

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 422\*  
Committee Substitute Favorable 4/20/11  
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Short Title: Federal Rail Money/ Report, Consult, Approve.

(Public)

Sponsors:

Referred to:

March 22, 2011

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE DEPARTMENT OF TRANSPORTATION TO REPORT THE  
ACCEPTANCE OF ALL FEDERAL RAIL FUNDS AND TO CONSULT WITH THE  
GENERAL ASSEMBLY PRIOR TO ACCEPTING FUNDS FOR CERTAIN PROJECTS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 136-44.36 reads as rewritten:

**"§ 136-44.36. Department of Transportation designated as agency to administer federal  
and State railroad revitalization programs.**

(a) The General Assembly hereby designates the Department of Transportation as the agency of the State of North Carolina responsible for administering all State and federal railroad revitalization programs. The Department of Transportation is authorized to develop, and the Board of Transportation is authorized to adopt, a State railroad plan, and the Department of Transportation is authorized to do all things necessary under applicable State and federal legislation to properly administer State and federal railroad revitalization programs within the State. Such authority shall include, but shall not be limited to, the power to receive federal funds and distribute and expend federal and State funds for rail programs designed to cover the costs of acquiring, by purchase, lease or other manner as the department considers appropriate, a railroad line or other rail property to maintain existing or to provide future rail service; the costs of rehabilitating and improving rail property on railroad lines to the extent necessary to permit safe, adequate and efficient rail service on such lines; and the costs of constructing rail or rail related facilities for the purpose of improving the quality, efficiency and safety of rail service. The Department shall also have the authority to preserve railroad corridors for future railroad use and interim compatible uses and may lease such corridors for interim compatible uses. Such authority shall also include the power to receive and administer federal financial assistance without State financial participation to railroad companies to cover the costs of local rail service continuation payments, of rail line rehabilitation, and of rail line construction as listed above. This Article shall not be construed to grant to the department the power or authority to operate directly any rail line or rail facilities.

(b) Notwithstanding subsection (a) of this section, the acceptance of federal funds by the Department of Transportation for rail programs shall be subject to the following:

(1) Report. – For any project under subsection (a) of this section, the Department of Transportation shall report the project details, including the amounts of federal funds and any State matching funds as well as the expected annual maintenance and operational costs to the State of the project for the next 25 years, to the Joint Legislative Commission on Governmental



1 Operations if the General Assembly is not in session, or to the House  
2 Appropriations Subcommittee on Transportation and the Senate Committee  
3 on Appropriations on Department of Transportation if the General Assembly  
4 is in session.

5 (2) Consultation. – If either the amount of State matching funds required by the  
6 federal grant or the amount of future annual maintenance and operational  
7 costs of the project are reasonably expected to exceed three million dollars  
8 (\$3,000,000), then the Department shall not accept the federal funds prior to  
9 consultation with the Joint Legislative Commission on Governmental  
10 Operations if the General Assembly is not in session, or with the House  
11 Appropriations Subcommittee on Transportation and the Senate Committee  
12 on Appropriations on Department of Transportation if the General Assembly  
13 is in session. Failure of the Joint Legislative Commission on Governmental  
14 Operations, the House Appropriations Subcommittee on Transportation, or  
15 the Senate Committee on Appropriations on Department of Transportation to  
16 hold a meeting with the Department of Transportation within 90 days of a  
17 written request for a meeting from the Department of Transportation shall be  
18 deemed a waiver of consultation by the committee.

19 (3) Approval. – If either the amount of State matching funds required by the  
20 federal grant or the amount of future annual maintenance and operational  
21 costs of the project are reasonably expected to exceed five million dollars  
22 (\$5,000,000), then the Department's acceptance of funds shall be subject to  
23 approval of the project by an act of the General Assembly. If 60 days have  
24 passed since consultation or the expiration of the consultation period under  
25 subdivision (2) of this subsection, then the inaction of the General  
26 Assembly, including the lack of a special session to address the project, shall  
27 be deemed an approval of the project and the Department may accept the  
28 funds without an act of the General Assembly.

29 For purposes of this subsection, the terms "State matching funds" and "annual maintenance and  
30 operational costs to the State" shall not include funds that may pass through the Department of  
31 Transportation but that originally came from a non-State source."

32 **SECTION 2.** This act becomes effective April 1, 2011.