

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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Senate Transportation Committee Substitute Adopted 6/17/26  
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Short Title: Ferry Div. Audit/DOT Omnibus.

(Public)

Sponsors:

Referred to:

April 30, 2026

A BILL TO BE ENTITLED

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:



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- 1 (1) The advantages and disadvantages of the current fixed-budget appropriation  
2 model, including its limitations in responding to fluctuations in Division  
3 services demand.
- 4 (2) The feasibility of implementing a percentage-of-revenue-based model (i)  
5 under which the Division's budget authority is tied to revenue sources  
6 collected by the Division and (ii) under which the Division would have  
7 authority to adjust operational and staffing expenditures to adjust with demand  
8 for services and collection of revenue.
- 9 (3) Funding models used by motor vehicle agencies in other states, including  
10 models that incorporate:
  - 11 a. Percentage-of-revenue-based appropriations or models.
  - 12 b. Fee retention or enterprise-style funding structures.
  - 13 c. Demand-driven or workload-based budgeting.
- 14 (4) Legal or budgetary constraints related to a change in funding models. In  
15 evaluating this, the Division shall consult with the Office of State Budget and  
16 Management (OSBM) to determine the impact of a new funding model on:
  - 17 a. Budget adjustment practices set forth in the State Budget Act, Chapter  
18 143C of the General Statutes.
  - 19 b. The fiscal impact on the Department of Transportation and the  
20 Division of having a percentage-of-revenue-based funding model  
21 rather than a fixed-budget appropriation.
- 22 (5) The fiscal impact of the quadrennial adjustment to fees and rates pursuant to  
23 G.S. 20-4.02, on the Division's budget, assuming a  
24 percentage-of-revenue-based funding model.
- 25 (6) Potential impacts of a percentage-of-revenue-based model on the Division's:
  - 26 a. Customer service levels and wait times.
  - 27 b. Staffing and operational capacity.
  - 28 c. Technology modernization efforts.
  - 29 d. Accountability and legislative oversight.
- 30 (7) Potential fiscal impacts of a percentage-of-revenue-based model for the  
31 Division on the Department of Transportation's budgeting and funding of  
32 other Department operations.
- 33 (8) Performance-based pay structure for drivers license examiners.
- 34 (9) Any other information relevant to this study.

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

## 41 42 **ALLOW EARLY RENEWALS OF DRIVERS LICENSES**

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

44 "(3a) When to renew. – A person may apply to the Division to renew a license  
45 during the 180-day period at any time before the license expires. The Division  
46 may not accept an application for renewal made before the 180-day period  
47 begins. The fee for a regular drivers license renewed during the 180-day period  
48 before the license expires is the fee set out in subsection (i) of this section.  
49 The fee for a regular drivers license renewed more than 180 days before the  
50 license expires is the fee for a duplicate license set out in G.S. 20-14, plus the  
51 fee for a regular drivers license set out in subsection (i) of this section, minus

1                    the per year fee set out in subsection (i) of this section for each full year of  
2                    validity remaining in the period for which the license was issued."

3                    **SECTION 3.(b)** This section becomes effective October 1, 2026.  
4

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

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

8                    "**§ 20-43.1. Disclosure of personal information in motor vehicle records.**

9                    ...

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

13                  ...."

14

15                  **PROVIDE ADDITIONAL TIME TO RESPOND TO INSURANCE LAPSE NOTICES**

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

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

25                  ...."

26                  **SECTION 5.(b)** This section becomes effective October 1, 2026, and applies to  
27                  notices issued on or after that date.  
28

29                  **ELIMINATE MANDATORY DEALER LICENSE PLATE REPLACEMENT**

30                  **SECTION 6.** G.S. 20-79(c1) is repealed.  
31

32                  **ELIMINATE MANDATORY LICENSE PLATE REPLACEMENT AND ADDITIONAL**  
33                  **REFLECTIVITY STANDARDS**

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

35                  "**§ 20-63.1. Division shall cause plates to be reflectorized.**

