Transportation

See full summary documents for additional detail

Provide Tax Parity for Short-Term Car Rentals to Include Peer-To-Peer Rentals – Various Revenue Laws Changes.

SL 2026-31 (S595), Part VII

Part VII of S.L. 2026-31 (Senate Bill 595) imposes the 8% alternate highway use tax and applicable local taxes to short-term motor vehicle rentals that are rented through a peer-to-peer vehicle sharing provider. Section 32.5 of S.L. 2026-46 (House Bill 1094) made a technical correction to G.S. 105-187.1(a), which was amended by this Part.

Prior to this change, peer-to-peer vehicle rentals were not subject to tax, whereas short-term rentals through traditional car rental companies are subject to an 8% gross receipts tax, plus applicable local taxes ranging from 1.5% to 8%. Additionally, under current law, airport operators charge rental car companies a fee that is a percentage of their airport-related gross revenues, which is usually about 10% for on-property locations, and may charge peer-to-peer vehicle sharing providers a "reasonable fee" for use of the airport's facility.

This Part is effective October 1, 2026, and applies to gross receipts derived from rentals or leases billed on or after that date.

Revise Motor Vehicle Emissions Inspection Requirements – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.13

Section 12.13 of S.L. 2026-41 (Senate Bill 257) revises the current county-based motor vehicle emissions inspection requirement to be an area-based requirement for areas:

- Classified by the United States Environmental Protection Agency as not attaining the National Ambient Air Quality Standards for ozone or carbon monoxide (CO) and where the Environmental Management Commission (Commission) of the North Carolina Department of Environmental Quality determines that a motor vehicle emissions inspection program is required by federal law to achieve attainment with National Ambient Air Quality Standards
- That are currently attaining the National Ambient Air Quality Standards for ozone or CO, but where the Commission finds that motor vehicle emissions inspection programs are necessary to preclude a violation of a current or pending revision to National Ambient Air Quality Standards for ozone or CO.

The county-based to area-based emission inspection requirement change becomes effective 15 days after the date that the United States Environmental Protection Agency approves an amendment to the North Carolina State Implementation Plan that removes Mecklenburg County from the State's motor vehicle emissions inspection and maintenance program.

Modify Civil Revocation Fee – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 16.22

Section 16.22 of S.L. 2026-41 (Senate Bill 257) increases the fee from $100 to $200 that certain persons charged with an implied-consent offense must pay before that person's revoked license may be restored. This results in the following distributions:

- $50 per fee (25%) credited to the General Fund.
- $50 per fee (25%) to be used to fund a statewide chemical alcohol testing program administered by the Injury Control Section of the Department of Health and Human Services.
- $100 per fee (50%) remitted to the county for the sole purpose of reimbursing the county.

This section becomes effective December 1, 2026, and applies to fees assessed on or after that date.

Further Delineate Reimbursement Procedures for Roadway Cleanup Program – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 17.8

Section 17.8 of S.L. 2026-41 (Senate Bill 257) amends the authorization for inmates in the Statewide Misdemeanant Confinement Program (SMCP) to be utilized for roadway cleanup, including the removal of debris resulting from major disaster declarations as follows:

- Defines "housing night" as a night spent by an individual inmate in the custody of the sheriff pursuant to SMCP.
- Increases the reimbursement rate to counties for inmates utilized for roadway cleanup from $60 to $70 per inmate per day, if the sheriff meets the modified requirements of this section.
- Modifies the eligibility for increased reimbursement for SMCP inmates performing roadway cleanup based on the following work hour and housing night requirements:
    - 50 work hours, if the sheriff did not exceed 100 housing nights in the calendar month 3 months prior to the month in which the work hours occur.
    - 150 work hours, if the sheriff totals 101 to 200 housing nights in the calendar month 3 months prior to the calendar month in which the work hours occur.
    - 250 work hours, if the sheriff totals 201 to 300 housing nights in the calendar month 3 months prior to the calendar month in which the work hours occur.
    - 350 work hours, if the sheriff totals 301 to 400 housing nights in the calendar month 3 months prior to the calendar month in which the work hours occur.
    - 450 work hours, if the sheriff totals 401 to 500 housing nights in the calendar month 3 months prior to the calendar month in which the work hours occur.
    - 500 work hours, if the sheriff exceeds 500 housing nights in the calendar month 3 months prior to the calendar month in which the work hours occur.

This section becomes effective October 1, 2026, and applies to work hours performed in the next calendar month after this section becomes effective.

Repeal Law Enforcement Traffic Statistics Report – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 19.4

Section 19.4 of S.L. 2026-41 (Senate Bill 257) repeals G.S. 143B-903, which required State and county law enforcement officers and many municipal law enforcement officers to report certain data for every traffic stop except for DWI checkpoints and other roadblocks. The Department of Public Safety was required to collect and publish the data annually. This section also makes a conforming change to G.S. 143B-393(a)(9).

This section became effective July 1, 2026.

