included in the five-year State
 37 Transportation Improvement Program.

38 The Department of Transportation's performance dashboard shall also be
 39 expanded to include Highway Division- and county-specific data with more
 40 detailed financial reporting and project delivery tracking. Dashboard
 41 enhancements required under this subdivision shall be completed by March
 42 1, 2016.

43 **SECTION 32.(c)** This section is effective when this act becomes law.

44
 45 **PART VIII. APPROPRIATIONS**

46 **SECTION 33.(a)** Notwithstanding G.S. 143C-5-2, there is appropriated from the
 47 Highway Fund to the Department of Transportation the sum of three hundred million dollars
 48 (\$300,000,000) in nonrecurring funds for the 2015-2016 fiscal year to be used for the following
 49 purposes:

- 50 (1) Sixty percent (60%) of the appropriated funds for contract resurfacing.
 51 Funds under this subdivision shall be distributed evenly to each county in the

1 State. To the extent practicable, counties shall collaborate if contract
2 resurfacing projects paid for with funds received under this subdivision will
3 involve the resurfacing of roads located in multiple counties. If funds
4 received under this subdivision are not needed for resurfacing, counties may
5 use the funds to repaint road markings. By July 15, 2016, the Department of
6 Transportation shall report to the Joint Legislative Transportation Oversight
7 Committee on the amount of lane miles treated by county, the amount
8 expended per lane mile by county, explain significant discrepancies in the
9 cost per lane mile between counties, and, if applicable, the amount expended
10 on road markings by county. All funds distributed under this subdivision
11 shall be expended by June 30, 2016.

12 (2) Twenty percent (20%) of the appropriated funds for (i) the modernization of
13 the seaports located in Wilmington and Morehead City, including roadway
14 and railroad construction projects that provide direct access to the seaports
15 and (ii) maintenance and dredging of inlets and navigation channels for
16 maritime commerce pursuant to a memorandum of agreement entered into
17 with the United States Army Corps of Engineers or other necessary means.

18 (3) Ten percent (10%) of the appropriated funds to municipalities for the
19 resurfacing of streets within the municipalities. The Department of
20 Transportation shall provide funding under this subdivision in accordance
21 with the formula set forth in G.S. 136-41.1. Funds under this subdivision
22 shall be distributed to the recipient municipality in two equal shares on
23 September 1, 2015, and February 1, 2016. By August 15, 2015, each
24 municipality shall (i) post on its Web site a schedule and list of resurfacing
25 projects for which the funding will be used and (ii) send a copy of this list to
26 the Department of Transportation along with an accounting of the amount of
27 contract resurfacing funds expended from funds received under
28 G.S. 136-41.1 during the 2014-2015 fiscal year. A municipality shall return
29 or forfeit funding received under this subdivision if, by August 15, 2016, the
30 municipality does not provide to the Department of Transportation
31 documentation detailing how funds received under this subdivision were
32 expended and the amount of lane miles treated on resurfacing projects
33 funded under this subdivision during the 2015-2016 fiscal year. If funds for
34 the purpose set forth in this subdivision are remaining at the end of the
35 2015-2016 fiscal year, these funds shall not revert but shall remain available
36 for this purpose or to provide to municipalities for repainting road markings.

37 (4) Ten percent (10%) of the appropriated funds for repair, rehabilitation, and
38 replacement of structurally deficient bridges.

39 **SECTION 33.(b)** Notwithstanding G.S. 143C-5-2, there is appropriated from the
40 Highway Fund to the Department of Transportation the sum of five hundred thirty million
41 dollars (\$530,000,000) in nonrecurring funds for the 2016-2017 fiscal year to be used for the
42 following purposes:

43 (1) Sixty-five percent (65%) of the appropriated funds for contract resurfacing.
44 Funds under this subdivision shall be distributed evenly to each county in the
45 State. To the extent practicable, counties shall collaborate if contract
46 resurfacing projects paid for with funds received under this subdivision will
47 involve the resurfacing of roads located in multiple counties. If funds
48 received under this subdivision are not needed for resurfacing, counties may
49 use the funds to repaint road markings. By July 15, 2017, the Department of
50 Transportation shall report to the Joint Legislative Transportation Oversight
51 Committee on the amount of lane miles treated by county, the amount

1 expended per lane mile by county, explain significant discrepancies in the
2 cost per lane mile between counties, and, if applicable, the amount expended
3 on road markings by county. All funds distributed under this subdivision
4 shall be expended by June 30, 2017.

5 (2) Twenty percent (20%) of the appropriated funds for (i) the modernization of
6 the seaports located in Wilmington and Morehead City, including roadway
7 and railroad construction projects that provide direct access to the seaports
8 and (ii) maintenance and dredging of inlets and navigation channels for
9 maritime commerce pursuant to a memorandum of agreement entered into
10 with the United States Army Corps of Engineers or other necessary means.