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

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

43

44                  **FEE ADJUSTMENT AND COMMISSION CONTRACTOR CLARIFICATIONS**

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

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

- 1 (1) Section 20(b) of S.L. 2024-30 repealed the application fee for a certificate of  
2 title prepared and delivered using a one-day title service pursuant to  
3 G.S. 20-85.1.
- 4 (2) Section 20(a) of S.L. 2024-30 recodified the application fee for a certificate  
5 of title prepared and delivered using a one-day title service as  
6 G.S. 20-85(a)(12).
- 7 (3) Section 20(f) of S.L. 2024-30 listed without discontinuation the application  
8 fee for a certificate of title prepared and delivered using a one-day title service  
9 created pursuant to G.S. 20-85.1 and recodified as G.S. 20-85(a)(12) among  
10 the fees subject to quadrennial adjustment for inflation by amending  
11 G.S. 20-4.02(a)(10).
- 12 (4) Subsections (a), (b), and (f) of Section 20 of S.L. 2024-30 all became effective  
13 July 1, 2024.
- 14 (5) The intent of the General Assembly in Section 20 of S.L. 2024-30 was to  
15 recodify the application fee created by G.S. 20-85.1 as G.S. 20-85(a)(12)  
16 without any discontinuation of that fee and to make that fee subject to the July  
17 1, 2024, quadrennial adjustment for inflation and all subsequent quadrennial  
18 adjustments for inflation.

19 **SECTION 7.(c)** Therefore, the General Assembly finds that the Division of Motor  
20 Vehicles' interpretation that the fee established by G.S. 20-85(a)(12) is not subject to the July 1,  
21 2024, quadrennial adjustment for inflation, and all subsequent quadrennial adjustments for  
22 inflation, is inconsistent with the legislature's intentions. The Division is directed to comply with  
23 the intent of Section 20 of S.L. 2024-30 and apply the July 1, 2024, quadrennial adjustment for  
24 inflation and all subsequent quadrennial adjustments for inflation mandated by  
25 G.S. 20-4.02(a)(10) to the fee recodified as G.S. 20-85(a)(12).

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

27 **"§ 20-63. Registration plates furnished by Division; requirements; replacement of regular**  
28 **plates with First in Flight plates, First in Freedom plates, or National/State**  
29 **Mottos plates; surrender and reissuance; displaying; preservation and cleaning;**  
30 **alteration or concealment of numbers; commission contracts for issuance.**

31 ...

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

49 The Division shall make a reasonable effort in every locality, except as noted above, to enter  
50 into a commission contract for the issuance of the plates and certificates and a record of these  
51 efforts shall be maintained in the Division. In the event the Division is unsuccessful in making

1 commission contracts, it shall issue the plates and certificates through the regular employees of  
2 the Division. Whenever registration plates, registration certificates, and certificates of title are  
3 issued by the Division through commission contract arrangements, the Division shall provide  
4 proper supervision of the distribution. Nothing contained in this subsection allows or permits the  
5 operation of fewer outlets in any county in this State than are now being operated.

6 The terms of a commission contract entered under this subsection shall specify the duration  
7 of the contract and either include or incorporate by reference standards by which the Division  
8 may supervise and evaluate the performance of the commission contractor. The duration of an  
9 initial commission contract may not exceed eight years and the duration of a renewal commission  
10 contract may not exceed two years. The Division may award monetary performance bonuses, not  
11 to exceed an aggregate total of ninety thousand dollars (\$90,000) annually, to commission  
12 contractors based on their performance.

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

26 The amount of compensation payable to a commission contractor is determined on a per  
27 transaction basis. The collection of the highway use tax and the removal of an inspection stop are  
28 each considered a separate transaction for which one dollar and sixty-eight cents (\$1.68)  
29 compensation shall be paid. The issuance of a limited registration "T" sticker and the collection  
30 of property tax are each considered a separate transaction for which compensation at the rate of  
31 one dollar and forty cents (\$1.40) and one dollar and sixteen cents (\$1.16) respectively, shall be  
32 paid by counties and municipalities as a cost of the combined motor vehicle registration renewal  
33 and property tax collection system. The performance at the same time of one or more of the  
34 transactions below is considered a single transaction for which one dollar and eighty-nine cents  
35 (\$1.89) compensation shall be paid:

- 36 (1) Issuance of a registration plate, a registration card, a registration sticker, or a  
37 certificate of title.
- 38 (2) Issuance of a handicapped placard or handicapped identification card.
- 39 (3) Acceptance of an application for a personalized registration plate.
- 40 (4) Acceptance of a surrendered registration plate, registration card, or  
41 registration renewal sticker, or acceptance of an affidavit stating why a person  
42 cannot surrender a registration plate, registration card, or registration renewal  
43 sticker.
- 44 (5) Cancellation of a title because the vehicle has been junked.
- 45 (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax,  
46 other than the highway use tax.
- 47 (7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial  
48 responsibility or receipt of the restoration fee imposed by that statute.
- 49 (8) Acceptance of a notice of failure to maintain financial responsibility for a  
50 motor vehicle.
- 51 (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.

