

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2025**

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**HOUSE BILL 1101**

Short Title: Hatteras-Ocracoke Hovercraft Pilot Program. (Public)

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Sponsors: Representative Reives.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

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

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April 30, 2026

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A PILOT PROGRAM WITHIN THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION, FERRY DIVISION, TO OPERATE A HOVERCRAFT FERRY ON THE HATTERAS-OCRACOKE ROUTE AND TO STUDY THE LONG-TERM FEASIBILITY OF REDUCING DREDGING COSTS AND REPLACING THE OBSOLESING DIESEL FERRY FLEET.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Pilot Program Established. – The Department of Transportation, Ferry Division (Ferry Division), shall establish and operate a hovercraft pilot program to evaluate the feasibility of replacing the ferry fleet servicing the Hatteras-Ocracoke route with hovercraft or air cushion vehicle (ACV) ferries.

**SECTION 1.(b)** Purpose. – The purpose of the pilot program is to:

- (1) Improve travel times between Hatteras Island and Ocracoke Island.
- (2) Reduce reliance on routine dredging of the Hatteras Inlet channel and achieve long-term savings in dredging expenditures.
- (3) Evaluate the potential to retire or repurpose the current diesel ferry fleet on this route.
- (4) Determine whether a fee-for-ride model, that is free for residents and charges a fee for visitors, can provide a sustainable revenue stream to offset operational costs.

**SECTION 1.(c)** Procurement. – The Ferry Division shall issue a Request for Proposal (RFP) for the lease or purchase of one or more hovercrafts or ACVs suitable for passenger and light vehicle service under the unique environmental conditions of Hatteras Inlet.

**SECTION 1.(d)** Operations. – The pilot program shall operate for a minimum of two years from the date the vessel is launched.

- (1) The Ferry Division shall design and implement a tiered fare structure whereby island residents ride free of charge and visitors are charged a reasonable fee, with revenues credited to the Ferry Fund.
- (2) The Ferry Division may continue to operate any diesel ferries whose service is displaced by the service provided by the pilot ferry for commercial vehicles only during the pilot program period.

**SECTION 1.(e)** Feasibility Study. – The Ferry Division shall conduct a feasibility study evaluating:

- (1) The economic, environmental, and operational impacts of transitioning the Hatteras-Ocracoke route to hovercraft service permanently.



- 1           (2)    The long-term cost-savings from the reduced dredging operations.  
2           (3)    The practicality of retiring the existing diesel ferry fleet or dedicating it solely  
3           to commercial vehicle transport.  
4           (4)    The financial viability of a visitor fee-based model, including impacts on  
5           tourism.

6           **SECTION 1.(f)** Report. – The Ferry Division shall submit to the Joint Legislative  
7 Transportation Oversight Committee and the Fiscal Research Division an interim report on the  
8 study required by Section 1(e) of this act by March 1, 2027, and a final report by December 1,  
9 2027.

10           **SECTION 2.** There is appropriated from the General Fund to the Department of  
11 Transportation, Ferry Division, for the 2026-2027 fiscal year the sum of twenty-five million  
12 dollars (\$25,000,000) in nonrecurring funds to implement the requirements of this act.

13           **SECTION 3.** This act becomes effective July 1, 2026.