Department of Transportation, Construction - Contingency Funds – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.2

Section 43.2 of S.L. 2026-41 (Senate Bill 257) allocates non-reverting funds appropriated to the Department of Transportation, Construction – Contingency Budget Fund for the 2026-2027 fiscal year for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, railroad infrastructure, and spot safety projects, including pedestrian walkways that enhance highway safety approved by the Secretary of Transportation. This section also requires the Department of Transportation to report to the members of the General Assembly on projects funded in each member's district prior to construction, and report quarterly on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

This section became effective July 1, 2026.

Disaster Reimbursement Reports – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.3

Section 43.3 of S.L. 2026-41 (Senate Bill 257) requires the Department of Transportation (DOT) to submit a detailed report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division on disaster expenditures that qualify for federal reimbursement. This report is due no later than the end of each month.

No later than the end of each quarter, DOT must submit a summary report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division for all disaster expenditures resulting from a disaster that occurred on or after January 1, 2016, and that qualify for federal reimbursement.

If DOT fails to submit either report within 60 days of the required submission date, the Secretary of DOT must provide an explanation for not submitting the report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

This section became effective July 1, 2026.

Department of Transportation Capital Infrastructure Plan – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.7

Section 43.7 of S.L. 2026-41 (Senate Bill 257) requires the Department of Transportation to prepare a cash flow financing plan to fund capital replacement needs for all divisions of the Department over an eight-year period based on the building replacement schedule found in the 2024 Report on the NCDOT Facilities Management Division Capital Projects. The Department shall submit the plan to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by March 15, 2027.

This section became effective July 1, 2026.

Department of Transportation Capital Project Authorizations – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.8

Section 43.8 of S.L. 2026-41 (Senate Bill 257) authorizes Department of Transportation (Department) capital projects in the 2026-2027 fiscal year based upon projected cash flow needs. It also states the intent of the General Assembly to fund these capital improvement projects on a cash flow basis and plans for future project funding based upon projected availability in the 2027-2028 and 2028-2029 fiscal years. The capital projects are as follows: (i) Manns Harbor Water Infrastructure Overhaul; (ii) Wake County Maintenance Yard; and (iii) Jones County Maintenance Yard.

This section also requires, no later than March 1, 2027, and every year thereafter until project completion, the Department to report on the use of these funds to the House of Representatives Appropriations Committee on Transportation, the Senate Appropriations Committee on the Department of Transportation, the Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division.

This section became effective July 1, 2026.

Eliminate Motor Vehicle Registration Cards and Stickers – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.10

Section 43.10 of S.L. 2026-41 (Senate Bill 257), as amended by Section 11.6 of S.L. 2026-61 (House Bill 268), does the following with the intent of reducing administrative costs, streamlining vehicle registration processes, and enhancing efficiency:

- Eliminates motor vehicle registration cards and motor vehicle registration renewal stickers and requires the Division of Motor Vehicles (DMV) to instead primarily utilize electronic means to administer registration records.
- Requires the DMV to develop, implement, and maintain an electronic vehicle registration system that allows vehicle owners, law enforcement agencies, and other authorized entities to access and verify registration status.

This section becomes effective October 1, 2026, and applies to motor vehicle registrations and registration renewals applied for on or after that date.

Division of Motor Vehicles In-Home License Renewal Pilot Program – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.11

Section 43.11 of S.L. 2026-41 (Senate Bill 257) authorized the Division of Motor Vehicles (DMV) to implement a pilot program within Forsyth County to provide in-home license renewal services. However, Section 11.1 of S.L. 2026-61 (House Bill 268) repealed this section and replaced the pilot program authorization with a study evaluating the feasibility of the pilot program.

Extend Duration of Safety Inspections for Large Volume Rental Car Companies – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.12

Section 43.12 of S.L. 2026-41 (Senate Bill 257) amends the laws that relate to safety and emissions inspections to require less frequent safety inspections for motor vehicles rented or leased to the public by large volume rental companies, to three years instead of annually, and also creates a separate authorization fee that applies to those large volume rental company motor vehicles.

This section also amends the standard motor vehicle authorization fee distribution that applies to all other motor vehicle inspections to remove the Division of Air Quality of the Department of Environmental Quality as a recipient and redistribute that fee portion to the Highway Fund.

This section became effective July 1, 2026.

Veterans Special Registration Plate Modifications – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.13

Section 43.13 of S.L. 2026-41 (Senate Bill 257) exempts Military Veteran special registration license plates from the requirement that all license plates issued by the Department of Motor Vehicles (DMV) for private passenger vehicles and private hauler vehicles be either (i) a "First in Flight" plate, (ii) a "First in Freedom" plate, or (iii) a "National/State Mottos" plate.

This section also requires that Military Veteran special registration license plates issued by the DMV must (i) bear the words "U.S. Military Veteran" across the top of the plate and (ii) bear the name and insignia of the branch of service in which the individual served on the left side of the plate.

This section becomes effective October 1, 2026.

