

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015**

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SENATE BILL 113

Short Title: Ferry Division / Fuel Futures. (Public)

Sponsors: Senators Cook and Sanderson (Primary Sponsors).

Referred to: Rules and Operations of the Senate.

February 25, 2015

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE FERRY DIVISION OF THE DEPARTMENT OF TRANSPORTATION TO ENTER INTO A CONTRACT FOR THE PURCHASE OF MOTOR FUEL THAT OFFERS A GUARANTEED PRICE PLAN OR PREPAID GUARANTEED PRICE PLAN AND TO EXPAND THE PURPOSES FOR WHICH CERTAIN PROCEEDS COLLECTED BY THE FERRY DIVISION MAY BE USED.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Notwithstanding any other provision of law, the Ferry Division of the Department of Transportation is authorized to enter into a contract for the purchase of motor fuel that offers a guaranteed price plan or prepaid guaranteed price plan. The following requirements apply to any contract entered into under this section:

- (1) The maximum length of any contract under this section shall be six months.
- (2) The maximum price at which the Division may contract to purchase motor fuel is two dollars fifty cents (\$2.50) per gallon.
- (3) The maximum amount of motor fuel the Division may contract to purchase is two million gallons per contract.
- (4) The Division may take delivery of motor fuel in installments. The contract shall specify the number of deliveries and the dates on which the deliveries are to be made.
- (5) The motor fuel dealer shall file a guaranty bond with the clerk of the superior court in the county in which the contract is entered into. The bond shall be in an amount determined by the Division to be adequate to provide indemnification to the Division for any loss incurred by the Division if the motor fuel dealer fails to deliver the amount of motor fuel specified in the contract. The bond shall be issued by a surety company authorized to do business in this State and shall be in favor of the Division. The bond shall remain in full force and effect until the contract is fully executed by both parties.
- (6) Except as otherwise provided in this section, any contract entered into under this section shall be subject to applicable law.

SECTION 1.(b) The authority to enter into contracts under this section expires 30 days after this act becomes law.

SECTION 2. G.S. 136-82 reads as rewritten:

"§ 136-82. Department of Transportation to establish and maintain ferries.

...



1 (d) Use of Toll Proceeds. – The Department of Transportation shall credit the proceeds
2 from tolls collected on North Carolina Ferry System routes ~~and~~ and, except as provided in
3 subsection (f1) of this section, receipts generated under subsection (f) of this section to reserve
4 accounts within the Highway Fund for each of the Highway Divisions in which system
5 terminals are located and fares are earned. For the purposes of this subsection, fares are earned
6 based on the terminals from which a passenger trip originates and terminates. Commuter pass
7 receipts shall be credited proportionately to each reserve account based on the distribution of
8 trips originating and terminating in each Highway Division. The proceeds credited to each
9 reserve account shall be used exclusively for prioritized North Carolina Ferry System ferry
10 passenger vessel replacement projects in the Division in which the proceeds are earned.
11 Proceeds may be used to fund ferry passenger vessel replacement projects or supplement funds
12 allocated for ferry passenger vessel replacement projects approved in the Transportation
13 Improvement Program.

14 ...

15 (f) Authority to Generate Certain Receipts. – The Department of Transportation,
16 notwithstanding any other provision of law, may operate or contract for the following
17 receipt-generating activities ~~and~~ and, except as provided for in subsection (f1) of this section,
18 use the proceeds for ferry passenger vessel replacement projects in the manner set forth in
19 subsection (d) of this section:

- 20 (1) Operation of, concessions on the ferries and at ferry facilities to provide to
21 passengers on the ferries food, drink, and other refreshments, personal
22 comfort items, Internet access, and souvenirs publicizing the ferry system.
- 23 (2) Sponsorships, including, but not limited to, the sale of naming rights to any
24 ferry vessel, ferry route, or ferry facility.
- 25 (3) Advertising on or within any ferry vessel or at any ferry facility, including,
26 but not limited to, display advertising and advertising delivered to
27 passengers through the use of video monitors, public address systems
28 installed in passenger areas, and other electronic media.
- 29 (4) Any other receipt-generating activity not otherwise forbidden by applicable
30 law pertaining to public health or safety.

31 The Department may issue rules to implement this subsection.

32 (f1) Capital Improvement Account. – There is established under the control and
33 direction of the Ferry Division of the Department of Transportation the Capital Improvement
34 Account. The Account shall be a nonreverting special revenue account within the Highway
35 Fund. Notwithstanding subsection (f) of this section and G.S. 146-30, the Division shall credit
36 to the Account all proceeds generated from (i) the leasing of office space in the shipyard by the
37 Division and (ii) maintenance and other services performed by the Division, including painting
38 and sandblasting, on boats and other vessels. The Division shall use the proceeds credited to the
39 Account only for the purposes of covering expenses incurred in the leasing of office space in
40 the shipyard and performing maintenance and other services on boats and other vessels,
41 including the purchase, lease, or rental of equipment. Nothing in this subsection shall be
42 construed to alter or supersede the provisions of any trust or other instrument of title in which
43 real property subject to this subsection was acquired or is hereafter acquired.

44"

45 **SECTION 3.** This act is effective when it becomes law.