

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1094 (Proposed Committee Substitute)

SHORT TITLE: Repeal/Recodify Railroad Laws

SPONSOR(S): Rep. Culpepper

FISCAL IMPACT

Yes () No (X) No Estimate Available ()

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

REVENUES

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: N. C. Department of Transportation; N. C. Utilities Commission

EFFECTIVE DATE: This act is effective when it becomes law.

BILL SUMMARY: This act transfers supervision of railroad operations from the North Carolina Utilities Commission to the North Carolina Department of Transportation. The act repeals obsolete and preempted provisions of the statutes. The act also makes conforming and clarifying changes to various sections of railroad law.

BACKGROUND: The transfer of rail oversight began in 1996 with the transfer of the Rail Safety Section from the Utilities Commission to the Department of Transportation (DOT). Chapter 673 of the 1996 Session Laws (HB 1172) empowered DOT to (1) inspect the equipment and facilities of each railroad, (2) investigate all rail accidents, and (3) require railroad companies to install and operate safety devices at railroad intersections. The Secretary of DOT “shall study the provision of rail safety inspection services in North Carolina by the State and the Federal Railroad Administration and shall recommend to the General Assembly no later than June 1, 1997, whether the state should continue to provide this service.” A draft of the report has been completed, but it has not been made public.

The 1993 General Assembly appropriated \$190,000 for three positions in anticipation of the transfer of the Rail Safety Section from the Utilities Commission to the Department of Transportation (DOT). The two bills proposing the transfer, HB 155 and SB 62, failed to reach ratification. The funds remained in the rail program and were used for the rail industrial access

program. However, when the transfer was approved in 1996, the funds reverted back to rail safety and funded four positions.

ASSUMPTIONS AND METHODOLOGY: The repeal and modification of fees in section six of the bill has no fiscal impact. Although in the statutes, the North Carolina Utilities Commission had not collected any fees from railroad companies since 1989. The railroads contended that they were not subject to state regulatory fees and therefore the Utilities Commission paid for the Rail Safety Program with fees collected from other utilities.

FISCAL RESEARCH DIVISION

733-4910

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DATE: May 19, 1997



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