- 1 (8b), (9) Repealed by Session Laws 2013-372, s. 2(a), effective July 1, 2013.
- 2 (10) Acceptance of a temporary lien filing.
- 3 (11) Conversion of an existing paper title to an electronic lien upon request of a
- 4 primary lienholder.
- 5 ...."

**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           (1)    The person who is required to sign the certificate under subdivision (4) of this  
2           subsubsection must show that he or she has determined that one of the following  
3           requirements is met:  
4           a.     The person is currently enrolled in school and is making progress  
5           toward obtaining a high school diploma or its equivalent.  
6           b.     A substantial hardship would be placed on the person or the person's  
7           family if the person does not receive a certificate.  
8           c.     The person cannot make progress toward obtaining a high school  
9           diploma or its equivalent.
- 10          (1a)   The person who is required to sign the certificate under subdivision (4) of this  
11          subsubsection also must show that one of the following requirements is met:  
12          a.     The person who seeks a permit or license issued under this section is  
13          not subject to subsection (n1) of this section.  
14          b.     The person who seeks a permit or license issued under this section is  
15          subject to subsection (n1) of this section and is eligible for the  
16          certificate under that subsection.
- 17          (2)    It must be on a form approved by the Division.
- 18          (3)    It must be dated within 30 days of the date the person applies for a permit or  
19          license issuable under this section.
- 20          (4)    It must be signed by the applicable person named below:  
21          a.     The principal, or the principal's designee, of the public school in which  
22          the person is enrolled.  
23          b.     The administrator, or the administrator's designee, of the nonpublic  
24          school in which the person is enrolled.  
25          c.     The person who provides the academic instruction in the home school  
26          in which the person is enrolled.  
27          c1.    The person who provides the academic instruction in the home in  
28          accordance with an educational program found by a court, prior to July  
29          1, 1998, to comply with the compulsory attendance law.  
30          d.     The designee of the board of directors of the charter school in which  
31          the person is enrolled.  
32          e.     The president, or the president's designee, of the community college  
33          in which the person is enrolled.
- 34          Notwithstanding any other law, the decision concerning whether a driving eligibility  
35          certificate was properly issued or improperly denied shall be appealed only as provided under  
36          the rules adopted in accordance with G.S. 115C-12(28), 115D-10.70, or 115C-566, whichever is  
37          applicable, and may not be appealed under this Chapter.
- 38          (n1)   Lose Control; Lose License.
- 39          (1)    The following definitions apply in this subsection:  
40          a.     Applicable State entity.—The State Board of Education for public  
41          schools and charter schools, the State Board of Community Colleges  
42          for community colleges, or the Secretary of Administration for  
43          nonpublic schools and home schools.  
44          b.     Certificate.—A driving eligibility certificate that meets the conditions  
45          of subsection (n) of this section.  
46          c.     Disciplinary action.—An expulsion, a suspension for more than 10  
47          consecutive days, or an assignment to an alternative educational  
48          setting for more than 10 consecutive days.  
49          d.     Enumerated student conduct.—One of the following behaviors that  
50          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.~~
  - e. ~~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 (1) G.S. 20-9(b1).
- 2 (2) G.S. 20-13.2(c1).
- 3 (3) G.S. 115C-12(28).
- 4 (4) G.S. 115C-218.70.
- 5 (5) G.S. 115C-238.66(8).
- 6 (6) G.S. 115C-288(k).
- 7 (7) G.S. 115C-566.
- 8 (8) G.S. 115D-10.70.

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

10 **"§ 115C-150.12C. Powers and duties.**

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

14 ...

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

19 ...."

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

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

25  
26 **AMEND COMMERCIAL DRIVERS LICENSE LAWS TO CONFORM WITH**  
27 **FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION REGULATIONS**

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

29 **"§ 20-37.17. Record check and notification of license issuance.**

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

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

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

38 **"§ 20-37.19. Employer responsibilities.**

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

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

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

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

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

13 **"§ 20-37.20A. Driving record notation for testing positive in a drug or alcohol test.**

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

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

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

## 27 **ADJUST ADMINISTRATIVE HEARING REPORT DEADLINE**

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

29 **"§ 20-4.03. Administrative hearing fees.**

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

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

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

44 (1) The total number of administrative hearings.