Ferry Dry Dock Use of Funds Report – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.14

Section 43.14 of S.L. 2026-41 (Senate Bill 257) requires the Ferry Division to submit a progress report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division on the use of funds appropriated by S.L. 2026-41 to the Ferry Division for marine vessel dry docking. The report is due no later than October 1, 2026, and quarterly thereafter until the funds are expended.

This section became effective July 1, 2026.

Ferry Tolls – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.15

Section 43.15 of S.L. 2026-41 (Senate Bill 257) requires the Board of Transportation, in consultation with the Ferry Division, of the Department of Transportation to establish tolls for all ferry routes, which must include passenger vessel replacement considerations. Certain school buses will be exempt from ferry tolls. The Department must also provide a commuter pass option for local coastal area residents and active military personnel for a $150 fee, which would authorize valid holders to utilize the ferry at no additional costs. Beginning July 1, 2028, the commuter pass fee will be set by the Board of Transportation, in consultation with the Ferry Division. The Ferry Division may implement necessary tolling technology and infrastructure accordingly.

The Ferry Division must begin collecting tolls for all routes no later than January 1, 2027.

This section became effective July 1, 2026.

North Carolina Railroad Reports – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.18

Section 43.18 of S.L. 2026-41 (Senate Bill 257) amends the laws that regulate annual reporting requirements for railroads, canals, or other public works of internal improvement in which the State owns an interest by adding the House of Representatives Appropriations Committee on Transportation, the Senate Appropriations Committee on the Department of Transportation, the Joint Legislative Transportation Oversight Committee, the State Auditor, and the Fiscal Research Division as report recipients.

This section also adds the same report recipients to laws on the annual reporting requirements for State-owned railroad companies. It further specifies that a State-owned railroad company must provide information and data within its possession, or ascertainable from its records, at the request of the State Auditor or Fiscal Research Division and is subject to audit and investigation by the State Auditor.

This section became effective July 1, 2026.

Extend Tabor City Participation in Railroad Revitalization Programs – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.19

Section 43.19 of S.L. 2026-41 (Senate Bill 257) extends Tabor City's authorization to (i) participate in State and federal railroad revitalization programs and (ii) enter into contracts with the North Carolina Department of Transportation to provide for the nonfederal matching funds for revitalization programs. This authorization now expires December 31, 2029.

This section became effective July 7, 2026.

Outdoor Advertising Sign Relocation, Vegetation Removal, and Other Revisions – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.20

Section 43.20 of S.L. 2026-41 (Senate Bill 257), as amended by Section 11.7 of S.L. 2026-61, amends the laws that regulate outdoor advertisements adjacent to certain interstate and federal-aid primary highways by:

- Amending lawfully existing sign relocation conditions and site criteria.
- Creating a timeline for permit review and creating additional procedures to address permit holder violations.
- Prohibiting the Department of Transportation from pursuing amendments or modifications to the agreement between this State and the United States Department of

Transportation implementing the federal Highway Beautification Act of 1965 without General Assembly approval,
- Prohibiting the delegation or transfer of permitting, enforcement, or other core regulatory authority under the Outdoor Advertising Control Act to any county, municipality, or other political subdivision of the State.
- Amending outdoor advertising vegetation cutting and removal permit processes.

This section became effective July 1, 2026.

Authorize Board of Transportation to Set Fees – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.21

Section 43.21 of S.L. 2026-41 (Senate Bill 257), as amended by Section 11.4 of S.L. 2026-61 (House Bill 268), statutorily authorizes the Board of Transportation to set fees for various listed services provided by the Department of Transportation. The Board must hold a public hearing prior to fees becoming effective, but these fees are exempted from rulemaking processes otherwise. Any fee imposed under Title 19A of the North Carolina Administrative Code that corresponds to a fee adopted by the Board of Transportation pursuant to this statutory authority is repealed upon the effective date of the fee set by the Board.

This section became effective July 1, 2026.

Pavement Preservation Study – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.22

Section 43.22 of S.L. 2026-41 (Senate Bill 257), as amended by Section 11.3 of S.L. 2026-61, directs the Department of Transportation (DOT) to conduct a study to evaluate each of the statutorily authorized pavement preservation treatments. The study shall address all of the listed criteria.

The DOT must initiate the study within 90 days after July 7, 2026, and report its findings and recommendations for legislative action to the Joint Legislative Transportation Oversight Committee and Fiscal Research Division on or before the convening of the 2027 Regular Session of the 2027 General Assembly.

This section became effective July 7, 2026.

Unit Pricing Cost – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.23

Section 43.23 of S.L. 2026-41 (Senate Bill 257) amends the Department of Transportation unit pricing data collection baseline for transportation goods used in highway maintenance and construction projects utilized to set annual future cost targets, originally based on the 2015-2016

fiscal year, to a rolling average of the three previous fiscal years that is adjusted for inflation using the National Highway Construction Cost Index.

This section became effective July 1, 2026.

