

# Transportation

See full summary documents for additional detail

## **H121 - Clarify Environmental Quality Incentives Program (EQIP) Funding/Dredging Cost-Share. (SL 2021-108)**

OVERVIEW: S.L. 2021-108 does all of the following:

- Excludes Environmental Quality Incentives Program (EQIP) grants from a 50% match limitation on nonfederal funds for water resource development grants for specific appropriations.
- Clarifies that a single project consists of all landowners and other participants under a project design contract approved by the United States Department of Agriculture's Natural Resource Conservation Service (NRCS) under the EQIP program along a continuous stretch of stream.
- Exempts dredging projects for ferry channels maintained by the Department of Transportation (DOT) that are located in tier one areas from Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund cost-share requirements.
- Extended authorization for the Hatteras-Ocracoke passenger ferry lease through September 12, 2021, and authorized funds for associated costs.

This act became effective August 16, 2021.

## **H156 - Unclaimed Property Division Amendments/DMV Technical Changes. (SL 2021-13)**

S.L. 2021-13 increases the amount of time the State Treasurer has to hold a public sale for abandoned property from three to five years after receiving the property, provides that a person may file a claim for property paid or delivered to the Treasurer if the amount exceeds \$5,000, and extends the Department of Motor Vehicle's (DMV) authority to adopt emergency rules pursuant to S.L. 2020-97, Coronavirus Relief Act 3.0.

The provision that extends DMV's authority to adopt emergency rules pursuant to Section 3.20 of S.L. 2020-97 became effective on March 31, 2021, and the remainder of the act became effective on April 27, 2021.

## **H165 - Department of Transportation Legislative Changes. (SL 2021-185)**

S.L. 2021-185 makes various changes to the transportation laws of this State, and more specifically:

- Requires the North Carolina Department of Transportation (NCDOT) to study right-of-way planning and acquisition procedures.
- Repeals the Map Act damages monetary cap enacted by S.L. 2019-251.
- Modifies the fiscal-year look back period for Transportation Investment Strategy Formula variance.
- Expands application of division need project alternate quantitative criteria within the Transportation Investment Strategy Formula for time-critical job creation opportunities.
- Increases cost threshold for the NCDOT small project informal bidding authority.

- Amends non-State dollar cost-share exemption under the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund for certain channel dredging projects, as enacted by S.L. 2021-108.
- Modifies and clarifies requirements for NCDOT litter removal coordination with right-of-way mowing.
- Requires all insurers to submit certain motor vehicle liability policy notifications to the Division of Motor Vehicles (DMV) electronically.
- Clarifies the DMV must offer in person and online renewals for handicapped credentials.
- Requires the DMV to disqualify persons from operating a commercial motor vehicle for certain convictions of severe forms of trafficking in persons to comply with federal law.
- Clarifies DMV dealer and inspection license hearing transfer feasibility study requirements enacted by S.L. 2021-134.
- Delays the implementation date of certain implied consent offense revocation timing modifications enacted by S.L. 2021-134.
- Extends DMV's authority, as enacted by S.L. 2021-13, to promulgate emergency rules to modify road test requirements during the coronavirus emergency.
- Modifies DMV procedures that relate to motor vehicle insurance lapse and requires the DMV to submit a plan to create a system to allow electronic submission of certain insurance documentation.
- Clarifies NCDOT and Turnpike Authority designated managed lane use violations are punishable as infractions.
- Amends passenger bus length restrictions to authorize longer articulated buses.
- Authorizes commercial driver training schools to administer Level 2 provisional license road tests.
- Authorizes Durham charter schools meeting certain conditions to utilize on-street right-of-way for temporary student loading and unloading.
- Eliminates the notarized signature requirement for an owner-retained salvage form.

Except as otherwise provided, this act became effective November 23, 2021. The provision regarding the DMV road test rule making authority became effective September 30, 2021. The provisions regarding managed lanes and commercial driver training schools became effective December 1, 2021.

### **H196 - 2021 COVID-19 Response & Relief. (SL 2021-3)**

S.L. 2021-3 (i) makes modifications to the State COVID-19 relief legislation and (ii) appropriates and provides additional guidance for expenditure of COVID-19 pandemic relief funds from the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA).

Except as otherwise provided, this act became effective, March 11, 2021.

### **H294 - Sale of Salvage Vehicles. (Ratified)**

House Bill 294 would allow a motor vehicle dealer to sell a used vehicle that has been issued a salvage certificate of title without inspection if the dealer has no knowledge of vehicle alterations or repairs and discloses that the vehicle was not inspected by the dealer.

This bill was ratified by the General Assembly on November 30, 2021, and vetoed by the Governor on December 9, 2021.