45 (2) The total amount of revenue collected.

46 (3) The total number of fee waivers granted.

47 (4) The counties where the administrative hearings were held.

48 (5) The average amount of time required to conduct an administrative hearing,  
49 with the time required of hearing officers and the time required of  
50 administrative personnel listed separately."  
51

1  
2 **REPEAL REPORTING REQUIREMENT ON INFORMATION TECHNOLOGY**  
3 **MODERNIZATION PROJECTS FUNDED IN 2014-2015**

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

5  
6 **EXPAND PREPAID TOLL DISCOUNT TO INCLUDE NEW PAYMENT**  
7 **TECHNOLOGIES**

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

9 **"§ 136-89.211. Tolls for use of Turnpike project.**

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

- 12 (1) Set open road tolls that vary for the same class of motor vehicle depending on  
13 the method by which the Authority identifies a motor vehicle that drives on  
14 the Turnpike project. This does not preclude the Authority from allowing a  
15 discount for a motor vehicle equipped with an electronic toll collection  
16 transponder or a motor vehicle ~~that has associated with a prepaid toll~~ or account.  
17  
18 (2) Exempt a motor vehicle that is not a law enforcement vehicle, an emergency  
19 fire or rescue vehicle, or an emergency medical services vehicle from the  
20 requirement of paying a toll for the use of a Turnpike project."  
21

22 **TURNPIKE AUTHORITY EXECUTIVE DIRECTOR TITLE**

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

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

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

34 "(b) To execute the powers provided in subsection (a) of this section, the Authority shall  
35 determine its policies by majority vote of the members of the Authority Board present and voting,  
36 a quorum having been established. Once a policy is established, the Authority Board shall  
37 communicate it to the Executive Director and Chief Executive Officer, or the Executive  
38 ~~Director's~~ Director and Chief Executive Officer's designee, who shall have the sole and exclusive  
39 authority to execute the policy of the Authority. No member of the Authority Board shall have  
40 the responsibility or authority to give operational directives to any employee of the Authority  
41 other than the Executive Director and Chief Executive Officer or the ~~Director's~~ Executive  
42 Director and Chief Executive Officer's designee."  
43

44 **DEPOSIT LOGO PROGRAM REVENUE INTO THE RESERVE FOR GENERAL**  
45 **MAINTENANCE**

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

47 **"§ 136-89.56. Commercial ~~enterprises~~ enterprises within controlled-access facilities.**

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

- 1 (1) Materials displayed at welcome centers which shall be directly related to  
2 travel, accommodations, tourist-related activities, tourist-related services, and  
3 attractions. The Department of Transportation shall issue rules regulating the  
4 display of these materials. These materials may contain advertisements for  
5 real estate; and
- 6 (2) Vending machines permitted by the Department of Transportation and placed  
7 by the Division of Services for the Blind, Department of Health and Human  
8 Services, as the State licensing agency designated pursuant to Section 2(a)(5)  
9 of the Randolph-Sheppard Act (20 USC 107a(a)(5)). The Department of  
10 Transportation shall regulate the placing of the vending machines in highway  
11 rest areas and shall regulate the articles to be dispensed. In order to permit the  
12 establishment of adequate fuel and other service facilities by private owners  
13 or their lessees for the users of a controlled-access facility, the Department of  
14 Transportation shall permit access to service or frontage roads within the  
15 publicly owned right-of-way of any controlled-access facility established or  
16 designated as provided in this Article, at points which, in the opinion of the  
17 Department of Transportation, will best serve the public interest. The location  
18 of such fuel and other service facilities may be indicated to the users of the  
19 controlled-access facilities by appropriate signs, the size, style, and  
20 specifications of which shall be determined by the Department of  
21 Transportation.

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

#### 43 44 **AMEND TRUCK LANE RESTRICTION**

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

46 "(f) Except when entering or exiting the highway or avoiding a ~~hazard or to pass, hazard,~~  
47 a motor vehicle having a gross vehicle weight rating (GVWR) of 26,001 pounds or more shall  
48 not operate in the left most lane of a controlled-access highway with six or more ~~lanes.~~lanes,  
49 unless the Department has passed an ordinance and installed signage with different restrictions."