Synchronized Streets Study – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.25

Section 43.25 of S.L. 2026-41 (Senate Bill 257) requires the Department of Transportation (Department) to study the effectiveness and implementation of synchronized streets. The term "synchronized streets" means a street where traffic signals are coordinated to allow vehicles to move through multiple intersections with minimal stops. By July 1, 2027, the Department shall report the findings to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

This section became effective July 1, 2026.

License Plate Readers – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.26

Section 43.26 of S.L. 2026-41 (Senate Bill 257) codifies an authorization for the Department of Transportation (DOT) to enter into agreements with the North Carolina State Bureau of Investigation (SBI) to place automatic license plate readers (ALPR) within land or rights-of-way owned by the DOT, provided all of the listed conditions are met.

The SBI may enter into agreements on its own behalf or as an administrative agent of a federal, State, or local law enforcement agency.

No later than March 1 of each year, the SBI shall submit a report to the Joint Legislative Oversight Committee on Justice and Public Safety containing the listed information with respect to each law enforcement agency that places an ALPR system on land or rights-of-way owned by the DOT.

This section became effective July 7, 2026.

Cancellation of Strategic Transportation Improvement Program Projects – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 43.27

Section 43.27 of S.L. 2026-41 (Senate Bill 257) amends the laws that relate to the Strategic Prioritization Funding Plan for Transportation Investments (STI) to authorize the Department of Transportation to recoup preliminary project costs incurred by the Department from local governments when statewide projects are removed from the Strategic Transportation Improvement Program (STIP) by:

- A Metropolitan Planning Organization (MPO) taking unilateral action to remove a statewide project from its Metropolitan Transportation Improvement Program (MTIP), or preventing the project from being delivered or funded in the manner originally programmed in the MTIP, and the Board of Transportation approves the removal or cancellation of the statewide project.
- A Rural Planning Organization (RPO) taking unilateral action to remove a statewide project from its Comprehensive Transportation Plan (CTP), or preventing the project from being delivered or funded in the manner originally programmed in the CTP, and the Board of Transportation approves the removal or cancellation of the statewide project.

This section also specifies that a local government that voted at the May 20, 2026, Charlotte Regional Transportation Planning Organization (CRTPO) board meeting to rescind the October 16, 2024, resolution authorizing a P3 delivery process for the I-77 South project shall not be required to reimburse the Department if, within 90 days of July 7, 2026, that local government votes in favor of reinstating the October 16, 2024, resolution at a CRTPO board meeting held after July 7, 2026.

The provision that relates to the CRTPO became effective July 7, 2026, and the remainder of this section became effective retroactively to January 1, 2026.

Authorize the Division of Motor Vehicles to Issue Lifetime Conservationist and Wildlife Resources License Plates – 2026 Wildlife Resources Changes.

SL 2026-43 (H747), Sec. 2

Section 2 of S.L. 2026-43 (House Bill 747) does the following:

- Authorizes the Division of Motor Vehicles (DMV) to produce a new Lifetime Conservationist special registration plate, to be a standard background plate with the Wildlife Resource Commission's (WRC) "North Carolina Lifetime Conservationist" logo. The special registration plate fee is $30, with $20 going to the Wildlife Resources Fund to be used by WRC.
- Authorizes the DMV to produce the Wildlife Resources special registration plate as a full-color background plate with a picture in the background representing a native wildlife species occurring in North Carolina. The development of the Wildlife Resources special registration plate is not subject to the minimum applications requirement nor the 60-day requirement for submitting final artwork.
- Makes a technical change to reflect that $20 of the current $30 charge for the sale of each Native Brook Trout special registration plate is transferred to the WRC for use to fund public access to and habitat protection of brook trout waters. The Native Brook Trout special registration plate was authorized by the General Assembly in S.L. 2013-376, which established a $30 special registration plate fee.

This section becomes effective October 1, 2026.

Ferry Division Performance Audit – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 1

Section 1 of S.L. 2026-46 (House Bill 1094) requires the Office of the State Auditor to conduct a performance audit of the Ferry Division of the Department of Transportation. This audit must include an evaluation of the Division's spending and budget practices, its operations and long-term strategies to maximize revenue and reduce costs, potential route and schedule adjustments, and options to diversify revenue. The State Auditor must submit a report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division no later than January 15, 2027.

This section became effective July 7, 2026.

Division of Motor Vehicles Percentage-Based Funding Model Study – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 2

Section 2 of S.L. 2026-46 (House Bill 1094) directs the Division of Motor Vehicles (DMV) to study the feasibility of transitioning from its current fixed-budget appropriation model of funding to a percentage-of-revenue-based model, including an evaluation of advantages and disadvantages of the current model, feasibility of implementing a percentage-of-revenue-based model, funding models in other states, legal and budgetary constraints, potential fiscal impacts, and potential impacts on customer service, staffing, modernization efforts, and accountability.