## **H297 - DMV Deployed Armed Forces Exemptions. (SL 2021-89)**

OVERVIEW: S.L. 2021-89 provides for the remote conversion of a full provisional license to a regular drivers license, creates an additional defense to driving with an expired license, and waives the late fee for renewing an expired license for deployed active-duty servicemembers.

The provision that provides a defense to driving with an expired license became effective on December 1, 2021, and applies to offenses committed on or after that date. The remainder of the act became effective on October 1, 2021, with the provision on remote license conversion applicable to any application to remotely convert a full provisional license submitted on or after that date.

## **H366 - Regulatory Reform Act of 2021.**

### **Sec. 11: Disallow Certain Transportation Rules from Becoming Effective. (SL 2021-117)**

Section 11 of S.L. 2021-117 prevents three rules adopted by the Department of Transportation on August 28, 2020, and approved by the Rules Review Commission on February 18, 2021, from becoming effective. These rules would have regulated the zoning, use, and repair of outdoor advertising signs.

This section became effective August 23, 2021.

## **H403 - Clarify Motor Vehicle Franchise Laws. (SL 2021-147)**

S.L. 2021-147 makes the following changes to North Carolina's Motor Vehicle Dealers and Manufacturers Licensing Law:

- Prohibits conditioning approval of dealership transfers on dealer's willingness to renovate, relocate, or enter into a right of first refusal.
- Clarifies provisions regulating franchise agreements and changes to established plans and to facilitate dealers' ability to sell electric vehicles.
- Prohibits manufacturers from requiring dealers to purchase pre-owned vehicles.
- Requires manufacturer to buy a dealer's existing facility if it does not sell if the manufacturer or distributor required the dealer to relocate.
- Extends existing grandfather provisions allowing certain manufacturer incentive programs.
- Requires information be provided to dealers regarding how vehicle allocations are made by manufacturers.
- Clarifies provisions regarding reimbursement to dealers who provide loaner vehicles to customers having vehicles serviced when required by the manufacturer.
- Provides that certain dealer facility improvements required by a manufacturer in the 10 years preceding an incentive program comply with program requirements; addresses programs that are discontinued or revised.
- Makes clarifying changes to existing law regarding warranty obligations.
- Clarifies the definition of motor vehicle dealer includes one who leases vehicles or offers new vehicles as part of a subscription program.
- Prohibits manufacturers from requiring dealers to provide financial statements specific to a franchise or line-make if the dealer operates more than one franchise or sells more than one line-make.

- Creates a framework for online vehicle reservations or requests to purchase or lease.
- Allows electronic signatures on various documents for manufacturer vehicle loaner programs.
- Clarifies vehicle inspection requirements for transfer of vehicles between affiliated dealerships.
- Clarifies delivery and execution of prepared documents at a customer's home or place of business do not violate the requirement conducting motor vehicle sales at an established salesroom.

Provisions related to dealer and manufacturer partnerships for online sales became effective January 1, 2022. The remainder of the act became effective September 10, 2021.

## **H650 - Omnibus Division of Motor Vehicles Bill. (SL 2021-134)**

S.L. 2021-134 makes various changes to laws related to motor vehicles and motor vehicle dealers, including:

- Making clarifying changes to motor vehicle sales representative licensing provisions and modifying how and when civil penalties apply for violations of the dealer licensing law.
- Modifying the grounds for denying and revoking licenses under the dealer licensing law, providing affirmative defenses for certain grounds, and limiting the ability to deny or revoke the license of a business entity under certain circumstances.
- Directing the Division of Motor Vehicles to study the feasibility of transferring licensing hearings under the dealer licensing law and hearings related to safety and emissions inspection licensing and violations from the Division to the Office of Administrative Hearings.
- Providing an exemption from the prohibition on making color copies of drivers licenses for licensed lenders, motor vehicle dealers with regard to loan applications, and federally insured depository institutions.
- Requiring replacement of dealer registration plates every three years.
- Permitting surviving military spouses to renew special plates based on military service.
- Requiring the Division to send a temporary license to a dealer for display during the time a license continues to be valid while an application for renewal is being reviewed.
- Clarifying laws related to satisfaction, release, and renewal of security interests in manufactured homes.
- Modifying requirements for applications for notations of security interests submitted by regulated lenders – makes permanent the same modifications that were put into place temporarily last year.
- Requiring electronic lien system contractors to have specific experience.
- Changing effective dates for certain license revocations by the Division from the tenth day after mailing of the order to the thirtieth day after mailing.
- Clarifying that used vehicles sold by an auctioneer pursuant to court proceedings are not required to be inspected prior to sale, as is required for used vehicles being sold at retail by a dealer.
- Exempting up to five Division technology modernization projects from Department of Information Technology requirements.
- Extending a temporary modification, enacted this year, reducing the amount of time a person must hold a Level 1 permit before applying for a Level 2 license under graduated driver licensing until December 31, 2022.