11 (3) Ten percent (10%) of the appropriated funds to municipalities for the
12 resurfacing of streets within the municipalities. The Department of
13 Transportation shall provide funding under this subdivision in accordance
14 with the formula set forth in G.S. 136-41.1. Funds under this subdivision
15 shall be distributed to the recipient municipality in two equal shares on
16 September 1, 2016, and February 1, 2017. By August 15, 2016, each
17 municipality shall (i) post on its Web site a schedule and list of resurfacing
18 projects for which the funding will be used and (ii) send a copy of this list to
19 the Department of Transportation along with an accounting of contract
20 resurfacing funds expended and the number of lane miles treated from funds
21 received from the October 1 and January 1 allocations under G.S. 136-41.1
22 during the 2015-2016 fiscal year. A municipality shall be ineligible to
23 receive funds under this subdivision if the amount of funds expended on
24 resurfacing during the 2015-2016 fiscal year from the October 1 and January
25 1 allocations is less than the amount spent by the municipality on resurfacing
26 during the 2014-2015 fiscal year. A municipality shall return or forfeit
27 funding received under this subdivision if, by August 15, 2017, the
28 municipality does not provide to the Department of Transportation
29 documentation detailing how funds received under this subdivision were
30 expended and the amount of lane miles treated on resurfacing projects
31 funded under this subdivision during the 2016-2017 fiscal year. If funds for
32 the purpose set forth in this subdivision are remaining at the end of the
33 2016-2017 fiscal year, these funds shall not revert but shall remain available
34 for this purpose or to provide to municipalities for repainting road markings.

35 (4) Five percent (5%) of the appropriated funds for repair, rehabilitation, and
36 replacement of structurally deficient bridges.

37 **SECTION 33.(c)** Notwithstanding G.S. 143C-5-2, there is appropriated from the
38 Highway Fund to the Department of Transportation the sum of five hundred thirty million
39 dollars (\$530,000,000) in nonrecurring funds for the 2017-2018 fiscal year to be used for the
40 following purposes:

41 (1) Forty-five percent (45%) of the appropriated funds for contract resurfacing.
42 Funds under this subdivision shall be distributed evenly to each county in the
43 State. To the extent practicable, counties shall collaborate if contract
44 resurfacing projects paid for with funds received under this subdivision will
45 involve the resurfacing of roads located in multiple counties. If funds
46 received under this subdivision are not needed for resurfacing, counties may
47 use the funds to repaint road markings. By July 15, 2018, the Department of
48 Transportation shall report to the Joint Legislative Transportation Oversight
49 Committee on the amount of lane miles treated by county, the amount
50 expended per lane mile by county, explain significant discrepancies in the
51 cost per lane mile between counties, and, if applicable, the amount expended

1 on road markings by county. All funds distributed under this subdivision
2 shall be expended by June 30, 2018.

3 (2) Forty percent (40%) of the appropriated funds for (i) the modernization of
4 the seaports located in Wilmington and Morehead City, including roadway
5 and railroad construction projects that provide direct access to the seaports
6 and (ii) maintenance and dredging of inlets and navigation channels for
7 maritime commerce pursuant to a memorandum of agreement entered into
8 with the United States Army Corps of Engineers or other necessary means.
9 The Secretary of Transportation may transfer all or part of the funds
10 appropriated under this subdivision to the Highway Trust Fund for use in
11 accordance with G.S. 136-189.11 if the Secretary determines that all or part
12 of the funds are not needed for the purposes set forth in this subdivision.

13 (3) Ten percent (10%) of the appropriated funds to reimburse municipalities for
14 the resurfacing of streets within the municipalities. The Department of
15 Transportation shall provide funding under this subdivision in accordance
16 with the formula set forth in G.S. 136-41.1. Funds under this subdivision
17 shall be distributed to the recipient municipality in two equal shares on
18 September 1, 2017, and February 1, 2018. By August 15, 2017, each
19 municipality shall (i) post on its Web site a schedule and list of resurfacing
20 projects for which the funding will be used and (ii) send a copy of this list to
21 the Department of Transportation along with an accounting of contract
22 resurfacing funds expended and the number of lane miles treated from funds
23 received from the October 1 and January 1 allocations under G.S. 136-41.1
24 during the 2016-2017 fiscal year. A municipality shall be ineligible to
25 receive funds under this subdivision if the amount of funds expended on
26 resurfacing during the 2016-2017 fiscal year from the October 1 and January
27 1 allocations is less than the amount spent by the municipality on resurfacing
28 during the 2015-2016 fiscal year. A municipality shall return or forfeit
29 funding received under this subdivision if, by August 15, 2018, the
30 municipality does not provide to the Department of Transportation
31 documentation detailing how funds received under this subdivision were
32 expended and the amount of lane miles treated on resurfacing projects
33 funded under this subdivision during the 2017-2018 fiscal year. If funds for
34 the purpose set forth in this subdivision are remaining at the end of the
35 2017-2018 fiscal year, these funds shall not revert but shall remain available
36 for this purpose or to provide to municipalities for repainting road markings.