The DMV must submit a report of its findings to the Joint Legislative Transportation Oversight Committee, House and Senate Appropriations Committees on Transportation, Fiscal Research Division, and the Office of State Budget and Management no later than January 1, 2027.

This section became effective July 7, 2026.

Allow Early Renewals of Drivers Licenses – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 3

Section 3 of S.L. 2026-46 (House Bill 1094) amends the current law, which prohibits a person with a regular drivers license from applying for renewal earlier than 180 days prior to the expiration date of the license, to remove the 180-day window for renewal and allow a person to renew a drivers license at any time during the period of validity, resetting the renewal cycle. However, for renewals occurring more than 180 days prior to expiration, a person must pay the fee for a duplicate license in addition to the prorated license fee.

This section becomes effective October 1, 2026.

Authorize Division to Provide Electronic Unredacted Crash Reports to Persons Directly Involved in a Crash – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 4

Section 4 of S.L. 2026-46 (House Bill 1094) authorizes the Division of Motor Vehicles to provide an unredacted copy of a crash report, by secure electronic means, to a person directly involved in the crash. Currently, a person may only get an unredacted copy of the crash report for a permissible use in person at one of two State-run Division offices or by mail.

This section became effective July 7, 2026.

Provide Additional Time to Respond to Insurance Lapse Notices – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 5

Section 5 of S.L. 2026-46 (House Bill 1094) increases the amount of time a vehicle owner has to respond to the notice from the Division of Motor Vehicles of an insurance lapse from 10 days to 30 days.

This section becomes effective October 1, 2026, and applies to notices issued on or after that date.

Eliminate Mandatory Dealer License Plate Replacement – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 6

Section 6 of S.L. 2026-46 (House Bill 1094) eliminates the current statutory requirement that the Division of Motor Vehicles replaces motor vehicle dealer license plates every four years, which are plates issued to motor vehicles dealers for use on dealer inventory.

This section became effective July 7, 2026.

Eliminate Mandatory License Plate Replacement and Additional Reflective Standards – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 6.5

Section 6.5 of S.L. 2026-46 (House Bill 1094) eliminates the current requirements that the Division of Motor Vehicles (i) develop certain standards for reflectivity and (ii) replace license plates every seven years.

This section became effective July 7, 2026.

Fee Adjustment and Commission Contractor Clarifications – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 7

Section 7 of S.L. 2026-46 (House Bill 1094) clarifies that the repeal of the one-day title fee and its recodification were effective simultaneously on July 1, 2024, and it was the intent of the General Assembly that it would continue to be subject to the quadrennial adjustment for inflation that occurred on July 1, 2024. The Division of Motor Vehicles (DMV) is directed to adjust the fee accordingly.

This section further clarifies that the DMV may not require a business entity applying for a commission contract to contract as an individual, and if a commission contractor has been required by the DMV to apply for or renew a contract as an individual, the contractor must be provided an opportunity to amend the application or contract. This section also clarifies that upon sale of a commission contractor's business operation, all contractual rights transfer to the new commission contractor.

This section became effective July 7, 2026.

Amend Eligibility Requirements for International Association of Fire Fighters Special Registration Plate – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 8

Section 8 of S.L. 2026-46 (House Bill 1094) removes the current requirement that a person present documentation to prove active International Association of Fire Fighters membership to be eligible for an International Association of Fire Fighters special registration plate.

This section became effective July 7, 2026.

Eliminate Driving Eligibility Certificate Requirement for the Issuance of Learner's Permits and Provisional Drivers Licenses – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 9

Section 9 of S.L. 2026-46 (House Bill 1094) eliminates the requirement that drivers subject to graduated drivers licensing obtain and maintain driving eligibility certificates, which are signed by an appropriate school official and indicate that the student is making appropriate academic progress and is not subject to disciplinary action for certain conduct. This section also repeals statutes that relate to school authorities issuing certificates and notifying the Division of Motor Vehicles when a student becomes ineligible, repeals provisions related to the Division revoking permits and licenses for ineligibility, and further directs the Division to restore licenses revoked due to ineligibility.

This section becomes effective October 1, 2026.

Amend Commercial Drivers License Laws to Conform with Federal Motor Carrier Safety Administration Regulations – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 10

Section 10 of S.L. 2026-46 (House Bill 1094) amends North Carolina commercial drivers license statutes to align with processes and regulations related to the Federal Motor Carrier Safety Administration Commercial Driver's License Drug and Alcohol Clearinghouse.

This section became 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 – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 11

Section 11 of S.L. 2026-46 (House Bill 1094) amends statutory due dates for a Division of Motor Vehicles report detailing the number of administrative hearings, revenue collected, fee waivers granted, counties where hearings were held, and average time required to conduct hearings, to allow the Division to submit its quarterly report within 30 days after the end of an applicable quarter rather than immediately after the close of the quarter.

This section became effective July 7, 2026.

