

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 643

Short Title: Passenger Rail Capital and Service Grant Fund. (Public)

Sponsors: Representatives Loftis, Reives, Tyson, and Carney (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Transportation, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House

April 18, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH THE PASSENGER RAIL CAPITAL AND SERVICE GRANT  
3 FUND.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** This act shall be known as the "Passenger Rail Capital and Service  
6 Grant Fund."

7 **SECTION 2.** Chapter 136 of the General Statutes is amended by adding a new  
8 Article to read:

9 "Article 14D.

10 "Passenger Rail Capital and Service Grant Fund.

11 "**§ 136-189.50. Definitions.**

12 Definitions. – The following definitions apply to this Article:

13 (1) Reserved for future codification purposes.

14 (2) Reserved for future codification purposes.

15 (3) Reserved for future codification purposes.

16 (4) Passenger rail project. – A project to develop new or to improve existing  
17 railroad, as the term "railroad" is defined in 49 U.S.C. § 20102(2).

18 (5) Reserved for future codification purposes.

19 (6) Sponsor. – A county, city, town, or municipality of this State, and any other  
20 political subdivision, public corporation, authority, or district in this State  
21 authorized by law to acquire, establish, construct, enlarge, improve, maintain,  
22 own, and operate public transportation systems.

23 "**§ 136-189.55. Passenger Rail Capital and Service Grant Fund.**

24 (a) Creation. – The Passenger Rail Capital and Service Grant Fund (Fund) is established  
25 as a special fund within the Department of Transportation to be administered by the Department  
26 in accordance with this Article.

27 (b) Purpose. – The purpose of the Fund is to enable passenger rail projects to leverage  
28 federal funding or other public or private sourced funding by providing technical and financial  
29 assistance to sponsors for the development costs of the passenger rail project.

30 (c) Source. – The Fund shall consist of funds transferred to the Fund in accordance with  
31 all of the following:

32 (1) The minimum amount of funds in the Fund at the beginning of each fiscal year  
33 shall be twenty-five million dollars (\$25,000,000).



1           (2)    No later than July 30 of each fiscal year, the Department of Transportation  
2               shall transfer from the Highway Fund to the Fund the sum of twenty-five  
3               million dollars (\$25,000,000), and these funds are hereby appropriated for  
4               eligible uses in accordance with this Article.

5           (3)    Except as provided in G.S. 136-189.65, unexpended funds in the Fund shall  
6               not revert.

7           (d)    Uses. – Funds may be used to pay for passenger rail project costs, including crossing  
8               safety upgrades, infrastructure, feasibility and environmental studies, project engineering, project  
9               vehicles, and recurring operating and maintenance costs.

10          (e)    Cost-Sharing. – An allocation of funds under this section for a passenger rail project  
11               shall be subject to the following cost-sharing percentages:

12           (1)    For feasibility studies, service development plans, and other  
13               pre-environmental analyses, the Fund may provide one hundred percent  
14               (100%) of the project cost.

15           (2)    For matching environmental analysis and design, the Fund may provide not  
16               more than fifty percent (50%) of the project cost.

17           (3)    For matching new or improved rail system construction grants, the Fund may  
18               provide not more than thirty percent (30%) of the project cost.

19    **"§ 136-189.60. Administration.**

20          (a)    Procedures. – The Secretary of Transportation shall establish procedures and criteria  
21               and adopt rules for allocating funds from the Fund to passenger rail projects, on a competitive  
22               basis, in accordance with the purposes of this Article.

23          (b)    Criteria. – In addition to any criteria established under subsection (a) of this section,  
24               allocation under this Article shall be subject to a finding by the Secretary that all of the  
25               following conditions are met:

26           (1)    There is a reasonable likelihood the passenger rail project will qualify for  
27               federal funding, or other public or private sourced funding.

28           (2)    For projects of not more than 70 miles in system length or that serve three or  
29               fewer counties, the total State financial assistance will not exceed the local  
30               portion of the nonfederal share of the capital cost of the passenger rail project.

31           (3)    The passenger rail project will achieve substantial reductions in greenhouse  
32               gases as measured by the projected number of motor vehicles taken off of the  
33               State highway system by the passenger service offered by the project.

34          (c)    Decision. – All grants made under this Article are subject to the approval of the  
35               Secretary of Transportation after consultation with the Board of Transportation.

36          (d)    Multiyear Allotments. – The Department may allocate funds under this Article in the  
37               form of multiyear allotments. No award under this Article shall exceed a period of 10 years. Any  
38               grant awarded under this Article is subject to appropriation of funds by the General Assembly.

39          (e)    Project Development. – The Department shall partner with individual sponsors on the  
40               development and implementation of new passenger rail projects.

41    **"§ 136-189.65. Expiration.**

42               This Article is repealed effective June 30, 2043. The Department shall transfer any  
43               remaining balance in the Fund to the Highway Fund, for subsequent appropriation by the  
44               General Assembly, and close the Fund."

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