The provision permitting surviving military spouses to renew special registration plates became effective December 1, 2021. The provision regarding electronic lien system contractor experience became effective January 15, 2022. As amended by S.L. 2021-185, the provision regarding license revocation effective dates became effective February 1, 2022. The remainder of the act became effective October 1, 2021.

### **H692 - Restrict Certain Vehicle Modifications. (SL 2021-128)**

S.L. 2021-128 prohibits operation of a private passenger automobile on a highway or public vehicular area if the suspension, frame, or chassis has been altered so that the front fender is four or more inches above the height of the rear fender. The act requires a drivers license to be revoked for at least one year for a third or subsequent conviction in the same 12-month period.

This act became effective on December 1, 2021, and applies to offenses committed on or after that date.

### **H814 - Neighborhood Occupantless Vehicle. (SL 2021-179)**

S.L. 2021-179 defines neighborhood occupantless vehicle as a type of fully autonomous vehicle used to transport goods without a human occupant and authorizes its operation on highways with certain restrictions and equipment requirements.

The act became effective December 1, 2021.

### **S69 - Division of Motor Vehicles Licensing Requirements. (SL 2021-24)**

S.L. 2021-24, as amended by S.L. 2021-134, amends graduated drivers licensing requirements by temporarily reducing the amount of time an applicant must hold a Level 1 limited learner's permit before applying for a Level 2 limited provisional license. The modification to requirements was set to expire on December 31, 2021, but S.L. 2021-134 extended the expiration date to December 31, 2022.

This act became effective May 24, 2021.

### **S99 - Clarify Law on Theft of Catalytic Converters. (SL 2021-154)**

Session Law 2021-154 makes the theft of a catalytic converter from a motor vehicle a Class I felony, and modifies the laws related to the purchase of catalytic converters.

The section of this act related to the purchase of catalytic converters became effective December 1, 2021, and applies to purchases and transactions made on or after that date. The remainder of this act became effective December 1, 2021, and applies to offenses committed on or after that date.

### **S105 - 2021 Appropriations Act.**

#### **Sec. 42.10: Credit Short-Term Vehicle Rental Proceeds to Highway Fund. (SL 2021-180)**

Section 42.10 of S.L. 2021-180 credits 100% of the proceeds derived from the 5% and 8% alternate highway use tax applied to short-term vehicle rentals to the Highway Fund.

This section became effective July 1, 2021, when the act became law.

### **S135 - Improve Anatomical Gift Donation Process. (SL 2021-32)**

S.L. 2021-32 amends the anatomical gifts process (organ, eye, and tissue donation) to clarify that a statement or symbol indicating the individual has made an anatomical gift remains on the donor's drivers license or identification card until the donor revokes consent by requesting removal in a manner prescribed by the Division of Motor Vehicles. The act also provides that an individual who became a donor in another state and applies for a drivers license or identification card in North Carolina is required to authorize that a statement or symbol be imprinted on the donor's license or card issued in this State in order for the anatomical gift to be valid.

The act became effective October 1, 2021.

### **S183 - Ignition Interlock and Various Changes. (SL 2021-182)**

S.L. 2021-182 does the following:

- Amends certain driving privilege restrictions.
- Allows an individual who owns multiple vehicles to designate certain vehicles for operation with an ignition interlock system.
- Expands the current waiver for undue financial hardship to equip a vehicle with a required ignition interlock system.
- Creates a study focused on expanded uses and supervision of ignition interlock systems.
- Makes technical and conforming changes related to S.L. 2021-138.
- Changes "Sheriff's Department" to "Sheriff's Office" in various sections of the General Statutes.

This act has various effective dates. Please see the full summary for more detail.

### **S241 - Modified Utility Vehicle Definition/Use of Funds. (SL 2021-33)**

S.L. 2021-33 broadens the definition of modified utility vehicle and amends restrictions and requirements applicable to modified utility vehicles that may be registered and operated on highways. It also directs the Department of Transportation to use funds to lease a passenger ferry for operation between Hatteras and Ocracoke.

Provisions of the act related to modified utility vehicles became effective October 1, 2021. The remainder of the act became effective June 14, 2021.

### **S379 - Issuance of Unregisterable Cert. of Title. (SL 2021-126)**

S.L. 2021-126 requires the Division of Motor Vehicles (DMV) to create and issue an unregisterable certificate of title for certain eligible motor vehicles and create an application process for insurance

companies or their agents and contractors to apply for an unregistrable certificate of title under certain circumstances.

This act became effective October 1, 2021.

**S425 - Guaranteed Asset Protection and Vehicle Value Protection Agreement Changes. (SL 2021-172)**

S.L. 2021-172 modifies the law governing the regulation of guaranteed asset protection waivers and regulates vehicle value protection agreements. This act became effective January 1, 2022, and applies to agreements entered into on or after that date.