Expand Prepaid Toll Discount to Include New Payment Technologies – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 13

Section 13 of S.L. 2026-46 (House Bill 1094) gives the North Carolina Turnpike Authority additional flexibility to apply the prepaid discount for vehicles paying tolls using newer payment technologies, such as connected vehicle platforms and digital payment systems.

This section became effective July 7, 2026.

Turnpike Authority Executive Director Title – Ferry Division Audit/ Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 14

Section 14 of S.L. 2026-46 (House Bill 1094) amends the North Carolina Turnpike Authority's Executive Director position title from the Executive Director to the Executive Director and Chief Executive Officer.

This section became effective July 7, 2026.

Deposit Logo Program Revenue into the Reserve for General Maintenance – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 15

Section 15 of S.L. 2026-46 (House Bill 1094) requires that the revenue generated by the current Department of Transportation logo sign program, which provides for placement of logo signs within fully- and partially-controlled access highways to direct motorists to fuel, gas, food, lodging, camping, and attraction facilities along those highways, be deposited into the Reserve for General Maintenance in the Highway Fund.

This section became effective July 7, 2026.

Amend Truck Lane Restriction – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 16

Section 16 of S.L. 2026-46 (House Bill 1094) amends a recently enacted prohibition on certain trucks travelling in the left lane by eliminating the passing exception and provides that the restriction does not apply if the Department of Transportation imposes different restrictions by ordinance.

This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

Speed Limit in Residential Areas – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 17

Section 17 of S.L. 2026-46 (House Bill 1094) sets a lower default speed limit of 25 mph Statewide for roadways that are unpaved or that are not marked with a centerline.

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 – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 17.5

Section 17.5 of S.L. 2026-46 (House Bill 1094) authorizes the City of Durham to set a lower default speed limit of not less than 20 mph on municipal streets and to post gateway signs at entry points to the city, or designated areas in the city, rather than posting signs on each street. Currently, there is a general statutory default speed limit of 35 mph on streets inside municipal limits; however, a municipality may set a lower speed limit on streets that are not part of the State highway system only after conducting an engineering and traffic investigation.

The speed limit would be effective when an ordinance is adopted and appropriate signs are erected.

This section became effective July 7, 2026.

Expedited Review of City of Durham State Highway Speed Limit Requests – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 17.6

Section 17.6 of S.L. 2026-46 (House Bill 1094) provides an expedited process for the City of Durham to request adjustments of speed limits on State highway system streets within the city. The Department of Transportation's initial review of a request must be completed within 30 days of receipt. If a request is approved, the Department is required to adopt a concurring ordinance within 60 days and to erect appropriate signs within 60 days thereafter. The speed limit becomes effective when the signs are erected. This section does not authorize a municipality to unilaterally establish or modify speed limits on streets that are part of the State highway system, or require the Department to approve a speed limit that is not reasonable and safe under the conditions found to exist upon the affected highway.

This section became effective July 7, 2026.

Increase Project Limit for Project Delivery Method Pilot Program – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 18

Section 18 of S.L. 2026-46 (House Bill 1094) increases the number of transportation projects allowed under the Department of Transportation construction manager-general contractor delivery method pilot program from 10 to 15 projects.

This section became effective July 7, 2026.

Clarify the Definition of Electric Assisted Bicycle and Authorize Local Government Regulation – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 19

Section 19 of S.L. 2026-46 (House Bill 1094) does the following:

- Amends the definition of "electric assisted bicycle" to align with the federal definition, delineating three classes based on when the motor assists the rider and the speed at which the motor ceases to assist.
- Authorizes the operation of electric assisted bicycles on roadways and bicycle lanes Statewide, except as regulated by cities under their general authority to regulate traffic on city streets and by the Department of Natural and Cultural Resources on properties within its jurisdiction.
- Authorizes the operation of electric assisted bicycles on multiuse paths Statewide, except as otherwise regulated by local governments and by the Department of Natural and Cultural Resources on properties within its jurisdiction.
- Requires helmets for operators and passengers under age 18 on Class 3 electric assisted bicycles Statewide.
- Authorizes local governments to regulate the use of electric assisted bicycles every four years within their jurisdictions on multiuse paths and sidewalks.
- Authorizes local governments to require helmets for operators and passengers under age 18 on Class 1 and Class 2 electric assisted bicycles.

This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

Personal Delivery Device Amendments – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 20

Section 20 of S.L. 2026-46 (House Bill 1094) amends provisions applicable to personal delivery devices by (i) increasing their allowable size from 40 to 55 inches long and from 30 to 36 inches wide, (ii) allowing their use on highways (currently only allowed as necessary to cross or when a sidewalk is not accessible), (iii) allowing their use on highways with speed limits up to 55 mph (currently 35mph), and (iv) applying, to personal delivery devices, rights and duties of a pedestrian in pedestrian areas and the operator of a bicycle in other areas (e.g., highways, bicycle lanes, shoulders, parking lots).

This section becomes effective December 1, 2026, and applies to offenses on or after that date.