50 **SECTION 16.(b)** This section becomes effective December 1, 2026, and applies to  
51 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

1 the municipality that is part of the State highway system. A request shall be submitted by the  
2 municipality to both the Division Engineer and the State Traffic Engineer, either by certified mail  
3 or by electronic transmission, with delivery confirmation. A request is deemed received on the  
4 date the Department confirms receipt.

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

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

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

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

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

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

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

## 38 39 **INCREASE PROJECT LIMIT FOR PROJECT DELIVERY METHOD PILOT** 40 **PROGRAM**

41 **SECTION 18.** Section 34.13(b) of S.L. 2018-5, as amended by Section 21 of S.L.  
42 2022-68 and Section 3 of S.L. 2024-15, reads as rewritten:

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

1 forth in subsection (c) of this section, and (v) the Department has established and implemented  
2 guidelines as required under subsection (d) of this section."  
3

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

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

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

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

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

24 **"§ 20-171.3. Electric assisted bicycles.**

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

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

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

34 **"§ 160A-300.2. Regulation of electric assisted bicycles.**

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

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

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

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

43 **"§ 153A-245.1. Regulation of electric assisted bicycles.**

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

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

49 **SECTION 19.(f)** This section becomes effective December 1, 2026, and applies to  
50 offenses committed on or after that date.  
51

**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.

1       (d) A personal delivery device has all of the rights and duties applicable to a pedestrian  
 2 in a pedestrian area and to an operator of a bicycle in other areas, except for those that by their  
 3 nature cannot apply to a personal delivery device or that place an unreasonable burden on the  
 4 operation of a personal delivery device.

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

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

8  
 9 **AUTHORIZE COUNTIES TO LEVY SPECIAL ASSESSMENTS FOR THE**  
 10 **FINANCING OF IMPROVEMENTS TO COMMERCIAL STREETS**

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

12 **"§ 153A-205. Improvements to ~~subdivision and residential streets.~~**

13       (a) A county may finance the local share of the cost of improvements made under the  
 14 supervision of the Department of Transportation to ~~subdivision and residential streets that are a~~  
 15 ~~part of the State maintained system~~ State-maintained secondary streets located in the county and  
 16 outside of a city and shall levy and collect pursuant to the procedures of Article 9 of Chapter  
 17 153A of the General Statutes special assessments against benefited property to recoup that  
 18 portion of the costs financed by the county. The local share is that share required by policies of  
 19 the Department of Transportation and may be paid by the county from funds not otherwise  
 20 limited as to use by law. Land owned, leased, or controlled by a railroad company is exempt from  
 21 such assessments to the same extent that it would be exempt from street assessments of a city  
 22 under G.S. 160A-222. No project may be commenced under this section unless it has been  
 23 approved by the Department of Transportation.

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

30       (1) Subdivision and residential streets that are located in the county and outside  
 31 of a city but excluding apartment and condominium complexes.

32       (2) Industrial access or commercial complex streets that are located inside a  
 33 census designated place boundary, as defined by the United States Census  
 34 Bureau, but excluding streets that support larger parking lot networks,  
 35 regional malls, strip malls, apartment complexes, or condominium complexes.

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

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

1 ~~residential~~-secondary streets in a petition filed under this subsection calling for the improvement  
2 of ~~subdivision or residential~~-State-maintained secondary streets subject to property owner sharing  
3 in the cost of improvement under policies of the Department of Transportation.

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

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

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

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

28 "**§ 159-48. For what purposes bonds may be issued.**

29 ...

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

34 ...

35 (4a) Providing improvements to ~~subdivision and residential~~-streets pursuant to  
36 G.S. 153A-205.

37 ...."

### 39 **REQUIRE PRIVATE ENTITY TO ADMINISTER TOURIST-ORIENTED** 40 **DIRECTIONAL SIGN PROGRAM**

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

42 "**§ 136-140.15. Scope of operations.**

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

1 provided to the participating businesses and to cover the initial costs of the signs, the sign  
2 installation and maintenance, and the costs of administering the TODS program.

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

4 (1) TODS. – Tourist-oriented directional signs (TODS) are guide signs that  
5 display the business identification of and directional information for  
6 tourist-oriented businesses and tourist-oriented facilities or for classes of  
7 businesses or facilities that are tourist-oriented.

