

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

SESSION LAW 2026-46
HOUSE BILL 1094

AN ACT TO DIRECT THE OFFICE OF THE STATE AUDITOR TO CONDUCT A PERFORMANCE AUDIT OF THE FERRY DIVISION OF THE DEPARTMENT OF TRANSPORTATION, AS RECOMMENDED BY THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE, AND TO MAKE OTHER CHANGES TO LAWS RELATED TO MOTOR VEHICLES AND TRANSPORTATION.

The General Assembly of North Carolina enacts:

FERRY DIVISION PERFORMANCE AUDIT

SECTION 1.(a) The Office of the State Auditor shall conduct a performance audit of the Ferry Division of the Department of Transportation, which shall include all of the following:

- (1) A financial audit of the Division's operations and maintenance spending and budget practices.
- (2) An evaluation of the Division's operations, capital project, and maintenance activities, and suggestions for long-term strategies to maximize revenue and reduce costs.
- (3) An evaluation of the current route system and potential route and schedule adjustments to maximize revenue and reduce costs.
- (4) An evaluation of potential options to diversify revenue to support ferry capital project needs and recoup operating costs.
- (5) Other items the State Auditor deems relevant to evaluate.

SECTION 1.(b) No later than January 15, 2027, the State Auditor shall provide a report of the performance audit required by this section to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

DIVISION OF MOTOR VEHICLES PERCENTAGE-BASED FUNDING MODEL STUDY

SECTION 2.(a) The Department of Transportation, Division of Motor Vehicles (Division), shall study the feasibility of transitioning Division funding to a percentage-of-revenue-based model. The study shall include an evaluation of:

- (1) The advantages and disadvantages of the current fixed-budget appropriation model, including its limitations in responding to fluctuations in Division services demand.
- (2) The feasibility of implementing a percentage-of-revenue-based model (i) under which the Division's budget authority is tied to revenue sources collected by the Division and (ii) under which the Division would have authority to adjust operational and staffing expenditures to adjust with demand for services and collection of revenue.
- (3) Funding models used by motor vehicle agencies in other states, including models that incorporate:
 - a. Percentage-of-revenue-based appropriations or models.



- b. Fee retention or enterprise-style funding structures.
- c. Demand-driven or workload-based budgeting.
- (4) Legal or budgetary constraints related to a change in funding models. In evaluating this, the Division shall consult with the Office of State Budget and Management (OSBM) to determine the impact of a new funding model on:
 - a. Budget adjustment practices set forth in the State Budget Act, Chapter 143C of the General Statutes.
 - b. The fiscal impact on the Department of Transportation and the Division of having a percentage-of-revenue-based funding model rather than a fixed-budget appropriation.
- (5) The fiscal impact of the quadrennial adjustment to fees and rates pursuant to G.S. 20-4.02, on the Division's budget, assuming a percentage-of-revenue-based funding model.
- (6) Potential impacts of a percentage-of-revenue-based model on the Division's:
 - a. Customer service levels and wait times.
 - b. Staffing and operational capacity.
 - c. Technology modernization efforts.
 - d. Accountability and legislative oversight.
- (7) Potential fiscal impacts of a percentage-of-revenue-based model for the Division on the Department of Transportation's budgeting and funding of other Department operations.
- (8) Performance-based pay structure for drivers license examiners.
- (9) Any other information relevant to this study.

SECTION 2.(b) The Division shall submit a report of its findings and recommendations, including legislative recommendations necessary to implement a percentage-of-revenue-based funding model, to the Joint Legislative Transportation Oversight Committee, the House of Representatives Appropriations Committee on Transportation, the Senate Appropriations Committee on the Department of Transportation, the Fiscal Research Division, and OSBM no later than January 1, 2027.

ALLOW EARLY RENEWALS OF DRIVERS LICENSES

SECTION 3.(a) G.S. 20-7(f)(3a) reads as rewritten:

"(3a) When to renew. – A person may apply to the Division to renew a license during the 180-day period at any time before the license expires. The Division may not accept an application for renewal made before the 180-day period begins. The fee for a regular drivers license renewed during the 180-day period before the license expires is the fee set out in subsection (i) of this section. The fee for a regular drivers license renewed more than 180 days before the license expires is the fee for a duplicate license set out in G.S. 20-14, plus the fee for a regular drivers license set out in subsection (i) of this section, minus the per year fee set out in subsection (i) of this section for each full year of validity remaining in the period for which the license was issued."

SECTION 3.(b) This section becomes effective October 1, 2026.

AUTHORIZE DIVISION TO PROVIDE ELECTRONIC UNREDACTED CRASH REPORTS TO PERSONS DIRECTLY INVOLVED IN A CRASH

SECTION 4. G.S. 20-43.1 reads as rewritten:

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

...

(e2) As authorized in 18 U.S.C. § 2721, the Division may provide, by secure electronic means, an unredacted crash report, collected pursuant to G.S. 20-166.1, to a person directly involved in the crash.

...."

PROVIDE ADDITIONAL TIME TO RESPOND TO INSURANCE LAPSE NOTICES

SECTION 5.(a) G.S. 20-311(a) reads as rewritten:

"(a) Action. – When the Division receives evidence, by a notice of termination of a motor vehicle liability policy or otherwise, that the owner of a motor vehicle registered or required to be registered in this State does not have financial responsibility for the operation of the vehicle, the Division shall notify the owner electronically or by mail. The notice shall inform the owner of the evidence demonstrating lapse and that the owner must respond to the notice within ~~40~~30 days of the date the notice was sent. The owner's response must explain how the owner has met the duty to have continuous financial responsibility for the vehicle. Based on the owner's response, the Division shall take the appropriate action listed:

...."

SECTION 5.(b) This section becomes effective October 1, 2026, and applies to notices issued on or after that date.

ELIMINATE MANDATORY DEALER LICENSE PLATE REPLACEMENT

SECTION 6. G.S. 20-79(c1) is repealed.

ELIMINATE MANDATORY LICENSE PLATE REPLACEMENT AND ADDITIONAL REFLECTIVITY STANDARDS

SECTION 6.5. G.S. 20-63.1 reads as rewritten:

"§ 20-63.1. Division shall cause plates to be reflectorized.

(a) Registration Plate Standards. – The Division of Motor Vehicles is hereby authorized to cause vehicle license plates for 1968 and future years to be completely treated with reflectorized materials designed to increase visibility and legibility of license plates at night.~~The Division of Motor Vehicles shall develop standards for reflectivity that use the most current technology available while maintaining a competitive bid process.~~

(b) ~~Registration Plate Mandatory Replacement. – All registration plates shall be replaced every seven years."~~

FEE ADJUSTMENT AND COMMISSION CONTRACTOR CLARIFICATIONS

SECTION 7.(a) It is the intent of this section to clarify the existing law as it pertains to (i) the fee established pursuant to G.S. 20-85(a)(12) and the quadrennial adjustment for inflation established pursuant to G.S. 20-4.02, (ii) the offer of commission contracts to individuals pursuant to G.S. 20-63(h), and (iii) the sale of a commission contract business pursuant to G.S. 20-63(h).

SECTION 7.(b) The General Assembly makes the following findings of fact:

- (1) Section 20(b) of S.L. 2024-30 repealed the application fee for a certificate of title prepared and delivered using a one-day title service pursuant to G.S. 20-85.1.
- (2) Section 20(a) of S.L. 2024-30 recodified the application fee for a certificate of title prepared and delivered using a one-day title service as G.S. 20-85(a)(12).
- (3) Section 20(f) of S.L. 2024-30 listed without discontinuation the application fee for a certificate of title prepared and delivered using a one-day title service created pursuant to G.S. 20-85.1 and recodified as G.S. 20-85(a)(12) among

the fees subject to quadrennial adjustment for inflation by amending G.S. 20-4.02(a)(10).

- (4) Subsections (a), (b), and (f) of Section 20 of S.L. 2024-30 all became effective July 1, 2024.
- (5) The intent of the General Assembly in Section 20 of S.L. 2024-30 was to recodify the application fee created by G.S. 20-85.1 as G.S. 20-85(a)(12) without any discontinuation of that fee and to make that fee subject to the July 1, 2024, quadrennial adjustment for inflation and all subsequent quadrennial adjustments for inflation.

SECTION 7.(c) Therefore, the General Assembly finds that the Division of Motor Vehicles' interpretation that the fee established by G.S. 20-85(a)(12) is not subject to the July 1, 2024, quadrennial adjustment for inflation, and all subsequent quadrennial adjustments for inflation, is inconsistent with the legislature's intentions. The Division is directed to comply with the intent of Section 20 of S.L. 2024-30 and apply the July 1, 2024, quadrennial adjustment for inflation and all subsequent quadrennial adjustments for inflation mandated by G.S. 20-4.02(a)(10) to the fee recodified as G.S. 20-85(a)(12).

SECTION 7.(d) G.S. 20-63 reads as rewritten:

"§ 20-63. Registration plates furnished by Division; requirements; replacement of regular plates with First in Flight plates, First in Freedom plates, or National/State Mottos plates; surrender and reissuance; displaying; preservation and cleaning; alteration or concealment of numbers; commission contracts for issuance.

...