County Special Assessments for Commercial Street Improvements – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 21

Section 21 of S.L. 2026-46 (House Bill 1094) makes changes to the laws related to county financing of street improvements. Currently, counties are authorized to finance improvements to subdivision and residential streets located in the county and outside of a city and then levy special assessments against the benefited property to recoup the costs.

This section would expand that authorization to include the levying of special assessments to finance the cost of improvements to streets other than residential and subdivision streets, under the same conditions and subject to the procedures currently applicable to subdivision and residential streets. The financing method is authorized for (i) all State-maintained secondary streets, (ii) streets that may be added to the State system as a result of improvements if they are subdivision or residential streets, or (iii) industrial access or commercial complex streets located in a census designated place boundary as defined by the United States Census Bureau.

This section became effective July 7, 2026.

Require Private Entity to Administer Tourist-Oriented Directional Sign Program – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 22

Section 22 of S.L. 2026-46 (House Bill 1094) directs the Department of Transportation (DOT) to contract with a private vendor to administer the tourist-oriented directional signs program and implement market-based fees for signs in the same manner as was done for the logo sign program.

This section became effective July 7, 2026.

Raise Insurance Minimums for Taxicabs Operating at International Airports and Require Designation as Insurance Certificate Holders – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 23

Section 23 of S.L. 2026-46 (House Bill 1094) provides for the following additional statutory insurance requirements for taxis permitted to operate at international airports: (i) liability insurance in the amount of $1 million per occurrence, (ii) proof of financial responsibility must be provided to the airport at which the taxi business is permitted, and (iii) the airport must be designated on the policy for purposes of receiving notices concerning the policy.

Taxis are currently licensed and regulated locally in the jurisdictions in which they operate. Currently, taxis file proof of financial responsibility with the local government at limits set by statute. Local authorities may provide for additional requirements.

This section became effective July 1, 2027.

Traffic Impact Analysis Criteria – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 24

Section 24 of S.L. 2026-46 (House Bill 1094) requires the Department of Transportation to amend its criteria for the scope of a traffic impact analyses to include the use of a population growth factor equal to or greater than the average of the highest three of the previous five years in the county in which a development is located.

This section becomes effective October 1, 2026.

Electric Membership Corporation and Municipally Owned Electric Enterprise Utility Relocation Costs. – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 25

Section 25 of S.L. 2026-46 (House Bill 1094) provides a statutory requirement for the Department of Transportation (DOT) to reimburse an electric membership corporation or a municipally owned electric enterprise for the non-betterment costs of utility relocation when DOT requires relocation of equipment located outside of existing DOT right-of-way if the corporation or enterprise demonstrates a compensable property interest, which can include an easement, a property right taken by a condemnor, or any other property interest recognized by law.

This section became effective July 7, 2026.

Developer Flexibility for Performance Guarantees – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 26

Section 26 of S.L. 2026-46 (House Bill 1094) allows a Department of Transportation driveway or encroachment permit applicant to provide additional forms of performance guarantee, including an irrevocable letter of credit, surety bond, or other instrument that provides equivalent security to a surety bond or irrevocable letter of credit. Currently, before granting a permit for a driveway or other highway encroachment, the Department requires the applicant to file a bond.

This section became effective July 7, 2026, and applies to permit applications filed on or after that date.

Prohibit Planting of Invasive Species in Highway Right-of-Way and State Parks – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 27

Section 27 of S.L. 2026-46 (House Bill 1094) expands current laws, which require use of native seeds and plants for planting in highway right-of-way and on lands in State parks, to prohibit the planting of invasive species (as determined by the North Carolina Forest Service) in highway right-of-way and on lands in State parks.

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 – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 28

Section 28 of S.L. 2026-46 (House Bill 1094) requires the Division of Motor Vehicles (DMV) to amend its rules on enrollment contract refunds to provide for a 100% refund if the student withdraws at any time before the first instruction hour, a 75% refund, minus nonrefundable fees, after receiving 10% of the scheduled instruction hours, and no refund thereafter. For purposes of determining the number of hours received, home study or digital course materials are counted but do not preclude a 100% refund if the student withdraws within 5 days of having access to the materials and before in-person instruction begins.

This section became effective July 7, 2026, 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 – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 29

Section 29 of S.L. 2026-46 (House Bill 1094) requires the Division of Motor Vehicles to amend its rules to provide for an additional 80-hour course of instruction for prospective Class B commercial drivers license applicants covering all topics mandated by federal law.

This section became effective July 7, 2026, and expires on the date the required rules become effective.

Amend Collegiate Insignia Plate Authorization to Include Community Colleges – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 30

Section 30 of S.L. 2026-46 (House Bill 1094) amends the existing statutory authorization for collegiate insignia special registration plates to include community colleges. The additional $15 fee for an in-state collegiate insignia plate for a community college is transferred to the State Board of Community Colleges to be used for academic enhancement.

This section became effective July 7, 2026.

Authorize Guy Harvey Foundation Special Registration Plate – Ferry Division Audit/Department of Transportation Omnibus.