8 (2) Tourist-oriented business. – A business, the substantial portion of whose  
9 products or services is of significant interest to tourists. The term may include  
10 a business involved with seasonal agricultural products. When used in this  
11 Article, the term "business" means a tourist-oriented business.

12 (3) Tourist-oriented facility. – A business, service, or activity facility that derives  
13 a major portion of income or visitors during the normal business season from  
14 road users not residing in the immediate area of the facility. When used in this  
15 Article, the term "facility" means a tourist-oriented facility.

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

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

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

28 **"§ 136-140.18. Temporary modification of TODS panels.**

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

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

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

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

42 **"§ 136-140.19. Board of Transportation to adopt rules to implement the TODS program.**

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

45 (1) ~~The Board shall set fees to cover the initial costs of signs, sign installation,~~  
46 ~~and maintenance, and the costs of administering the program.~~ Fees set by the  
47 vendor in accordance with G.S. 136-140.15(a) must be approved by the  
48 Board.

49 (2) The Board shall establish a standard for the size, color, and letter height of the  
50 TODS as specified in the National Manual of Uniform Traffic Control  
51 Devices for Streets and Highways.

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

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

20  
 21 **RAISE INSURANCE MINIMUMS FOR TAXICABS OPERATING AT**  
 22 **INTERNATIONAL AIRPORTS AND REQUIRE DESIGNATION AS INSURANCE**  
 23 **CERTIFICATE HOLDERS**

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

25 **"§ 20-280. Filing proof of financial responsibility with governing board of municipality or**  
 26 **county.**

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

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

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

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

44 (b) Proof of Financial Responsibility Definition and Limits. – As used in this section  
 45 "proof of financial responsibility" shall mean a certificate of any insurance carrier duly  
 46 authorized to do business in the State of North Carolina certifying that there is in effect a policy  
 47 of liability insurance insuring the owner and operator of the taxicab business, his agents and  
 48 employees while in the performance of their duties against loss from any liability imposed by  
 49 law for damages including damages for care and loss of services because of bodily injury to or  
 50 death of any person and injury to or destruction of property caused by accident and arising out  
 51 of the ownership, use or operation of such taxicab or taxicabs, subject to limits (exclusive of

1 interests and costs) with respect to each such motor vehicle as follows: one hundred thousand  
2 dollars (\$100,000) because of bodily injury to or death of one person in any one accident and,  
3 subject to said limit for one person, three hundred thousand dollars (\$300,000) because of bodily  
4 injury to or death of two or more persons in any one accident, and fifty thousand dollars (\$50,000)  
5 because of injury to or destruction of property of others in any one accident.

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

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

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

#### 24 25 **TRAFFIC IMPACT ANALYSIS CRITERIA**

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

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

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

#### 41 42 **ELECTRIC MEMBERSHIP CORPORATION AND MUNICIPALLY OWNED** 43 **ELECTRIC ENTERPRISE UTILITY RELOCATION COSTS**

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

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

1 of the Department of Transportation shall require the removal of, or changes  
2 in, the location of telephone, telegraph, electric, or other lines, wireless  
3 facilities, signboards, fences, gas, water, sewerage, oil, or other pipelines, or  
4 other similar obstructions, the owners thereof shall at their own expense,  
5 except as provided in G.S. 136-19.5(c), move or change them to conform to  
6 the order of the Department of Transportation. Any violation of these rules  
7 and regulations or noncompliance with these orders constitutes a Class 1  
8 misdemeanor. For purposes of this subdivision, "wireless facilities" has the  
9 definition set forth in G.S. 160D-931. Whenever the Department of  
10 Transportation requires the relocation of equipment or facilities for the  
11 provision of public utility service, owned or operated by an electric  
12 membership corporation formed under and in compliance with all provisions  
13 in Article 2 of Chapter 117 of the General Statutes or owned or operated by a  
14 municipally owned electric enterprise, located outside of an existing  
15 Department of Transportation right-of-way, the Department of Transportation  
16 shall reimburse the electric membership corporation or municipally owned  
17 electric enterprise for the non-betterment costs of moving those utilities,  
18 including the cost of acquiring new easements, if the electric membership  
19 corporation or municipally owned electric enterprise demonstrates a  
20 compensable interest in the property upon which the equipment or facilities to  
21 be moved are located. For purposes of reimbursement to electric membership  
22 corporations and municipally owned electric enterprises required under this  
23 subdivision, a compensable property interest includes any property ownership  
24 right, including an easement, a property right taken by act or omission of a  
25 condemnor listed in G.S. 40A-3, including by inverse condemnation, or any  
26 other property interest recognized by law. For purposes of this subdivision,  
27 "municipally owned electric enterprise" shall mean an enterprise owned or  
28 operated pursuant to Chapter 160A of the General Statutes or an enterprise  
29 owned or operated by a public works authority or public utilities commission  
30 created pursuant to a local act of the General Assembly. The Department has  
31 the authority to make rules and policies for implementation of this provision."  
32