(h) Commission Contracts for Issuance of Plates and Certificates. – All registration plates, registration certificates, and certificates of title issued by the Division, outside of those issued from the office of the Division located in Wake, Cumberland, or Mecklenburg Counties and those issued and handled through the United States mail, shall be issued insofar as practicable and possible through commission contracts entered into by the Division for the issuance of the plates and certificates in localities throughout North Carolina, including military installations within this State, with persons, firms, corporations or governmental subdivisions of the State of North Carolina. The Division shall not require a business entity to contract with the Division as an individual as a prerequisite for a commission contract offer but instead the Division shall accept applications for new commission contracts or renewal of existing contracts and enter into contracts with commission contractors in the commission contractor's business entity name, unless the commission contractor chooses to enter into a contract as an individual. If a commission contractor has been required by the Division to apply for or renew a commission contract in the commission contractor's individual name, the Division shall notify the contractor within 30 days of that application or renewal and provide an opportunity within 30 days of the notification to either (i) amend the application to reflect the contractor's business name or (ii) amend and reenter the commission contract in the contractor's business name.

The Division shall make a reasonable effort in every locality, except as noted above, to enter into a commission contract for the issuance of the plates and certificates and a record of these efforts shall be maintained in the Division. In the event the Division is unsuccessful in making commission contracts, it shall issue the plates and certificates through the regular employees of the Division. Whenever registration plates, registration certificates, and certificates of title are issued by the Division through commission contract arrangements, the Division shall provide proper supervision of the distribution. Nothing contained in this subsection allows or permits the operation of fewer outlets in any county in this State than are now being operated.

The terms of a commission contract entered under this subsection shall specify the duration of the contract and either include or incorporate by reference standards by which the Division may supervise and evaluate the performance of the commission contractor. The duration of an initial commission contract may not exceed eight years and the duration of a renewal commission

contract may not exceed two years. The Division may award monetary performance bonuses, not to exceed an aggregate total of ninety thousand dollars (\$90,000) annually, to commission contractors based on their performance.

The terms of a commission contract entered under this subsection shall allow the commission contractor to sell the contractor's ~~business, entire business operation,~~ as applicable, and assign contractual rights to another qualified contractor prior to expiration of the contract. A qualified contractor is a person, firm, corporation, or governmental subdivision of the State of North Carolina, with demonstrated experience as a commission contractor in North Carolina or equivalent experience in another state, as determined by the Division. All Upon sale, the prior commission contractor's business, including (i) all of the prior commission contractor's contractual rights and (ii) any Division equipment and software controlled by the prior commission contractor, shall be transferred to the new commission contractor upon sale, in accordance with guidelines established by the Division contractor, and the new commission contractor shall continue operating the business. The Division may establish guidelines with respect to the transfer of the Division's equipment and software to the new commission contractor.

The amount of compensation payable to a commission contractor is determined on a per transaction basis. The collection of the highway use tax and the removal of an inspection stop are each considered a separate transaction for which one dollar and sixty-eight cents (\$1.68) compensation shall be paid. The issuance of a limited registration "T" sticker and the collection of property tax are each considered a separate transaction for which compensation at the rate of one dollar and forty cents (\$1.40) and one dollar and sixteen cents (\$1.16) respectively, shall be paid by counties and municipalities as a cost of the combined motor vehicle registration renewal and property tax collection system. The performance at the same time of one or more of the transactions below is considered a single transaction for which one dollar and eighty-nine cents (\$1.89) compensation shall be paid:

- (1) Issuance of a registration plate, a registration card, a registration sticker, or a certificate of title.
- (2) Issuance of a handicapped placard or handicapped identification card.
- (3) Acceptance of an application for a personalized registration plate.
- (4) Acceptance of a surrendered registration plate, registration card, or registration renewal sticker, or acceptance of an affidavit stating why a person cannot surrender a registration plate, registration card, or registration renewal sticker.
- (5) Cancellation of a title because the vehicle has been junked.
- (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax, other than the highway use tax.
- (7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial responsibility or receipt of the restoration fee imposed by that statute.
- (8) Acceptance of a notice of failure to maintain financial responsibility for a motor vehicle.
- (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- (8b), (9) Repealed by Session Laws 2013-372, s. 2(a), effective July 1, 2013.
- (10) Acceptance of a temporary lien filing.
- (11) Conversion of an existing paper title to an electronic lien upon request of a primary lienholder.

...."

AMEND ELIGIBILITY REQUIREMENT FOR INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS SPECIAL REGISTRATION PLATE

SECTION 8. G.S. 20-79.4(b)(106) reads as rewritten:

"(106) International Association of Fire Fighters. – The plate authorized by this subdivision shall bear the logo of the International Association of Fire Fighters. The Division may not issue the plate unless it receives at least 300 applications for the plate. The plate is issuable to one of the following in accordance with G.S. 20-81.12:

- a. ~~A person who presents proof of active membership in~~ An active member of the International Association of Fire Fighters for the year in which the license plate is sought. ~~Fighters.~~
- b. The surviving spouse of a person who was a member of the International Association of Fire Fighters, so long as the surviving spouse continues to renew the plate and does not remarry."

ELIMINATE DRIVING ELIGIBILITY CERTIFICATE REQUIREMENT FOR THE ISSUANCE OF LEARNER'S PERMITS AND PROVISIONAL DRIVERS LICENSES

SECTION 9.(a) G.S. 20-11 reads as rewritten:

"§ 20-11. Issuance of limited learner's permit and provisional drivers license to person who is less than 18 years old.

...

(b) Level 1. – A person who is at least 15 years old but less than 18 years old may obtain a limited learner's permit if the person meets all of the following requirements:

...

(3) ~~Has a driving eligibility certificate or a high school diploma or its equivalent.~~

...

(d) Level 2. – A person who is at least 16 years old but less than 18 years old may obtain a limited provisional license if the person meets all of the following requirements:

...

(4) ~~Has a driving eligibility certificate or a high school diploma or its equivalent.~~

...

(f) Level 3. – A person who is at least 16 years old but less than 18 years old may obtain a full provisional license if the person meets all of the following requirements:

...

(3) ~~Has a driving eligibility certificate or a high school diploma or its equivalent.~~

...

(h) Exception for Persons 16 to 18 Who Have an Unrestricted Out-of-State License. – A person who is at least 16 years old but less than 18 years old, who was a resident of another state and has an unrestricted drivers license issued by that state, and who becomes a resident of this State may obtain one of the ~~following upon the submission of a driving eligibility certificate or a high school diploma or its equivalent:~~ following:

...

(n) ~~Driving Eligibility Certificate. — A person who desires to obtain a permit or license issued under this section must have a high school diploma or its equivalent or must have a driving eligibility certificate. A driving eligibility certificate must meet the following conditions:~~

(1) ~~The person who is required to sign the certificate under subdivision (4) of this subsection must show that he or she has determined that one of the following requirements is met:~~

- a. ~~The person is currently enrolled in school and is making progress toward obtaining a high school diploma or its equivalent.~~
- b. ~~A substantial hardship would be placed on the person or the person's family if the person does not receive a certificate.~~
- c. ~~The person cannot make progress toward obtaining a high school diploma or its equivalent.~~

- (1a) ~~The person who is required to sign the certificate under subdivision (4) of this subsection also must show that one of the following requirements is met:~~
 - a. ~~The person who seeks a permit or license issued under this section is not subject to subsection (n1) of this section.~~
 - b. ~~The person who seeks a permit or license issued under this section is subject to subsection (n1) of this section and is eligible for the certificate under that subsection.~~
- (2) ~~It must be on a form approved by the Division.~~
- (3) ~~It must be dated within 30 days of the date the person applies for a permit or license issuable under this section.~~
- (4) ~~It must be signed by the applicable person named below:~~
 - a. ~~The principal, or the principal's designee, of the public school in which the person is enrolled.~~
 - b. ~~The administrator, or the administrator's designee, of the nonpublic school in which the person is enrolled.~~
 - c. ~~The person who provides the academic instruction in the home school in which the person is enrolled.~~
 - c1. ~~The person who provides the academic instruction in the home in accordance with an educational program found by a court, prior to July 1, 1998, to comply with the compulsory attendance law.~~
 - d. ~~The designee of the board of directors of the charter school in which the person is enrolled.~~
 - e. ~~The president, or the president's designee, of the community college in which the person is enrolled.~~

~~Notwithstanding any other law, the decision concerning whether a driving eligibility certificate was properly issued or improperly denied shall be appealed only as provided under the rules adopted in accordance with G.S. 115C-12(28), 115D-10.70, or 115C-566, whichever is applicable, and may not be appealed under this Chapter.~~

(n1) ~~Lose Control; Lose License.~~

- (1) ~~The following definitions apply in this subsection:~~
 - a. ~~Applicable State entity.—The State Board of Education for public schools and charter schools, the State Board of Community Colleges for community colleges, or the Secretary of Administration for nonpublic schools and home schools.~~
 - b. ~~Certificate.—A driving eligibility certificate that meets the conditions of subsection (n) of this section.~~
 - c. ~~Disciplinary action.—An expulsion, a suspension for more than 10 consecutive days, or an assignment to an alternative educational setting for more than 10 consecutive days.~~
 - d. ~~Enumerated student conduct.—One of the following behaviors that results in disciplinary action:~~
 - 1. ~~The possession or sale of an alcoholic beverage or an illegal controlled substance on school property.~~
 - 2. ~~The bringing, possession, or use on school property of a weapon or firearm that resulted in disciplinary action under G.S. 115C-390.10 or that could have resulted in that disciplinary action if the conduct had occurred in a public school.~~
 - 3. ~~The physical assault on a teacher or other school personnel on school property.~~