SL 2026-46 (H1094), Sec. 32

Section 32 of S.L. 2026-46 (House Bill 1094) authorizes a Guy Harvey Foundation special registration plate, which bears the phrase "Protect Our Oceans." The plate has an additional $20 fee that will be transferred 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.

This section became effective July 7, 2026, but the Division is not required to issue plates in accordance with the authorization 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.

America's Semiquincentennial License Plate – Budget Technical Corrections Modifications.

SL 2026-58 (H562), Sec. 5

Section 5 of S.L. 2026-58 (House Bill 562) repeals Section 31 of S.L. 2026-46 which authorized the Department of Transportation to create a new "America's Semiquincentennial" special registration plate, and instead authorizes the Department to create an "America's Semiquincentennial" standard license plate. The "America's Semiquincentennial" standard plate will have the words "America 250" at the top of the plate above all other letters and numerals. The background of the "America's Semiquincentennial" plate will depict the mountains to the coast with a cardinal, dogwood flowers, the Blue Ridge Mountains, the North Carolina State Capitol, the Wright Brothers' plane, and the Cape Hatteras Lighthouse.

This section became effective July 7, 2026, but the Division is not required to issue plates with an "America's Semiquincentennial" background until 180 days after the Division has finalized the background design.

ATV Rider Restriction Modification. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 10

Current law prohibits any parent or legal guardian of a person less than 16 years of age from knowingly permitting that person to operate an all-terrain vehicle (ATV) in violation of the Age Restriction Warning Label affixed by the manufacturer as required by the applicable American National Standards Institute/Specialty Vehicle Institute of America design standard.

Section 10 of S.L. 2026-59 (Senate Bill 445) creates an exception to this prohibition if the person under 16 years of age meets certain rider fit requirements, as determined by a certified ATV safety course instructor, and the person operating the ATV is under the direct supervision of the instructor while participating in the course or an adult after completing the course, and complies with all other applicable requirements, including helmet and eye protection requirements.

This section became effective August 11, 2026.

Private Road and Bridge Program Modification – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 17.5

The Private Road and Bridge Repair and Replacement Program (Program) was established in Part II-C of S.L. 2025-2 within the Department of Public Safety, Division of Emergency Management (NCEM), to assist with the repair and replacement of private roads and bridges damaged or destroyed by Hurricane Helene.

Section 17.5 of S.L. 2026-59 (Senate Bill 445) directs NCEM to develop a private bridge design standard no later than October 10, 2026. This section further amends the Program to allow for qualified design-build delivery of certain low-cost private bridges in conjunction with a licensed general contractor and professional engineer.

This section is retroactively effective July 1, 2026.

Division of Motor Vehicles License Renewal Pilot – 2026 Budget Technical Corrections - II.

SL 2026-61 (H268), Sec. 11.1

Section 11.1 of S.L. 2026-61 (House Bill 268) repeals Section 43.11 of S.L. 2026-41 to replace the Division of Motor Vehicles (DMV) in-home license renewal pilot program with a study evaluating the feasibility of the pilot program.

The DMV must report its findings and recommendations to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division no later than January 1, 2027.

This section became effective July 1, 2026.

Relief at the Pump.

SL 2026-62 (H3)

S.L. 2026-62 does the following:

- Effective October 10, 2026, immediately suspend through November 30, 2026, the motor fuel tax on all motor fuels, including gasoline, diesel, and alternative fuel. The Department of Revenue and the Department of Agriculture and Consumer Services must notify affected parties as soon as practicable.
- Require that the full benefit of the suspension be passed on to the ultimate purchaser of motor fuel. However, no retailer is required to reduce the price per gallon of motor fuel if the retailer's cost already includes the motor fuel tax because the tax accrued prior to the effective date of the suspension.
- Hold harmless the funds and accounts that would otherwise receive the motor fuel tax proceeds by directing the State Controller to transfer, on a monthly basis, those amounts from the Inflation Reserve.
- Effective October 9, 2026, through December 31, 2026, waive the enforcement of the civil and criminal penalties applicable to a person who uses dyed diesel fuel in a highway vehicle if the use is for farming or agricultural purposes. For purposes of this waiver, farming or agricultural purposes includes crop cultivation, livestock rearing, forestry, aquaculture, and related agribusiness activities. This waiver aligns with the civil penalty relief that the Governor directed the Department of Revenue to provide.
- For the period beginning October 1, 2026, through December 31, 2026, exempt from motor fuel tax the use of dyed diesel used to operate a highway vehicle by farmers, commercial loggers, commercial fishermen, and wildlife managers if those individuals have been issued a sales tax exemption certificate by the Department of Revenue.
- Direct the Secretary of Revenue to disregard the suspension of the motor fuel tax when setting the motor fuel tax rate that becomes effective on January 1, 2027, to the extent the rate is an adjustment of the rate from the preceding calendar year.

Except as otherwise provided, this act became effective October 9, 2026.