## 33 DEVELOPER FLEXIBILITY FOR PERFORMANCE GUARANTEES

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

### 35 "§ 136-93. Openings, structures, pipes, trees, and issuance of permits.

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

1 favor of the State of North Carolina, in such an amount as may be deemed sufficient by the  
2 Department of Transportation or its duly authorized officers, conditioned upon the proper  
3 compliance with the requirements of this section by the person, firm, or corporation granted such  
4 permit. At the election of the applicant, the Department shall accept a performance guarantee in  
5 the form of a surety bond, irrevocable letter of credit, or any other instrument approved by the  
6 Department that provides equivalent security to a surety bond or irrevocable letter of credit. Any  
7 person making any opening in a State road or State highway, or placing any structure thereon, or  
8 changing or removing any structure thereon without obtaining a written permit as herein  
9 provided, or not in compliance with the terms of such permit, or otherwise violating the  
10 provisions of this section, shall be guilty of a Class 1 misdemeanor: Provided, this section shall  
11 not apply to railroad crossings. The railroads shall keep up said crossings as now provided by  
12 law.

13 ...."

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

## 17 **PROHIBIT PLANTING OF INVASIVE SPECIES IN HIGHWAY RIGHT-OF-WAY** 18 **AND STATE PARKS**

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

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

- 45 a. Materials displayed in welcome centers in accordance with  
46 G.S. 136-89.56.
- 47 b. Vending machines permitted by the Department of Transportation and  
48 placed by the Division of Services for the Blind of the Department of  
49 Health and Human Services, as the State licensing agency designated  
50 pursuant to Section 2(a)(5) of the Randolph-Sheppard Act (20 U.S.C.  
51 107a(a)(5)). The Department of Transportation shall regulate the

1 placing of the vending machines in highway rest areas and shall  
2 regulate the articles to be dispensed.

- 3 c. Activities permitted by a local government pursuant to an ordinance  
4 meeting the requirements of G.S. 136-27.4.

5 Every other use or attempted use of any of these areas for commercial  
6 purposes constitutes a Class 1 misdemeanor, and each day's use constitutes a  
7 separate offense."

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

9 **"§ 143B-135.59. State Parks System native plant requirement and preference.**

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

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

26  
27 **REQUIRE THE DIVISION OF MOTOR VEHICLES TO ESTABLISH OR AMEND**  
28 **RULES TO RESTRUCTURE ENROLLMENT CONTRACT REFUNDS FOR**  
29 **COMMERCIAL TRUCK DRIVER TRAINING SCHOOLS**

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

- 36 (1) A one hundred percent (100%) refund of payments and cancellation of any  
37 evidence of indebtedness if the student officially withdraws before the first  
38 scheduled instruction hour of the course or class section in which the student  
39 enrolled. Notwithstanding subdivision (4) of this subsection, the delivery to a  
40 student of, or the provision of student access to, the certified home study or  
41 digital course materials described in subdivision (4) of this subsection shall  
42 not terminate the student's eligibility for a one hundred percent (100%) refund  
43 if the student officially withdraws within five business days after the materials  
44 are first delivered or made accessible to the student and before the first  
45 scheduled in-person instruction hour.
- 46 (2) A seventy-five percent (75%) refund of payments, less disclosed  
47 nonrefundable fees, and complete cancellation of any evidence of  
48 indebtedness if the student officially withdraws before receiving ten percent  
49 (10%) of the scheduled instruction hours of the course or class section in  
50 which the student enrolled.

1 (3) No refund and cancellation of any evidence of indebtedness shall be provided  
2 once ten percent (10%) of the scheduled instruction hours of the course or  
3 class section in which the student enrolled have been received.