- e. ~~School. — A public school, charter school, community college, nonpublic school, or home school.~~
 - f. ~~School administrator. — The person who is required to sign certificates under subdivision (4) of subsection (n) of this section.~~
 - g. ~~School property. — The physical premises of the school, school buses or other vehicles under the school's control or contract and that are used to transport students, and school-sponsored curricular or extracurricular activities that occur on or off the physical premises of the school.~~
 - h. ~~Student. — A person who desires to obtain a permit or license issued under this section.~~
- (2) ~~Any student who was subject to disciplinary action for enumerated student conduct that occurred either after the first day of July before the school year in which the student enrolled in the eighth grade or after the student's fourteenth birthday, whichever event occurred first, is subject to this subsection.~~
- (3) ~~A student who is subject to this subsection is eligible for a certificate when the school administrator determines that the student has exhausted all administrative appeals connected to the disciplinary action and that one of the following conditions is met:~~
- a. ~~The enumerated student conduct occurred before the student reached the age of 15, and the student is now at least 16 years old.~~
 - b. ~~The enumerated student conduct occurred after the student reached the age of 15, and it is at least one year after the date the student exhausted all administrative appeals connected to the disciplinary action.~~
 - c. ~~The student needs the certificate in order to drive to and from school, a drug or alcohol treatment counseling program, as appropriate, or a mental health treatment program, and no other transportation is available.~~
- (4) ~~A student whose permit or license is denied or revoked due to ineligibility for a certificate under this subsection may otherwise be eligible for a certificate if, after six months from the date of the ineligibility, the school administrator determines that one of the following conditions is met:~~
- a. ~~The student has returned to school or has been placed in an alternative educational setting, and has displayed exemplary student behavior, as defined by the applicable State entity.~~
 - b. ~~The disciplinary action was for the possession or sale of an alcoholic beverage or an illegal controlled substance on school property, and the student subsequently attended and successfully completed, as defined by the applicable State entity, a drug or alcohol treatment counseling program, as appropriate."~~

SECTION 9.(b) The following statutes are repealed:

- (1) G.S. 20-9(b1).
- (2) G.S. 20-13.2(c1).
- (3) G.S. 115C-12(28).
- (4) G.S. 115C-218.70.
- (5) G.S. 115C-238.66(8).
- (6) G.S. 115C-288(k).
- (7) G.S. 115C-566.
- (8) G.S. 115D-10.70.

SECTION 9.(c) G.S. 115C-150.12C reads as rewritten:

"§ 115C-150.12C. Powers and duties.

A board of trustees shall adopt rules necessary for the administration of the school to implement the requirements of this Article. Each board of trustees shall have the following powers and duties:

- ...
- (19) ~~Driving eligibility certificates and drivers~~ Drivers education. – ~~The board of trustees shall apply the rules and policies established by the State Board of Education for issuance of driving eligibility certificates.~~ The board of trustees shall provide drivers education in accordance with Article 14 of this Chapter.

...."

SECTION 9.(d) The Division of Motor Vehicles shall restore the permit or license of any person whose permit or license was revoked by the Division under G.S. 20-13.2(c1) due to ineligibility for a driving eligibility certificate but who meets all other requirements for the permit or license.

SECTION 9.(e) This section becomes effective October 1, 2026.

**AMEND COMMERCIAL DRIVERS LICENSE LAWS TO CONFORM WITH
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION REGULATIONS**

SECTION 10.(a) G.S. 20-37.17 reads as rewritten:

"§ 20-37.17. Record check and notification of license issuance.

Before issuing a commercial driver license, the Division shall obtain driving record information from the Commercial Driver License Information System (CDLIS), the National Driver Register, the Federal Motor Carrier Safety Administration's Commercial Driver's License Drug and Alcohol Clearinghouse, and from each state in which the person has been licensed.

Within 10 days after issuing a commercial driver license, the Division shall notify CDLIS of the issuance of the commercial driver license, providing all information necessary to ensure identification of the person."

SECTION 10.(b) G.S. 20-37.19 reads as rewritten:

"§ 20-37.19. Employer responsibilities.

(a) Each employer shall require the applicant to provide the information specified in G.S. 20-37.18(c).

(b) No employer shall knowingly allow, permit, or authorize a driver to drive a commercial motor vehicle during any period:

- (1) In which the driver has had his commercial driver license suspended, revoked, or cancelled by any state, is currently disqualified from driving a commercial vehicle, or is subject to an out-of-service order in any ~~state; or~~ state.
- (2) In which the driver has more than one driver ~~license; [or] license.~~
- (3) In which the driver, the commercial motor vehicle being operated, or the motor carrier operation, is subject to an out-of-service order.
- (4) In which the driver is listed in the Federal Motor Carrier Safety Administration's Commercial Driver's License Drug and Alcohol Clearinghouse as prohibited from operating a commercial motor vehicle.

(c) The employer of any employee or applicant who tests positive or of any employee who refuses to participate in a drug or alcohol test required under 49 C.F.R. Part 382 and 49 C.F.R. Part 655 must notify the Division ~~in writing within five business days and the Federal Motor Carrier Safety Administration's Commercial Driver's License Drug and Alcohol Clearinghouse~~ following the employer's receipt of confirmation of a positive drug or alcohol test or of the employee's refusal to participate in the test. ~~The notification must include the driver's name, address, drivers license number, social security number, and results of the drug or alcohol test or documentation from the employer of the refusal by the employee to take the test.~~ A report that the driver has a negative return-to-duty test must also be reported to the Division and the

Federal Motor Carrier Safety Administration's Commercial Driver's License Drug and Alcohol Clearinghouse, as required under 49 C.F.R. Part 382."

SECTION 10.(c) G.S. 20-37.20A reads as rewritten:

"§ 20-37.20A. Driving record notation for testing positive in a drug or alcohol test.

Upon receipt of notice ~~pursuant to G.S. 20-37.19(c) of positive result in an alcohol or drug test of a prohibited status in the Federal Motor Carrier Safety Administration's Commercial Driver's License Drug and Alcohol Clearinghouse for a person holding a commercial drivers license, and subject to any appeal of the disqualification pursuant to G.S. 20-37.20B, license or commercial drivers permit,~~ the Division shall place a notation on the driving record of the ~~driver-~~person. The disqualification of the driver to operate a commercial motor vehicle is effective on the date of the notation. A notation of a disqualification pursuant to G.S. 20-17.4(l) shall be retained on the record of a person for a period of three years following the end of any disqualification of that person."

SECTION 10.(d) G.S. 20-37.20B is repealed.

SECTION 10.(e) This section becomes effective July 1, 2026, and applies to commercial drivers license and commercial drivers permit disqualifications initiated on or after that date.

ADJUST ADMINISTRATIVE HEARING REPORT DEADLINE

SECTION 11. G.S. 20-4.03 reads as rewritten:

"§ 20-4.03. Administrative hearing fees.

(a) Authorization. – The Division is authorized to charge a fee to any person who requests an administrative hearing before the Division in accordance with this Chapter.

(b) Requirements for Requesting a Hearing. – Any request for an administrative hearing before the Division must be in writing and accompanied by the total applicable administrative hearing fee charged by the Division. An administrative hearing shall not be granted by the Division unless the administrative hearing request complies with the requirements of this subsection. Notwithstanding any provision of this Chapter to the contrary, any pending revocation, suspension, civil penalty assessment, or other adverse action shall not be stayed upon receipt of an administrative hearing request unless the request complies with the requirements of this subsection.

(c) Quarterly Report. – ~~Beginning October 1, 2018, and quarterly thereafter, the~~ The Division shall submit a quarterly report to the Fiscal Research Division of the General ~~Assembly~~ Assembly, within 30 days of the end of an applicable quarter, detailing all of the following for each month of the applicable quarter and for each type of administrative hearing:

- (1) The total number of administrative hearings.
- (2) The total amount of revenue collected.
- (3) The total number of fee waivers granted.
- (4) The counties where the administrative hearings were held.
- (5) The average amount of time required to conduct an administrative hearing, with the time required of hearing officers and the time required of administrative personnel listed separately."

REPEAL REPORTING REQUIREMENT ON INFORMATION TECHNOLOGY MODERNIZATION PROJECTS FUNDED IN 2014-2015

SECTION 12. Section 7.14(d) of S.L. 2014-100 is repealed.

EXPAND PREPAID TOLL DISCOUNT TO INCLUDE NEW PAYMENT TECHNOLOGIES

SECTION 13. G.S. 136-89.211 reads as rewritten:

"§ 136-89.211. Tolls for use of Turnpike project.

In exercising its authority under G.S. 136-89.183 to set tolls for the use of a Turnpike project, the Authority may not do any of the following:

- (1) Set open road tolls that vary for the same class of motor vehicle depending on the method by which the Authority identifies a motor vehicle that drives on the Turnpike project. This does not preclude the Authority from allowing a discount for a motor vehicle equipped with an electronic toll collection transponder or a motor vehicle ~~that has associated with a prepaid toll toll~~ or account.
- (2) Exempt a motor vehicle that is not a law enforcement vehicle, an emergency fire or rescue vehicle, or an emergency medical services vehicle from the requirement of paying a toll for the use of a Turnpike project."

TURNPIKE AUTHORITY EXECUTIVE DIRECTOR TITLE

SECTION 14.(a) G.S. 136-89.182(k) reads as rewritten:

"(k) Executive Director and Chief Executive Officer and Administrative Employees. – The Authority Board shall appoint an Executive ~~Director, Director and Chief Executive Officer,~~ whose salary shall be fixed by the Authority, to serve at its pleasure. The Executive Director and Chief Executive Officer shall be the Authority's chief administrative officer and shall be responsible for the daily administration of the toll roads and bridges constructed, maintained, or operated pursuant to this Article. The Executive Director and Chief Executive Officer or his designee shall appoint, employ, dismiss, and, within the limits approved by the Authority Board, fix the compensation of administrative employees as the Executive Director and Chief Executive Officer deems necessary to carry out this Article."

