

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 83*

Short Title: Increase Scrap Tire Disposal Tax.

(Public)

Sponsors: Representatives DeVane, R. Thompson, Barnhill, Bowen, and Hightower.

Referred to: Finance.

February 9, 1993

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE SCRAP TIRE DISPOSAL TAX, TO PROVIDE FOR THE DISTRIBUTION OF THE ADDITIONAL TAX PROCEEDS, AND TO REVOKE THE AUTHORITY OF A UNIT OF LOCAL GOVERNMENT OR A CONTRACTING PARTY TO IMPOSE A SEPARATE SCRAP TIRE DISPOSAL FEE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-187.16 reads as rewritten:

"§ 105-187.16. Tax imposed.

A privilege tax is imposed on a tire retailer at the rate of one percent (1%) of the sales price of each new tire of a bead diameter of 20 inches or above sold at retail by the ~~retailer.~~ retailer and two percent (2%) of the sales price of each new tire of a bead diameter of less than 20 inches. A privilege tax is imposed on a tire retailer and on a tire wholesale merchant at the rate of one percent (1%) of the sales price of each new tire of a bead diameter of 20 inches or above sold by the retailer or wholesale merchant to a wholesale merchant or retailer for placement on a vehicle offered for sale, lease, or rental by the retailer or wholesale ~~merchant.~~ merchant and at the rate of two percent (2%) of the sales price of each new tire of a bead diameter of less than 20 inches sold by the retailer or wholesale merchant to a wholesale merchant or retailer for placement on a vehicle offered for sale, lease, or rental by the retailer or wholesale merchant. An excise tax is imposed on a new tire purchased for storage, use, or consumption in this State or for placement in this State on a vehicle offered for sale, lease, or rental. This excise tax is at the rate of one percent (1%) of the cost price of the ~~tire.~~ tire for a tire of a bead diameter of 20 inches or above and at the rate of two percent (2%) of the cost price of

1 the tire of a bead diameter of less than 20 inches. These taxes are in addition to all other
2 taxes."

3 Sec. 2. G.S. 105-187.19 reads as rewritten:

4 **"§ 105-187.19. Use of tax proceeds.**

5 The Secretary shall distribute the taxes collected under this Article, less the cost of
6 collecting the taxes, taxes not to exceed seven-tenths of one percent (.7%) of the taxes
7 collected, in accordance with this section. The Secretary shall retain the this cost of
8 collection as reimbursement to the Department of Revenue.

9 Each quarter, the Secretary shall credit ~~ten percent (10%)~~ five percent (5%) of the net
10 tax proceeds to the Solid Waste Management Trust ~~Fund~~ Fund, twenty-seven percent
11 (27%) of the net proceeds to the Scrap Tire Disposal Fund, and shall distribute ninety
12 percent (90%) ~~sixty-eight percent (68%)~~ of the net tax proceeds among the counties on a
13 per capita basis according to the most recent annual population estimates certified to the
14 Secretary by the ~~Office of State Budget and Management~~ State Planning Office. A county
15 may use funds distributed to it under this section only as provided in G.S. 130A-
16 309.54."

17 Sec. 3. G.S. 130A-309.58(e) reads as rewritten:

18 "(e) A county shall provide, directly or by contract with another unit of local
19 government or private entity, at least one site for scrap tire disposal for that county. ~~The~~
20 ~~unit of local government or contracting party may charge a disposal fee for the disposal of~~
21 ~~scrap tires only to the extent that the cost per tire of disposal exceeds the amount received by~~
22 ~~the county under G.S. 105-187.19 during the preceding 12 month period, divided by the~~
23 ~~number of tires disposed of within the county according to the tire disposal procedures during~~
24 ~~that period. The unit of local government or contracting party may charge a disposal fee for the~~
25 ~~disposal of scrap tires regardless of whether a tax has been paid on the tire under Article 5B of~~
26 ~~Chapter 105 and regardless of the tire's place of origin."~~

27 ♦ Sec. 4. Part 2B of Article 9 of Chapter 130A of the General Statutes is
28 amended by adding a new section to read:

29 **"§ 130A-309.60A. Scrap Tire Disposal Fund.**

30 (a) The Scrap Tire Disposal Fund is created and is to be administered by the
31 Department. The Scrap Tire Disposal Fund shall consist of:

32 (1) Funds appropriated by the General Assembly.

33 (2) Contributions and grants from public or private sources.

34 (3) Twenty-seven percent (27%) of the proceeds of the scrap tire disposal
35 tax imposed under Article 5B of Chapter 105 of the General Statutes.

36 (b) The Department may distribute up to twenty-five percent (25%) of the
37 moneys in this Fund received from the proceeds of the scrap tire tax to units of local
38 government for the disposal of scrap tires only to the extent that the reasonable cost for
39 scrap tire disposal during the preceding six-month period exceeded the amount received
40 by the county under G.S. 105-187.19 during the preceding six-month period. The
41 remaining moneys in this Fund are to be used for the cleanup of nuisance tire collection
42 sites pursuant to G.S. 130A-309.60 when there are no other funds available to cover the
43 cost of abating the nuisance.

1 (c) Units of local government that receive funds pursuant to subdivision (2) of
2 subsection (a) of this section shall be subject to audits by the State Treasurer's Office.

3 (d) The Department shall report on a quarterly basis to the Joint Legislative
4 Commission on Governmental Operations and to the Environmental Review
5 Commission as to the condition of the Scrap Tire Disposal Fund and as to the use of all
6 funds allocated from the Scrap Tire Disposal Fund. Quarterly reports required under
7 this subsection shall be made not later than 60 days after the last day of each calendar
8 quarter."

9 Sec. 5. G.S. 130A-309.12(b) reads as rewritten:

10 "(b) The Solid Waste Management Trust Fund shall consist of:

11 (1) Funds appropriated by the General Assembly; ~~Assembly.~~

12 (2) Contributions and grants from public or private sources; ~~and sources.~~

13 (3) ~~Ten percent (10%)~~ Five percent (5%) of the proceeds of the scrap tire
14 disposal tax imposed under Article 5B of Chapter 105 of the General
15 Statutes."

16 Sec. 6. G.S. 130A-309.61 reads as rewritten:

17 "**§ 130A-309.61. Preemption.**

18 This Part preempts any local ordinance regarding the disposal of scrap tires to the
19 extent that any local ordinance is inconsistent with this Part or rules adopted pursuant to
20 this Part. ~~A unit of local government may not charge any fees for the disposal of scrap tires~~
21 ~~except as authorized by this Part."~~

22 Sec. 7. This act becomes effective January 1, 1994, and expires January 1,
23 1996.