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

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

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

16  
17 **REQUIRE THE DIVISION OF MOTOR VEHICLES TO ESTABLISH OR AMEND**  
18 **RULES TO DEVELOP AN 80-HOUR CLASS B CDL CURRICULUM FOR**  
19 **COMMERCIAL TRUCK DRIVER TRAINING SCHOOLS**

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

28 (1) Twenty-five minimum hours of classroom instruction, labs, and testing.

29 (2) Twenty-five minimum hours of field instruction.

30 (3) Ten minimum hours of highway behind-the-wheel training.

31 (4) Twenty minimum hours of highway behind-the-wheel observation.

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

34  
35 **AMEND COLLEGIATE INSIGNIA PLATE AUTHORIZATION TO INCLUDE**  
36 **COMMUNITY COLLEGES**

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

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

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

43 "(b30) Collegiate Insignia Plates. – Except for a collegiate insignia plate for a public military  
44 college or university, the Division must receive 300 or more applications for a collegiate insignia  
45 license plate for a college or university or community college before a collegiate license plate  
46 may be developed. For a collegiate insignia license plate for a public military college or  
47 university, the Division must receive 100 or more applications before a collegiate license plate  
48 may be developed. The color, design, and material for the plate must be approved by both the  
49 Division and the alumni or alumnae association of the appropriate college or ~~university-~~  
50 university or community college. The Division must transfer quarterly the money in the  
51 Collegiate and Cultural Attraction Plate Account derived from the sale of in-State collegiate

1 insignia plates to the Board of Governors of The University of North Carolina for in-State, public  
2 colleges and ~~universities and universities~~, to the respective board of trustees for in-State, private  
3 colleges and ~~universities-universities~~, and to the State Board of Community Colleges for  
4 community colleges, in proportion to the number of collegiate plates sold representing that  
5 institution for use for academic enhancement."  
6

7 **AUTHORIZE SEMIQUINCENTENNIAL SPECIAL REGISTRATION PLATE**

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

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

10 ...

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

15 ...."

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

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

25  
26 **AUTHORIZE GUY HARVEY FOUNDATION SPECIAL REGISTRATION PLATE**

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

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

29 ...

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

33 ...."

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

35 **"§ 20-79.7. Fees for special registration plates and distribution of the fees.**

36 ...

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

<u>Special Plate</u>	<u>Additional Fee Amount</u>
39 ...	
40 Greensboro Symphony Guild	Expired July 1,
41	2016
42 <u>Guy Harvey Foundation</u>	<u>\$30.00</u>
43 Historical Attraction	<u>\$30.00</u>
44 ...	

45 ...  
46 (b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and  
47 Cultural Attraction Plate Account are established within the Highway Fund. The Division must  
48 credit the additional fee imposed for the special registration plates listed in subsection (a1) of this  
49 section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural  
50 Attraction Plate Account (CCAPA), the North Carolina Land and Water Fund (NCLWF), which

1 is established under G.S. 143B-135.234, and the Parks and Recreation Trust Fund, which is  
 2 established under G.S. 143B-135.56, as follows:

3	<u>Special Plate</u>	<u>SRPA</u>	<u>CCAPA</u>	<u>NCLWF</u>	<u>PRTF</u>
4	...				
5	Guilford Battleground Company	\$10	\$10	0	0
6	<u>Guy Harvey Foundation</u>	<u>\$10</u>	<u>\$20</u>	<u>0</u>	<u>0</u>
7	Harley Owners' Group	\$10	\$10	0	0

8 ...."

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

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

16 **SECTION 32.(d)** The plate authorized by this section is not subject to the  
 17 requirements to establish a new special registration plate in G.S. 20-79.3A. The Revisor of  
 18 Statutes is authorized to alphabetize, number, and renumber the special registration plates listed  
 19 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  
 20 plates are listed in alphabetical order and numbered accordingly.

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

25 **MAKE TECHNICAL CORRECTION RELATED TO MOTOR VEHICLE DEALERS**

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

28 "(6) Retailer. – A retailer as defined in G.S. 105-164.3 who is engaged in the  
 29 business of selling motor vehicles, offering short-term or long-term leases or  
 30 rentals, ~~long-term leases or rentals,~~ rentals of motor vehicles, or vehicle  
 31 subscriptions for motor vehicles."  
 32

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

34 **EFFECTIVE DATE**

35 **SECTION 33.** Except as otherwise provided, this act is effective when it becomes  
 36 law.  
 37