SECTION 14.(b) G.S. 136-89.183(b) reads as rewritten:

"(b) To execute the powers provided in subsection (a) of this section, the Authority shall determine its policies by majority vote of the members of the Authority Board present and voting, a quorum having been established. Once a policy is established, the Authority Board shall communicate it to the Executive Director and Chief Executive Officer, or the Executive ~~Director's~~ Director and Chief Executive Officer's designee, who shall have the sole and exclusive authority to execute the policy of the Authority. No member of the Authority Board shall have the responsibility or authority to give operational directives to any employee of the Authority other than the Executive Director and Chief Executive Officer or the ~~Director's~~ Executive Director and Chief Executive Officer's designee."

DEPOSIT LOGO PROGRAM REVENUE INTO THE RESERVE FOR GENERAL MAINTENANCE

SECTION 15. G.S. 136-89.56 reads as rewritten:

"§ 136-89.56. Commercial ~~enterprises~~ enterprises within controlled-access facilities.

(a) No commercial enterprises or activities shall be authorized or conducted by the Department of Transportation, or the governing body of any city or town, within or on the property acquired for or designated as a controlled-access facility, as defined in this Article, except for:

- (1) Materials displayed at welcome centers which shall be directly related to travel, accommodations, tourist-related activities, tourist-related services, and attractions. The Department of Transportation shall issue rules regulating the display of these materials. These materials may contain advertisements for real estate; and
- (2) Vending machines permitted by the Department of Transportation and placed by the Division of Services for the Blind, Department of Health and Human Services, as the State licensing agency designated pursuant to Section 2(a)(5) of the Randolph-Sheppard Act (20 USC 107a(a)(5)). The Department of

Transportation shall regulate the placing of the vending machines in highway rest areas and shall regulate the articles to be dispensed. In order to permit the establishment of adequate fuel and other service facilities by private owners or their lessees for the users of a controlled-access facility, the Department of Transportation shall permit access to service or frontage roads within the publicly owned right-of-way of any controlled-access facility established or designated as provided in this Article, at points which, in the opinion of the Department of Transportation, will best serve the public interest. The location of such fuel and other service facilities may be indicated to the users of the controlled-access facilities by appropriate signs, the size, style, and specifications of which shall be determined by the Department of Transportation.

(b) The location of fuel, gas, food, lodging, camping, and attraction facilities may be indicated to the users of the controlled-access facilities by appropriate logos placed on signs owned, controlled, and erected within the right-of-way of fully and partially controlled-access highways by, or pursuant to contract with, the Department of Transportation. The Department shall contract with a private entity to administer the erection of signs and placement of logos, as authorized by this subsection. The responsibilities of the private entity shall include the following: acquisition and erection of signs; design, manufacture, and placement of logos on signs; maintenance of signs and logos; receipt and response to information requests concerning the program; and management of the financial transactions related to the program. The owners, operators or lessees of fuel, gas, food, lodging, camping, and attraction facilities who wish to place a logo identifying their business or service on a sign shall furnish a logo meeting the size, style and specifications determined by the Department of Transportation and shall pay a fee set by the vendor and approved by the Board of Transportation. The fee set by the vendor shall be determined based on market rates for the number of vehicles that pass by the sign, reflecting the value of the visibility and access provided to the participating businesses and to cover the initial costs of signs, sign installation, and maintenance, and the costs of administering the logo sign program. Nothing in this subsection shall be construed to authorize any Department contractor to conduct any commercial activity upon signs erected and maintained within the right-of-way of fully and partially controlled-access highways pursuant to this subsection. Funds generated from fees established by the Department pursuant to this subsection and returned to the Department shall be deposited into the Reserve for General Maintenance in the Highway Fund."

AMEND TRUCK LANE RESTRICTION

SECTION 16.(a) G.S. 20-146(f) reads as rewritten:

"(f) Except when entering or exiting the highway or avoiding a ~~hazard or to pass, hazard,~~ a motor vehicle having a gross vehicle weight rating (GVWR) of 26,001 pounds or more shall not operate in the left most lane of a controlled-access highway with six or more ~~lanes-lanes,~~ unless the Department has passed an ordinance and installed signage with different restrictions. For purposes of this subsection only, "hazard" is defined as any condition, object, or circumstance, present on or near the roadway, that poses a potential risk to the safe operation of a commercial vehicle."

SECTION 16.(b) This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

SPEED LIMIT IN RESIDENTIAL AREAS

SECTION 17.(a) G.S. 20-141 reads as rewritten:

"§ 20-141. Speed restrictions.

...

(b) Except as otherwise provided in this Chapter, it shall be unlawful to operate a vehicle in excess of the following speeds:

- (1) Thirty-five miles per hour inside municipal corporate ~~limits~~-limits, except as provided in subdivision (3) of this subsection, for all vehicles.
- (2) Fifty-five miles per hour outside municipal corporate ~~limits~~-limits, except as provided in subdivision (3) of this subsection, for all vehicles except for school buses and school activity buses.
- (3) Twenty-five miles per hour on any roadway that is unpaved or not marked with a centerline.

...."

SECTION 17.(b) This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

AUTHORIZE THE CITY OF DURHAM TO SET A MUNICIPAL DEFAULT SPEED LIMIT

SECTION 17.5.(a) G.S. 20-141 is amended by adding a new subsection to read:

"(e2) Notwithstanding the speed limits set in subsection (b) of this section or any other provision of law to the contrary, a municipality may, by ordinance, establish a lower default speed limit of not less than 20 miles per hour on streets within the corporate limits of the municipality that are not part of the State highway system. A default speed limit established pursuant to this subsection shall apply to every street within the designated area without requiring the posting of individual speed limit signs on each street segment, provided the municipality erects conspicuous gateway signs at each primary point of vehicular entry into the municipality, or into any defined zone within the municipality, in conformance with the Manual on Uniform Traffic Control Devices, giving notice of the applicable default speed limit. Higher or lower speeds limits posted on individual streets pursuant to subsection (e) of this section shall supersede the default speed limit on those streets. A default speed limit established pursuant to this subsection is effective upon adoption of an ordinance by the municipality and erection of the required gateway signs. The municipality shall maintain a publicly accessible map identifying all streets subject to the default speed limit and all streets on which a different speed limit has been posted pursuant to subsection (e) of this section. Upon written notice from the municipality identifying streets or areas for which a default speed limit has been established pursuant to this subsection, the Department of Transportation shall post the applicable statutory speed limit, not to exceed 35 miles per hour, on State highway system streets, except those designated as part of the Interstate Highway System or other controlled access highway, located within the identified area, unless a different speed limit has been established pursuant to subsection (f) of this section. Nothing in this subsection shall be construed to authorize a municipality to establish or modify speed limits on streets that are part of the State highway system, except as otherwise provided in this section."

SECTION 17.5.(b) This section applies to the City of Durham only.

EXPEDITED REVIEW OF CITY OF DURHAM STATE HIGHWAY SPEED LIMIT REQUESTS

SECTION 17.6.(a) As used in this section, "request" means a written submission by a municipality to the Department of Transportation pursuant to G.S. 20-141(f) seeking the establishment or modification of a speed limit on a street located within the corporate limits of the municipality that is part of the State highway system. A request shall be submitted by the municipality to both the Division Engineer and the State Traffic Engineer, either by certified mail or by electronic transmission, with delivery confirmation. A request is deemed received on the date the Department confirms receipt.

SECTION 17.6.(b) The Department shall complete an initial review of a request within 30 days of the date of receipt, as determined by subsection (a) of this section. Upon completion of the initial review, the Department shall do one of the following:

- (1) Approve the requested speed limit change and execute a concurring ordinance in accordance with G.S. 20-141(f), if the Department determines, based on engineering and traffic data and the exercise of engineering judgment, that the requested speed limit is reasonable and safe.
- (2) Issue a written notice of concern to the municipality that identifies: the Department's specific concerns with the request; any additional engineering investigations, traffic studies, speed analyses, or crash evaluations necessary to support the request; and the conditions, if any, under which the Department could reasonably agree to the requested speed limit.

Issuance of a notice of concern constitutes final Department action for purposes of this section, unless the municipality submits a revised or supplemented request or files an appeal. A municipality may appeal a notice of concern issued under subdivision (2) of this subsection to the State Traffic Engineer within 30 days of receipt of the notice. The State Traffic Engineer shall respond within 30 days of receipt of the appeal with either an approval of the request or a written notice of concern that meets the requirements of subdivision (2) of this subsection. A written notice from the State Traffic Engineer constitutes final Department action for purposes of this section, unless the municipality submits a revised or supplemental request.

SECTION 17.6.(c) If the Department fails to take action pursuant to subsection (b) of this section within 90 days of the date of receipt of a request, or within 90 days of the date of receipt of a revised or supplemented request, the request is deemed approved.

SECTION 17.6.(d) Upon approval of a request pursuant to this section, the Department shall execute a concurring ordinance within 60 days and shall erect appropriate speed limit signs on the affected State highway system streets within 60 days thereafter, in accordance with G.S. 20-141(f) and the Manual on Uniform Traffic Control Devices. A speed limit approved under this section is effective when the Department has erected the required signs.

SECTION 17.6.(e) Nothing in this section shall be construed to authorize a municipality to unilaterally establish or modify speed limits on streets that are part of the State highway system, or to require the Department to approve a speed limit that is not reasonable and safe under the conditions found to exist upon the affected highway, as required by G.S. 20-141(f).