37 (4) Five percent (5%) of the appropriated funds for repair, rehabilitation, and
38 replacement of structurally deficient bridges.

39 **SECTION 33.(d)** Notwithstanding G.S. 143C-5-2, there is appropriated from the
40 Highway Fund to the Department of Transportation the sum of five hundred thirty million
41 dollars (\$530,000,000) in nonrecurring funds for the 2018-2019 fiscal year to be used for the
42 following purposes:

43 (1) Forty-five percent (45%) of the appropriated funds for contract resurfacing.
44 Funds under this subdivision shall be distributed evenly to each county in the
45 State. To the extent practicable, counties shall collaborate if contract
46 resurfacing projects paid for with funds received under this subdivision will
47 involve the resurfacing of roads located in multiple counties. If funds
48 received under this subdivision are not needed for resurfacing, counties may
49 use the funds to repaint road markings. By July 15, 2019, the Department of
50 Transportation shall report to the Joint Legislative Transportation Oversight
51 Committee on the amount of lane miles treated by county, the amount

1 expended per lane mile by county, explain significant discrepancies in the
2 cost per lane mile between counties, and, if applicable, the amount expended
3 on road markings by county. All funds distributed under this subdivision
4 shall be expended by June 30, 2019.

5 (2) Forty percent (40%) of the appropriated funds for (i) the modernization of
6 the seaports located in Wilmington and Morehead City, including roadway
7 and railroad construction projects that provide direct access to the seaports
8 and (ii) maintenance and dredging of inlets and navigation channels for
9 maritime commerce pursuant to a memorandum of agreement entered into
10 with the United States Army Corps of Engineers or other necessary means.
11 The Secretary of Transportation may transfer all or part of the funds
12 appropriated under this subdivision to the Highway Trust Fund for use in
13 accordance with G.S. 136-189.11 if the Secretary determines that all or part
14 of the funds are not needed for the purposes set forth in this subdivision.

15 (3) Ten percent (10%) of the appropriated funds to reimburse municipalities for
16 the resurfacing of streets within the municipalities. The Department of
17 Transportation shall provide funding under this subdivision in accordance
18 with the formula set forth in G.S. 136-41.1. Funds under this subdivision
19 shall be distributed to the recipient municipality in two equal shares on
20 September 1, 2018, and February 1, 2019. By August 15, 2018, each
21 municipality shall (i) post on its Web site a schedule and list of resurfacing
22 projects for which the funding will be used and (ii) send a copy of this list to
23 the Department of Transportation along with an accounting of contract
24 resurfacing funds expended and the number of lane miles treated from funds
25 received from the October 1 and January 1 allocations under G.S. 136-41.1
26 during the 2017-2018 fiscal year. A municipality shall be ineligible to
27 receive funds under this subdivision if the amount of funds expended on
28 resurfacing during the 2017-2018 fiscal year from the October 1 and January
29 1 allocations is less than the amount spent by the municipality on resurfacing
30 during the 2016-2017 fiscal year. A municipality shall return or forfeit
31 funding received under this subdivision if, by August 15, 2019, the
32 municipality does not provide to the Department of Transportation
33 documentation detailing how funds received under this subdivision were
34 expended and the amount of lane miles treated on resurfacing projects
35 funded under this subdivision during the 2018-2019 fiscal year. If funds for
36 the purpose set forth in this subdivision are remaining at the end of the
37 2018-2019 fiscal year, these funds shall not revert but shall remain available
38 for this purpose or to provide to municipalities for repainting road markings.

39 (4) Five percent (5%) of the appropriated funds for repair, rehabilitation, and
40 replacement of structurally deficient bridges.

41 **SECTION 33.(e)** Subsection (a) of this section becomes effective July 1, 2015.

42 Subsection (b) of this section becomes effective July 1, 2016. Subsection (c) of this section
43 becomes effective July 1, 2017. Subsection (d) of this section becomes effective July 1, 2018.
44 The remainder of this section is effective when this act becomes law.

45 **PART IX. HEADINGS/EFFECTIVE DATE**

46 **SECTION 34.** The headings of the Parts of this act are a convenience to the reader
47 and are for reference only. The headings do not expand, limit, or define the text of this act.

48 **SECTION 35.** Except as otherwise provided in this act, this act is effective when it
49 becomes law.
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