

Article 2.

State-Owned Railroad Company.

§ 124-11. Definition.

As used in this Chapter, the term "State-owned Railroad Company" shall mean a railroad company in which the State owns all of the voting stock. (2000-146, s.7; 2024-45, s. 19.3(f).)

§ 124-12. Powers of a State-owned railroad company.

A State-owned railroad company shall have, in addition to the powers of any railroad corporation, the power to:

- (1) Lease, license, or improve property. – A State-owned railroad company may lease, license, or improve its right-of-way and property, whether held by easement, presumptive grant, express grant, or otherwise, for the purpose of preserving and protecting its railroad corridor and franchise.
- (2) Condemnation in fee simple. – A State-owned railroad company may exercise the power of eminent domain to acquire property in fee simple for the purposes specified in G.S. 40A-3(a)(4). The procedures of Article 2 of Chapter 40A of the General Statutes shall apply to the exercise of the power of eminent domain under this subdivision. (2000-146, s. 7.)

§ 124-13. Effect on State-owned railroad company charter.

Nothing in this Chapter repeals or modifies any State-owned railroad company charter or limits the rights of the shareholders of the company as provided in Chapter 55 of the General Statutes. (2000-146, s. 7.)

§ 124-14: Reserved for future codification purposes.

§ 124-15. Board of directors; appointment and approval of encumbrances.

(a) Notwithstanding subsection (a) of G.S. 124-6, for any State-owned railroad company that has trackage in more than two counties, six of the members of the Board of Directors shall be appointed by the Governor, one member of the Board of Directors shall be the Commissioner of Agriculture of the Department of Agriculture and Consumer Services, or the Commissioner's designee, three of the members of the Board of Directors shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, and three of the members of the Board of Directors shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. The Board of Directors shall consist of 13 members. Of the Governor's six appointments, one shall be from the appointees to the Board of Transportation and one shall be the Secretary of Commerce or the Secretary's designee. All Board members shall serve four-year terms. The Board shall elect the chairman from among its membership.

(b) No State-owned railroad company shall sell, lease, mortgage, or otherwise encumber its franchise, right-of-way, or other property, except by and with the approval and consent of the Board of Directors of that corporation. The president or other chief officer of the State-owned railroad company shall report any acquisitions and dispositions in accordance with G.S. 124-3(10).

(c) Each member of the Board of Directors for any State-owned railroad company shall have the fiduciary duties, including the duties of loyalty and care, to the State-owned railroad

company. (1997-443, s. 32.30(k); 1999-431, s. 3.3(a); 2000-146, s. 5; 2013-360, s. 34.14(b); 2023-136, s. 7.1(a); 2024-45, s. 19.3(a), (c).)

§ 124-16. Strategic plan and capital investment plan required of State-owned railroad company; performance management system.

(a) Any State-owned railroad company shall prepare and maintain a comprehensive strategic plan and a capital investment plan. The strategic plan shall include a mission statement describing the purpose of the company and clear goals that address the strategic issues facing the company.

(b) Any State-owned railroad company shall develop and implement a formalized performance management system based on its strategic plan. The performance management system shall measure and monitor progress toward achieving strategic objectives. When performance fails to achieve strategic objectives within the time period established in the plan, a State-owned railroad company shall take corrective action. (2013-360, s. 34.14(c).)

§ 124-17. Enhanced annual report of State-owned railroad company; additional reporting requirements to Governor and General Assembly.

(a) A State-owned railroad company shall submit an annual report to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Transportation Oversight Committee. The report shall include the following:

- (1) The information required under G.S. 124-3.
- (2) A copy of the strategic plan and the capital investment plan required under G.S. 124-16.
- (3) Any failures to meet strategic objectives and what corrective actions were taken under G.S. 124-16(b).
- (4) Anticipated dividends for the next three fiscal years.
- (5) A description of the State-owned railroad company's business, subsidiaries, and markets in which it operates.
- (6) A list of the properties owned by the State-owned railroad company.
- (7) A list of the directors and executive officers of the State-owned railroad company and a description of the background and experience of each.
- (8) A description of the State-owned railroad company's code of ethics and conflicts of interest policy.
- (9) A summary of the fees paid to an accounting firm during the year.
- (10) A list of the compensation paid to directors and officers of the State-owned railroad company.
- (11) A description of the State-owned railroad company's disagreements with its accountants if there has been a change in accountants.
- (12) A description of any transactions between the State-owned railroad company and its directors, officers, and their family members.

(b) Upon the request of the Governor or any committee of the General Assembly, a State-owned railroad company shall provide all additional information and data within its possession or ascertainable from its records. The State-owned railroad company shall not be deemed to have waived any attorney-client privilege when complying with this subsection. At the time a State-owned railroad company provides information under this section, it shall indicate

whether the information is confidential. Confidential information shall be subject to subsection (c) of this section.

(c) Confidential information includes (i) information related to a proposed specific business transaction where inspection, examination, or copying of the records would frustrate the purpose for which the records were created, or (ii) information that is subject to confidentiality obligations of a railroad company. Confidential information is exempt from Chapter 132 of the General Statutes and shall not be subject to a request under G.S. 132-6(a). (2000-146, s. 3; 2013-360, s. 34.14(d).)

§ 124-18: Repealed by Session Laws 2019-231, s. 4.4(b), effective July 1, 2019.