SECTION 17.6.(f) This section applies to the City of Durham only.

INCREASE PROJECT LIMIT FOR PROJECT DELIVERY METHOD PILOT PROGRAM

SECTION 18. Section 34.13(b) of S.L. 2018-5, as amended by Section 21 of S.L. 2022-68 and Section 3 of S.L. 2024-15, reads as rewritten:

"SECTION 34.13.(b) Pilot Project. – Notwithstanding any provision of Chapter 136 of the General Statutes to the contrary, the Department of Transportation may establish and implement a pilot project to award contracts for up to ~~10 projects~~ 15 projects for the construction of transportation projects on a construction manager-general contractor basis. The Department may only award a contract under this section if (i) the cost of the project is determined by the Department to be less than seven hundred fifty million dollars (\$750,000,000), (ii) the Department determines that it is in the public interest to use the construction manager-general contractor basis for the project, (iii) the Department prequalifies the contractor that will be awarded the contract, (iv) the Department complies with the pre-award reporting requirement set forth in subsection (c) of this section, and (v) the Department has established and implemented guidelines as required under subsection (d) of this section."

CLARIFY THE DEFINITION OF ELECTRIC ASSISTED BICYCLE AND AUTHORIZE LOCAL GOVERNMENT REGULATION

SECTION 19.(a) G.S. 20-4.01(7a) reads as rewritten:

"(7a) Electric Assisted Bicycle. – A bicycle with two or three wheels that is equipped with a seat or saddle for use by the rider, fully operable pedals for human propulsion, and an electric motor of no more than 750 ~~watts, whose maximum speed on a level surface when powered solely by such a motor is no greater than 20 miles per hour.~~ watts that meets the requirements of one of the following three classes:

- a. Class 1 electric assisted bicycle. – A bicycle equipped with a motor that provides assistance only when the rider is pedaling and ceases to assist once the bicycle reaches a speed of 20 miles per hour.
- b. Class 2 electric assisted bicycle. – A bicycle equipped with a motor that may propel the bicycle without pedaling but ceases to assist once the bicycle reaches a speed of 20 miles per hour.
- c. Class 3 electric assisted bicycle. – A bicycle equipped with a motor that provides assistance only when the rider is pedaling and ceases to assist once the bicycle reaches a speed of 28 miles per hour."

SECTION 19.(b) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-171.3. Electric assisted bicycles.

(a) Except as otherwise provided in G.S. 160A-300, 160A-300.2, 153A-245.1, and as regulated by the Department of Natural and Cultural Resources in State parks, historical sites, or other properties within the jurisdiction of the Department, the operation of an electric assisted bicycle, as defined in G.S. 20-4.01, is permitted on all roadways, bicycle lanes, and multiuse paths.

(b) A person under the age of 18 operating or riding as a passenger on a Class 3 electric assisted bicycle shall wear a helmet that meets federal safety standards."

SECTION 19.(c) Article 15 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-300.2. Regulation of electric assisted bicycles.

(a) A city may regulate the use of electric assisted bicycles, as defined in G.S. 20-4.01, on any multiuse path or sidewalk within municipal limits. This authority includes the following:

- (1) Restricting the use of a class or classes of electric assisted bicycles.
- (2) Establishing speed limits.

(b) A city may require the use of a helmet by a person under the age of 18 operating or riding as a passenger on a Class 1 or Class 2 electric assisted bicycle."

SECTION 19.(d) Article 12 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"§ 153A-245.1. Regulation of electric assisted bicycles.

A county may regulate the use of an electric assisted bicycle in accordance with G.S. 160A-300.2. Nothing in this section shall be deemed to restrict or repeal the authority of a city to regulate the use of an electric assisted bicycle."

SECTION 19.(e) The Department of Transportation shall develop educational materials on the proper use and safety considerations of electric assisted bicycles.

SECTION 19.(f) This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

PERSONAL DELIVERY DEVICE AMENDMENTS

SECTION 20.(a) G.S. 20-4.01(28a) reads as rewritten:

"(28a) Personal delivery device. – An electrically powered device intended for transporting cargo that is equipped with automated driving technology that enables device operation with or without the remote support and supervision of a human and that does not exceed (i) a weight of 500 pounds, excluding cargo, (ii) a length of ~~40-55~~ inches, and (iii) a width of ~~30-36~~ inches."

SECTION 20.(b) G.S. 20-175.16 reads as rewritten:

"§ 20-175.16. Personal delivery devices authorized; operation; equipment.

(a) A business entity may operate a personal delivery device in a pedestrian area or on a highway, ~~with the rights and duties applicable to a pedestrian under this Chapter, subject to the requirements and restrictions of this Part.~~ bicycle lane, shoulder, parking lot, or any similar area. Except as authorized in this Part, no person may operate a personal delivery device in a pedestrian area or on a highway in this State.

(b) Operation of a personal delivery device shall comply with all of the following:

- (1) ~~The personal delivery device shall be monitored by an~~ A human operator who is shall be able to monitor and exercise remote control over the navigation and operation of the personal delivery device.
- (2) The personal delivery device may not be operated in a pedestrian area at a speed greater than 10 miles per ~~hour~~ hour or at a speed greater than 20 miles per hour in other areas.
- (3) ~~The personal delivery device may not be operated on a highway except as necessary to cross a highway or along a highway if a sidewalk is not provided or accessible.~~ When operating along a highway under this subdivision, the following additional restrictions apply:
 - a. The personal delivery device shall be operated on the shoulder or as close as practicable to the extreme right of the highway in the direction of authorized traffic movement and shall yield the right-of-way to all vehicles.
 - b. ~~The personal delivery device may not be operated on a highway at a speed greater than 20 miles per hour.~~
 - c. The personal delivery device may not be operated on a highway with a speed limit greater than ~~35-55~~ miles per hour.
- (4) The personal delivery device shall obey all applicable traffic and pedestrian control devices and signs.
- (5) The personal delivery device shall yield the right-of-way to all human pedestrians.
- (6) The personal delivery device shall not unreasonably interfere with any vehicle or pedestrian.
- (7) The personal delivery device shall not transport materials regulated under the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 – 5128) that require placarding pursuant to Subpart F of 49 C.F.R. Part 172 (49 C.F.R. §§ 172.500 – 172.560).

(c) A personal delivery device shall be equipped with all of the following:

- (1) A marker that clearly states the name and contact information of the owner and a unique identification number.
- (2) A braking system that enables the device to come to a controlled stop.
- (3) When operated at night, lights on the front and rear of the personal delivery device that are visible and recognizable under normal atmospheric conditions from at least 500 feet on all sides of the personal delivery device.

(d) A personal delivery device has all of the rights and duties applicable to a pedestrian in a pedestrian area and to an operator of a bicycle in other areas, except for those that by their

nature cannot apply to a personal delivery device or that place an unreasonable burden on the operation of a personal delivery device.

~~(d)~~(e) A violation of this section is an infraction."

SECTION 20.(c) This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

AUTHORIZE COUNTIES TO LEVY SPECIAL ASSESSMENTS FOR THE FINANCING OF IMPROVEMENTS TO COMMERCIAL STREETS

SECTION 21.(a) G.S. 153A-205 reads as rewritten:

"§ 153A-205. Improvements to ~~subdivision and residential~~ streets.

(a) A county may finance the local share of the cost of improvements made under the supervision of the Department of Transportation to ~~subdivision and residential streets that are a part of the State-maintained system~~ State-maintained secondary streets located in the county and outside of a city and shall levy and collect pursuant to the procedures of Article 9 of Chapter 153A of the General Statutes special assessments against benefited property to recoup that portion of the costs financed by the county. The local share is that share required by policies of the Department of Transportation and may be paid by the county from funds not otherwise limited as to use by law. Land owned, leased, or controlled by a railroad company is exempt from such assessments to the same extent that it would be exempt from street assessments of a city under G.S. 160A-222. No project may be commenced under this section unless it has been approved by the Department of Transportation.

(b) A county may finance the local share of the cost of improvements made under the supervision of the Department of Transportation to ~~subdivision and residential~~ the following types of streets located in the county and outside of a city in order within recorded public right-of-way, to bring those streets up to the standards of the Department of Transportation so that they may ~~become a part of~~ be considered for addition to the State-maintained ~~system and system:~~

- (1) Subdivision and residential streets that are located in the county and outside of a city but excluding apartment and condominium complexes.
- (2) Industrial access or commercial complex streets that are located inside a census designated place boundary, as defined by the United States Census Bureau, but excluding streets that support larger parking lot networks, regional malls, strip malls, apartment complexes, or condominium complexes.

A county shall levy and collect pursuant to the procedures of Article 9 of Chapter 153A of the General Statutes special assessments against benefited property to recoup that portion of the costs financed by the county. The local share is that share required by policies of the Department of Transportation and may be paid by the county from funds not otherwise limited as to use by law. Land owned, leased, or controlled by a railroad company is exempt from such assessments to the same extent that it would be exempt from street assessments of a city under G.S. 160A-222. No project may be commenced under this section unless it has been approved by the Department of Transportation.

(c) Before a county may finance all or a portion of the cost of improvements to a ~~subdivision or residential street,~~ street eligible under subsection (a) or (b) of this section, it must receive a petition for the improvements signed by at least seventy-five percent (75%) of the owners of property to be assessed, who must represent at least seventy-five percent (75%) of all the lineal feet of frontage of the lands abutting on the street or portion thereof to be improved. The petition shall state that portion of the cost of the improvement to be assessed, which shall be the local share required by policies of the Department of Transportation. A county may treat as a unit and consider as one street two or more connecting State-maintained ~~subdivision or residential~~ secondary streets in a petition filed under this subsection calling for the improvement

of ~~subdivision or residential~~ State-maintained secondary streets subject to property owner sharing in the cost of improvement under policies of the Department of Transportation.

Property owned by the United States shall not be included in determining the lineal feet of frontage on the improvement, nor shall the United States be included in determining the number of owners of property abutting the improvement. Property owned by the State of North Carolina shall be included in determining frontage and the number of owners only if the State has consented to assessment as provided in G.S. 153A-189. Property owned, leased, or controlled by railroad companies shall be included in determining frontage and the number of owners to the extent the property is subject to assessment under G.S. 160A-222. Property owned, leased, or controlled by railroad companies that is not subject to assessment shall not be included in determining frontage or the number of owners.

No right of action or defense asserting the invalidity of street assessments on grounds that the county did not comply with this subsection in securing a valid petition may be asserted except in an action or proceeding begun within 90 days after the day of publication of the notice of adoption of the preliminary assessment resolution.

(d) This section is intended to provide a means of assisting in financing improvements to ~~subdivision and residential~~ State-maintained secondary streets that are on the State highway system or that will, as a result of the improvements, become a part of the system. or to streets defined in subsection (b) of this section that, once improved, may be considered for addition to the State highway system. By financing improvements under this section, a county does not thereby acquire or assume any responsibility for the street or streets involved, and a county has no liability arising from the construction of such an improvement or the maintenance of such a street. Nothing in this section shall be construed to alter the conditions and procedures under which State system streets or other public streets are transferred to municipal street systems pursuant to G.S. 136-66.1 and 136-66.2 upon annexation by, or incorporation of, a municipality."

SECTION 21.(b) G.S. 159-48 reads as rewritten:

"§ 159-48. For what purposes bonds may be issued.

...

(c) Each county may borrow money and issue its bonds under this Article in evidence of the debt for the purpose of, in the case of subdivisions (1) through (4b) of this subsection, paying any capital costs of any one or more of the purposes and, in the case of subdivisions (5) and (6) of this subsection, to finance the cost of the purpose:

...

(4a) Providing improvements to ~~subdivision and residential~~ streets pursuant to G.S. 153A-205.

...."

REQUIRE PRIVATE ENTITY TO ADMINISTER TOURIST-ORIENTED DIRECTIONAL SIGN PROGRAM

SECTION 22.(a) G.S. 136-140.15 reads as rewritten:

"§ 136-140.15. Scope of operations.

(a) Program. – The Department of Transportation shall contract with a private entity to administer a tourist-oriented directional signs (TODS) program. The responsibilities of the vendor contracted by the Department include the following: design, manufacture, and erection of signs; maintenance of signs; receipt and response to information requests concerning the program; and management of the financial transactions related to the program. A business or facility participating in the TODS program shall pay a fee set by the vendor and approved by the Board of Transportation. The fee set by the vendor shall be determined based on market rates for the number of vehicles that pass by the sign, reflecting the value of the visibility and access provided to the participating businesses and to cover the initial costs of the signs, the sign installation and maintenance, and the costs of administering the TODS program.

(b) Definitions. – The following definitions apply in this Article:

- (1) TODS. – Tourist-oriented directional signs (TODS) are guide signs that display the business identification of and directional information for tourist-oriented businesses and tourist-oriented facilities or for classes of businesses or facilities that are tourist-oriented.
- (2) Tourist-oriented business. – A business, the substantial portion of whose products or services is of significant interest to tourists. The term may include a business involved with seasonal agricultural products. When used in this Article, the term "business" means a tourist-oriented business.
- (3) Tourist-oriented facility. – A business, service, or activity facility that derives a major portion of income or visitors during the normal business season from road users not residing in the immediate area of the facility. When used in this Article, the term "facility" means a tourist-oriented facility.

(c) Limitation. – The ~~Department~~ vendor shall not install TODS for a business or facility if the signs would be required at intersections where, due to the number of conflicting locations of other highway signs or traffic control devices or other physical or topographical features of the roadside, their presence would be impractical or unfeasible or result in an unsafe or hazardous condition.

(d) Duplication. – If a business or facility is currently shown on another official highway guide sign, such as a logo sign or supplemental guide sign, on the same approach to an intersection where a TODS panel for that business or facility would be located, the business or facility may elect to keep the existing highway guide sign or have it removed and participate in the TODS program. If the business or facility elects to retain the existing highway guide sign, the business or facility is ineligible for the TODS program at that intersection."

SECTION 22.(b) G.S. 136-140.18 reads as rewritten:

"§ 136-140.18. Temporary modification of TODS panels.

(a) The ~~Department~~ vendor shall allow a participating business or facility to close for remodeling or to repair damage from fire or other natural disaster if its TODS panels are covered or removed while the business or facility is closed. No refund of fees or extension of the time remaining in the contract for participation will be provided for the period of closure.

(b) The ~~Department~~ vendor may, at its discretion, remove or cover TODS panels for roadway construction or maintenance, for routine maintenance of the TODS assembly, for traffic research study, or for any other reason it considers appropriate. Businesses or facilities are not entitled to any refunds of fee amounts for the period that the TODS panels are covered or removed under this subsection unless the period exceeds seven days.

(c) The TODS panels for seasonal businesses or facilities shall have an appropriate message added during the period in which the businesses or facilities are open to the public as part of their normal seasonal operation."

SECTION 22.(c) G.S. 136-140.19 reads as rewritten:

"§ 136-140.19. Board of Transportation to adopt rules to implement the TODS program.

The Board of Transportation shall adopt rules to implement the TODS program created by this Article. The rules shall include all of the following:

- (1) ~~The Board shall set fees to cover the initial costs of signs, sign installation, and maintenance, and the costs of administering the program. Fees set by the vendor in accordance with G.S. 136-140.15(a) must be approved by the Board.~~
- (2) The Board shall establish a standard for the size, color, and letter height of the TODS as specified in the National Manual of Uniform Traffic Control Devices for Streets and Highways.
- (3) TODS shall not be placed more than five miles from the business or facility.
- (4) TODS shall not be placed where prohibited by local ordinance.

- (5) The number of TODS panels shall not exceed six per intersection with only one business or facility on each panel.
- (6) If a business or facility is not directly on a State highway, it is eligible for TODS panels only if both of the following requirements are met:
 - a. It is located on a street that directly connects with a State road.
 - b. It is located so that only one directional sign, placed on a State road, will lead the tourist to the business or facility.
- (7) A TODS shall not be placed immediately in advance of the business or facility if the business or facility and its on-premise advertising signs are readily visible from the roadway.
- (8) The Board shall limit the placement of TODS to highways other than fully controlled access highways and to rural areas in and around towns or cities with a population of less than 40,000."

SECTION 22.(d) No later than 120 days after the effective date of this section, the Department shall contract with a vendor in accordance with this section. The Department may contract with the same vendor that administers the Logo Sign Program pursuant to G.S. 136-89.56(b).

RAISE INSURANCE MINIMUMS FOR TAXICABS OPERATING AT INTERNATIONAL AIRPORTS AND REQUIRE DESIGNATION AS INSURANCE CERTIFICATE HOLDERS

SECTION 23.(a) G.S. 20-280 reads as rewritten:

"§ 20-280. Filing proof of financial responsibility with governing board of municipality or county.

(a) ~~Within 30 days after March 27, 1951, every~~ Proof of Financial Responsibility Filing. – Every person, firm or corporation engaging in the business of operating a taxicab or taxicabs within a municipality shall file with the governing board of the municipality in which such business is operated proof of financial responsibility as hereinafter defined.

No governing board of a municipality shall hereafter issue any certificate of convenience and necessity, franchise, license, permit or other privilege or authority to any person, firm or corporation authorizing such person, firm or corporation to engage in the business of operating a taxicab or taxicabs within the municipality unless such person, firm or corporation first files with said governing board proof of financial responsibility as hereinafter defined.

~~Within 30 days after the ratification of this section, every~~ Every person, firm or corporation engaging in the business of operating a taxicab or taxicabs without the corporate limits of a municipality or municipalities, shall file with the board of county commissioners of the county in which such business is operated proof of financial responsibility as hereinafter defined.

No person, firm or corporation shall hereafter engage in the business of operating a taxicab or taxicabs without the corporate limits of a municipality or municipalities in any county unless such person, firm or corporation first files with the board of county commissioners of the county in which such business is operated proof of financial responsibility as hereinafter defined.

(b) Proof of Financial Responsibility Definition and Limits. – As used in this section "proof of financial responsibility" shall mean a certificate of any insurance carrier duly authorized to do business in the State of North Carolina certifying that there is in effect a policy of liability insurance insuring the owner and operator of the taxicab business, his agents and employees while in the performance of their duties against loss from any liability imposed by law for damages including damages for care and loss of services because of bodily injury to or death of any person and injury to or destruction of property caused by accident and arising out of the ownership, use or operation of such taxicab or taxicabs, subject to limits (exclusive of interests and costs) with respect to each such motor vehicle as follows: one hundred thousand dollars (\$100,000) because of bodily injury to or death of one person in any one accident and,

subject to said limit for one person, three hundred thousand dollars (\$300,000) because of bodily injury to or death of two or more persons in any one accident, and fifty thousand dollars (\$50,000) because of injury to or destruction of property of others in any one accident.

(b1) Additional Requirements for Taxicabs Operating at International Airports. – Every person, firm, or corporation engaging in the business of operating a taxicab or taxicabs providing service to an international airport pursuant to a permit issued by the airport operator, as defined in G.S. 20-280.1, within this State shall maintain a policy of liability insurance insuring the owner and operator of the taxicab business, their agents, and employees, while in the performance of their duties, against loss from liability caused by accident and arising out of the ownership, use, or operation of such taxicab or taxicabs, subject to limits (exclusive of interests and costs) with respect to each such motor vehicle, in the minimum amount of one million dollars (\$1,000,000) per occurrence. Every person, firm, or corporation engaging in the business of operating a taxicab or taxicabs subject to this subsection, in addition to filing proof of financial responsibility pursuant to subsection (a) of this section, shall provide proof of financial responsibility pursuant to this subsection to the airport operator issuing a permit to the business operating a taxicab and shall designate the airport operator as a holder of a certificate of insurance for the purposes of receiving notices concerning the policy of insurance in accordance with G.S. 58-3-149(e). For the purposes of this subsection, "international airport" means an airport designated as an international airport pursuant to 19 C.F.R. § 122.11.

(c) Repealed by Session Laws 2017-137, s. 2.5, effective January 1, 2018."

SECTION 23.(b) This section becomes effective July 1, 2027.

TRAFFIC IMPACT ANALYSIS CRITERIA

SECTION 24.(a) G.S. 136-93.1A(f) reads as rewritten:

"(f) Criteria. – The Department shall develop and use criteria for determining (i) the scope of a traffic impact analysis, (ii) the completeness of a traffic impact analysis, and (iii) whether to approve or reject a traffic impact analysis. Criteria for the scope of a traffic impact analysis must include use of a population growth factor equal to or greater than the average of the highest three years of growth over the previous five years in the county in which a development is located. If a development is located in more than one county, a population growth factor equal to or greater than the highest average of the counties in which the development is located must be used. The Department shall post the criteria on its website. Prior to amending the criteria, the Department shall consult with a working group that consists of engineers, local government representatives, local transportation planning organization representatives, and other interested stakeholders identified by the Department. The Department shall provide at least 90 days' notice prior to the effective date of any amendments to the criteria. The notice required under this subsection may be satisfied by publishing the proposed amendments on the Department's website."

SECTION 24.(b) This section becomes effective October 1, 2026.

ELECTRIC MEMBERSHIP CORPORATION AND MUNICIPALLY OWNED ELECTRIC ENTERPRISE UTILITY RELOCATION COSTS

SECTION 25. G.S. 136-18(10) reads as rewritten:

"(10) To make proper and reasonable rules, regulations, and ordinances for the placing or erection of telephone, telegraph, electric, and other lines, above or below ground, wireless facilities, signboards, fences, gas, water, sewerage, oil, or other pipelines, and other similar obstructions that may, in the opinion of the Department of Transportation, contribute to the hazard upon any of the highways or in any way interfere with the highways, and to make reasonable rules and regulations for the proper control thereof. And whenever the order of the Department of Transportation shall require the removal of, or changes in, the location of telephone, telegraph, electric, or other lines, wireless

facilities, signboards, fences, gas, water, sewerage, oil, or other pipelines, or other similar obstructions, the owners thereof shall at their own expense, except as provided in G.S. 136-19.5(c), move or change them to conform to the order of the Department of Transportation. Any violation of these rules and regulations or noncompliance with these orders constitutes a Class 1 misdemeanor. For purposes of this subdivision, "wireless facilities" has the definition set forth in G.S. 160D-931. Whenever the Department of Transportation requires the relocation of equipment or facilities for the provision of public utility service, owned or operated by an electric membership corporation formed under and in compliance with all provisions in Article 2 of Chapter 117 of the General Statutes or owned or operated by a municipally owned electric enterprise, located outside of an existing Department of Transportation right-of-way, the Department of Transportation shall reimburse the electric membership corporation or municipally owned electric enterprise for the non-betterment costs of moving those utilities, including the cost of acquiring new easements, if the electric membership corporation or municipally owned electric enterprise demonstrates a compensable interest in the property upon which the equipment or facilities to be moved are located. For purposes of reimbursement to electric membership corporations and municipally owned electric enterprises required under this subdivision, a compensable property interest includes any property ownership right, including an easement, a property right taken by act or omission of a condemnor listed in G.S. 40A-3, including by inverse condemnation, or any other property interest recognized by law. For purposes of this subdivision, "municipally owned electric enterprise" shall mean an enterprise owned or operated pursuant to Chapter 160A of the General Statutes or an enterprise owned or operated by a public works authority or public utilities commission created pursuant to a local act of the General Assembly. The Department has the authority to make rules and policies for implementation of this provision."

DEVELOPER FLEXIBILITY FOR PERFORMANCE GUARANTEES

SECTION 26.(a) G.S. 136-93 reads as rewritten:

"§ 136-93. Openings, structures, pipes, trees, and issuance of permits.

(a) No opening or other interference whatsoever shall be made in any State road or highway other than streets not maintained by the Department of Transportation in cities and towns, nor shall any structure be placed thereon, nor shall any structure which has been placed thereon be changed or removed except in accordance with a written permit from the Department of Transportation or its duly authorized officers, who shall exercise complete and permanent control over such roads and highways. No State road or State highway, other than streets not maintained by the Department of Transportation in cities and towns, shall be dug up for laying or placing pipes, conduits, sewers, wires, railways, or other objects, and no obstruction placed thereon, without a written permit as hereinbefore provided for, and then only in accordance with the regulations of said Department of Transportation or its duly authorized officers or employees; and the work shall be under the supervision and to the satisfaction of the Department of Transportation or its officers or employees, and the entire expense of replacing the highway in as good condition as before shall be paid by the persons, firms, or corporations to whom the permit is given, or by whom the work is done. The Department of Transportation, or its duly authorized officers, may, in its discretion, before granting a permit under the provisions of this section, require the applicant to file a satisfactory ~~bond, payable to performance guarantee in favor of the State of North Carolina~~, in such an amount as may be deemed sufficient by the Department of Transportation or its duly authorized officers, conditioned upon the proper

compliance with the requirements of this section by the person, firm, or corporation granted such permit. At the election of the applicant, the Department shall accept a performance guarantee in the form of a surety bond, irrevocable letter of credit, or any other instrument approved by the Department that provides equivalent security to a surety bond or irrevocable letter of credit. Any person making any opening in a State road or State highway, or placing any structure thereon, or changing or removing any structure thereon without obtaining a written permit as herein provided, or not in compliance with the terms of such permit, or otherwise violating the provisions of this section, shall be guilty of a Class 1 misdemeanor: Provided, this section shall not apply to railroad crossings. The railroads shall keep up said crossings as now provided by law.

...."

SECTION 26.(b) This section is effective when it becomes law and applies to permit applications filed on or after that date.

PROHIBIT PLANTING OF INVASIVE SPECIES IN HIGHWAY RIGHT-OF-WAY AND STATE PARKS

SECTION 27.(a) G.S. 136-18(9) reads as rewritten:

"(9) In consultation with university system and community college horticulture programs and the North Carolina Forestry Association, the Department shall use seeds and plants the U.S. Department of Agriculture has classified as native to a state or county in the Southeastern United States, including cultivars and varieties thereof that were not bred to have reduced reproductive structures, with a strong preference for plants the U.S. Department of Agriculture has classified as native to North Carolina, in the highway right-of-way in the promotion of erosion control, landscaping, and general protection of the highways, except that the Department may use (i) nonnative grasses, plants, and seeds for the purpose of soil and slope stabilization for erosion control and (ii) nonnative turf grasses. For purposes of this subdivision, the Southeastern United States means the states of Alabama, Georgia, North Carolina, South Carolina, Tennessee, Virginia, and the following counties in Florida: Bay, Calhoun, Escambia, Gulf, Holmes, Jackson, Okaloosa, Santa Rosa, Walton, and Washington. The Department shall not plant an invasive species, as determined by the North Carolina Forest Service, in the highway right-of-way. The Department shall also have the power to acquire by gift or otherwise land for and to construct, operate, and maintain roadside parks, picnic areas, picnic tables, scenic overlooks, and other appropriate turnouts for the safety and convenience of highway users; and to cooperate with municipal or county authorities, federal agencies, civic bodies, and individuals in the furtherance of those objectives. None of the roadside parks, picnic areas, picnic tables, scenic overlooks, or other turnouts, or any part of the highway right-of-way shall be used for commercial purposes except for any of the following:

- a. Materials displayed in welcome centers in accordance with G.S. 136-89.56.
- b. Vending machines permitted by the Department of Transportation and placed by the Division of Services for the Blind of the Department of Health and Human Services, as the State licensing agency designated pursuant to Section 2(a)(5) of the Randolph-Sheppard Act (20 U.S.C. 107a(a)(5)). The Department of Transportation shall regulate the placing of the vending machines in highway rest areas and shall regulate the articles to be dispensed.

- c. Activities permitted by a local government pursuant to an ordinance meeting the requirements of G.S. 136-27.4.
- Every other use or attempted use of any of these areas for commercial purposes constitutes a Class 1 misdemeanor, and each day's use constitutes a separate offense."

SECTION 27.(b) G.S. 143B-135.59 reads as rewritten:

"§ 143B-135.59. State Parks System native plant requirement and preference.

In consultation with university system and community college horticulture programs and the North Carolina Forestry Association, the Department of Natural and Cultural Resources shall require the use of seeds and plants the U.S. Department of Agriculture has classified as native to a state or county in the Southeastern United States, including cultivars and varieties thereof that were not bred to have reduced reproductive structures, with a strong preference for plants the U.S. Department of Agriculture has classified as native to North Carolina, on all lands that are part of the State Parks System as defined in G.S. 143B-135.44. Exempt from this requirement are (i) nonnative seeds and plants used in landscaping for locations where the primary purpose is crop cultivation, crop and horticulture research, science, botanical gardens, plantings for wildlife by the Wildlife Resources Commission, and zoos and (ii) nonnative turf grass. For purposes of this section, the Southeastern United States means the states of Alabama, Georgia, North Carolina, South Carolina, Tennessee, Virginia, and the following counties in Florida: Bay, Calhoun, Escambia, Gulf, Holmes, Jackson, Okaloosa, Santa Rosa, Walton, and Washington. No invasive species, as determined by the North Carolina Forest Service, may be planted on lands that are part of the State Parks System."

SECTION 27.(c) This section becomes effective October 1, 2026.

REQUIRE THE DIVISION OF MOTOR VEHICLES TO ESTABLISH OR AMEND RULES TO RESTRUCTURE ENROLLMENT CONTRACT REFUNDS FOR COMMERCIAL TRUCK DRIVER TRAINING SCHOOLS

SECTION 28.(a) The Division of Motor Vehicles, of the Department of Transportation, is authorized to and shall within 180 days of the effective date of this section, with stakeholder input and participation, establish or amend rules restructuring enrollment contract refunds for commercial driver training schools that are subject to permitting by the Division to engage in the business of giving instruction in the driving of commercial motor vehicles. At a minimum, rules for enrollment contract refunds shall provide for the following:

- (1) A one hundred percent (100%) refund of payments and cancellation of any evidence of indebtedness if the student officially withdraws before the first scheduled instruction hour of the course or class section in which the student enrolled. Notwithstanding subdivision (4) of this subsection, the delivery to a student of, or the provision of student access to, the certified home study or digital course materials described in subdivision (4) of this subsection shall not terminate the student's eligibility for a one hundred percent (100%) refund if the student officially withdraws within five business days after the materials are first delivered or made accessible to the student and before the first scheduled in-person instruction hour.
- (2) A seventy-five percent (75%) refund of payments, less disclosed nonrefundable fees, and complete cancellation of any evidence of indebtedness if the student officially withdraws before receiving ten percent (10%) of the scheduled instruction hours of the course or class section in which the student enrolled.
- (3) No refund and cancellation of any evidence of indebtedness shall be provided once ten percent (10%) of the scheduled instruction hours of the course or class section in which the student enrolled have been received.

- (4) For purposes of determining the percentage of instruction hours received under subdivisions (2) and (3) of this subsection, instruction hours shall include theory instruction hours delivered through home study or digital course materials that have been certified by the Commissioner of Motor Vehicles as satisfying the entry-level driver training theory instruction curriculum required under the applicable course of instruction. The delivery to a student of, or the provision of student access to, such certified materials shall be deemed receipt of the corresponding theory instruction hours.

SECTION 28.(b) Rules established or amended pursuant to this section shall apply to enrollment contracts entered into on or after rules required by this section become effective.

SECTION 28.(c) This section is effective when it becomes law and expires on the date rules required by this section become effective.

REQUIRE THE DIVISION OF MOTOR VEHICLES TO ESTABLISH OR AMEND RULES TO DEVELOP AN 80-HOUR CLASS B CDL CURRICULUM FOR COMMERCIAL TRUCK DRIVER TRAINING SCHOOLS

SECTION 29.(a) The Division of Motor Vehicles, of the Department of Transportation, is authorized to and shall within 180 days of the effective date of this section, establish or amend rules to create a two-week course curriculum intended for Class B commercial drivers license applicants, for commercial driver training schools that are subject to permitting by the Division to engage in the business of giving instruction in the driving of commercial motor vehicles. At a minimum, rules for a Class B commercial drivers license curriculum shall cover all topics required by 40 C.F.R. Part 380 applicable to Class B commercial motor vehicle operation and include all of the following:

- (1) Twenty-five minimum hours of classroom instruction, labs, and testing.
- (2) Twenty-five minimum hours of field instruction.
- (3) Ten minimum hours of highway behind-the-wheel training.
- (4) Twenty minimum hours of highway behind-the-wheel observation.

SECTION 29.(b) This section is effective when it becomes law and expires on the date rules required by this section become effective.

AMEND COLLEGIATE INSIGNIA PLATE AUTHORIZATION TO INCLUDE COMMUNITY COLLEGES

SECTION 30.(a) G.S. 20-79.4(b)(52) reads as rewritten:

"(52) Collegiate Insignia Plate. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate may bear a phrase or an insignia representing a public or private college or ~~university~~university or a community college."

SECTION 30.(b) G.S. 20-81.12(b30) reads as rewritten:

"(b30) Collegiate Insignia Plates. – Except for a collegiate insignia plate for a public military college or university, the Division must receive 300 or more applications for a collegiate insignia license plate for a college or university or community college before a collegiate license plate may be developed. For a collegiate insignia license plate for a public military college or university, the Division must receive 100 or more applications before a collegiate license plate may be developed. The color, design, and material for the plate must be approved by both the Division and the alumni or alumnae association of the appropriate college or ~~university~~university or community college. The Division must transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of in-State collegiate insignia plates to the Board of Governors of The University of North Carolina for in-State, public colleges and ~~universities and universities~~universities, to the respective board of trustees for in-State, private colleges and ~~universities~~universities, and to the State Board of Community Colleges for

community colleges, in proportion to the number of collegiate plates sold representing that institution for use for academic enhancement."

AUTHORIZE SEMIQUINCENTENNIAL SPECIAL REGISTRATION PLATE

SECTION 31.(a) G.S. 20-79.4(b) reads as rewritten:

"(b) Types. – The Division shall issue the following types of special registration plates:

...

(i) America's Semiquincentennial. – Issuable to a registered owner of a motor vehicle, the plate shall bear the phrase "America 250" and other imagery commemorating the semiquincentennial. The Division must receive 300 or more applications for the plate before it may be developed.

...."

SECTION 31.(b) The plate authorized by this section is not subject to the requirements to establish a new special registration plate in G.S. 20-79.3A. The Revisor of Statutes is authorized to alphabetize, number, and renumber the special registration plates listed in G.S. 20-79.4(b) to ensure that all of the special registration plates are listed in alphabetical order and numbered accordingly.

SECTION 31.(c) This section is effective when it becomes law, but the Division is not required to issue plates in accordance with the authorization enacted in this section until 180 days after the date the Division has received the required number of paid applications and the final artwork for the plate has been approved.

AUTHORIZE GUY HARVEY FOUNDATION SPECIAL REGISTRATION PLATE

SECTION 32.(a) G.S. 20-79.4(b) reads as rewritten:

"(b) Types. – The Division shall issue the following types of special registration plates:

...

(i) Guy Harvey Foundation. – Issuable to a registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the phrase "Protect Our Oceans."

...."

SECTION 32.(b) G.S. 20-79.7 reads as rewritten:

"§ 20-79.7. Fees for special registration plates and distribution of the fees.

...

(a1) Fees. – All other special registration plates are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

Special Plate

Additional Fee Amount

...

Greensboro Symphony Guild

Expired July 1,
2016

Guy Harvey Foundation

\$30.00

Historical Attraction

\$30.00

...

(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a1) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the North Carolina Land and Water Fund (NCLWF), which is established under G.S. 143B-135.234, and the Parks and Recreation Trust Fund, which is established under G.S. 143B-135.56, as follows:

Special Plate

SRPA

CCAPA

NCLWF

PRTE

...

Guilford Battleground Company	\$10	\$10	0	0
<u>Guy Harvey Foundation</u>	<u>\$10</u>	<u>\$20</u>	<u>0</u>	<u>0</u>
Harley Owners' Group	\$10	\$10	0	0
...."				

SECTION 32.(c) G.S. 20-81.12 is amended by adding a new subsection to read:

"(Q) Guy Harvey Foundation. – The Division must receive 300 or more applications for the Guy Harvey Foundation plate before the plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Guy Harvey Foundation plates equally to the University of North Carolina at Wilmington, North Carolina State University, the University of North Carolina at Chapel Hill, and East Carolina University, to be used to support their marine biology programs."

SECTION 32.(d) The plate authorized by this section is not subject to the requirements to establish a new special registration plate in G.S. 20-79.3A. The Revisor of Statutes is authorized to alphabetize, number, and renumber the special registration plates listed in G.S. 20-79.4(b), 20-79.7(a1) and (b), and 20-81.12 to ensure that all of the special registration plates are listed in alphabetical order and numbered accordingly.

SECTION 32.(e) This section is effective when it becomes law, but the Division is not required to issue plates in accordance with the authorization enacted in this section until 180 days after the date the Division has received the required number of paid applications and the final artwork for the plate has been approved.

MAKE TECHNICAL CORRECTION RELATED TO MOTOR VEHICLE DEALERS

SECTION 32.5.(a) If Senate Bill 595, 2025 Regular Session, becomes law, then G.S. 105-187.1(a)(6), as amended by Section 7.1(a) of that act, reads as rewritten:

"(6) Retailer. – A retailer as defined in G.S. 105-164.3 who is engaged in the business of selling motor vehicles, offering short-term or long-term leases or rentals, long-term leases or rentals, rentals of motor vehicles, or vehicle subscriptions for motor vehicles."

SECTION 32.5.(b) This section becomes effective October 1, 2026.

EFFECTIVE DATE

SECTION 33. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of July, 2026.

s/ Phil Berger
President Pro Tempore of the Senate

s/ John R. Bell, IV
Presiding Officer of the House of Representatives

s/ Josh Stein
Governor

Approved 9:44 a.m. this 7th day of July, 2026