

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

4

HOUSE BILL 105
Committee Substitute Favorable 5/4/05
Senate Finance Committee Substitute Adopted 8/9/05
Fourth Edition Engrossed 8/12/05

Short Title: Motor Fuel Tax Chgs & Rev Laws Technical Chgs. (Public)

Sponsors:

Referred to:

February 8, 2005

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE TAXATION OF MOTOR FUELS, TO MAKE TECHNICAL, CLARIFYING, AND ADMINISTRATIVE CHANGES TO THE REVENUE LAWS AND RELATED STATUTES, AND TO ALLOW INTERSTATE PASSENGER AIR CARRIERS A REFUND OF SALES AND USE TAXES ON FUEL.

The General Assembly of North Carolina enacts:

PART I. MOTOR FUEL TAX CHANGES

SECTION 1. G.S. 105-236(2) reads as rewritten:

"§ 105-236. Penalties.

Penalties assessed by the Secretary under this Subchapter are assessed as an additional tax. Except as otherwise provided by law, and subject to the provisions of G.S. 105-237, the following penalties shall be applicable:

...

(2) Failure to Obtain a License. – For failure to obtain a license before engaging in a business, trade or profession for which a license is required, the Secretary shall assess a penalty equal to five percent (5%) of the amount prescribed for the license per month or fraction thereof until paid, not to exceed twenty-five percent (25%) of the amount so prescribed, but in any event shall not be less than five dollars (\$5.00). In cases in which the taxpayer fails to obtain a license as required under G.S. 105-449.65 or G.S. 105-449.131, the Secretary may assess a penalty of one thousand dollars (\$1,000)."

SECTION 2. G.S. 105-241(b) is amended by adding a new subdivision to read:

"(b) Electronic Funds Transfer. – Payment by electronic funds transfer is required as provided in this subsection.

1 ...

2 (2a) Motor fuel taxes. – A taxpayer that is required to file an electronic
3 return under Article 36C or Article 36D of this Chapter must pay the
4 tax by electronic funds transfer."

5 **SECTION 3.** G.S. 105-449.39 reads as rewritten:

6 **"§ 105-449.39. Credit for payment of motor fuel tax.**

7 Every motor carrier subject to the tax levied by this Article is entitled to a credit on
8 its quarterly report for tax paid by the carrier on fuel purchased in the State. The amount
9 of the credit is determined using the flat cents-per-gallon rate plus the variable
10 cents-per-gallon rate of tax in effect during the quarter covered by the report. To obtain
11 a credit, the motor carrier must furnish evidence satisfactory to the Secretary that the tax
12 for which the credit is claimed has been paid.

13 If the amount of a credit to which a motor carrier is entitled for a quarter exceeds the
14 motor carrier's liability for that quarter, the Secretary must refund the excess to the
15 motor carrier in accordance with G.S. 105-266(a)(3)."

16 **SECTION 4.** G.S. 105-449.44(a) reads as rewritten:

17 "(a) Calculation. – The amount of motor fuel or alternative fuel a motor carrier
18 uses in its operations in this State for a reporting period is the ~~ratio of the number of~~
19 ~~miles the motor carrier travels in this State during that period divided by the calculated~~
20 ~~miles per gallon for the motor carrier for all qualified vehicles to the total number of~~
21 ~~miles the motor carrier travels inside and outside this State during that period,~~
22 ~~multiplied by the total amount of fuel the motor carrier uses in its operations inside and~~
23 ~~outside the State during that period."~~

24 **SECTION 5.** G.S. 105-449.46 reads as rewritten:

25 **"§ 105-449.46. Inspection of books and records.**

26 The Secretary and his authorized agents and representatives shall have the right at
27 any reasonable time to inspect the books and records of any motor carrier subject to the
28 tax imposed by this ~~Article~~ Article or to the registration fee imposed by Article 3 of
29 Chapter 20 of the General Statutes."

30 **SECTION 6.** G.S. 105-449.47(a1) reads as rewritten:

31 "(a1) Registration and Identification Marker. – When the Secretary registers a
32 motor carrier, the Secretary must issue at least one identification marker for each motor
33 vehicle operated by the motor carrier. A motor carrier must keep records of
34 identification markers issued to it and must be able to account for all identification
35 markers it receives from the Secretary. Registrations and identification markers issued
36 by the Secretary are for a calendar year. All identification markers issued by the
37 Secretary remain the property of the State. The Secretary may ~~withhold or~~ revoke a
38 registration or an identification marker when a motor carrier fails to comply with this
39 ~~Article, former Article 36 or 36A of this Subchapter, Article~~ or Article 36C or 36D of
40 this Subchapter.

41 A motor carrier must carry a copy of its registration in each motor vehicle operated
42 by the motor carrier when the vehicle is in this State. A motor vehicle must clearly
43 display an identification marker at all times. The identification marker must be affixed

1 to the vehicle for which it was issued in the place and manner designated by the
2 authority that issued it."

3 **SECTION 7.** Article 36B of Chapter 105 of the General Statutes is amended
4 by adding a new section to read:

5 "**§ 105-449.47A. Reasons why the Secretary can deny an application for a**
6 **registration and identification marker.**

7 The Secretary may refuse to register and issue an identification marker to an
8 applicant that has done any of the following:

- 9 (1) Had a registration issued under Chapter 105 or Chapter 119 of the
10 General Statutes cancelled by the Secretary for cause.
- 11 (2) Had a registration issued by another jurisdiction, pursuant to
12 G.S. 105-449.57, cancelled for cause.
- 13 (3) Been convicted of fraud or misrepresentation.
- 14 (4) Been convicted of any other offense that indicates that the applicant
15 may not comply with this Article if registered and issued an
16 identification marker.
- 17 (5) Failed to remit payment for a tax debt under Chapter 105 or Chapter
18 119 of the General Statutes. The term 'tax debt' has the same meaning
19 as defined in G.S. 105-243.1.
- 20 (6) Failed to file a return due under Chapter 105 or Chapter 119 of the
21 General Statutes."

22 **SECTION 8.** G.S. 105-449.51 reads as rewritten:

23 "**§ 105-449.51. Violations declared to be misdemeanors.**

24 Any person who operates or causes to be operated on a highway in this State a motor
25 vehicle that does not carry a registration card as required by this Article, does not
26 properly display an identification marker as required by this Article, or is not registered
27 in accordance with this Article is guilty of a Class 3 misdemeanor and, upon conviction
28 thereof, shall ~~only be fined no less than ten dollars (\$10.00) nor more than two hundred~~
29 ~~dollars (\$200.00).~~ Each day's operation in violation of any provision of this section shall
30 constitute a separate offense."

31 **SECTION 9.** G.S. 105-449.65(b) reads as rewritten:

32 "(b) Multiple Activity. – A person who is engaged in more than one activity for
33 which a license is required must have a separate license for each activity, unless this
34 subsection provides otherwise. A person who is licensed as a supplier ~~is not required to~~
35 ~~obtain a separate license for any other activity for which a license is required and is~~
36 considered to have a license as a distributor. A person who is licensed as an occasional
37 importer or a tank wagon importer is not required to obtain a separate license as a
38 ~~distributor.~~ distributor unless the importer is also purchasing motor fuel, at the terminal
39 rack, from an elective or permissive supplier who is authorized to collect and remit the
40 tax to the State. A person who is licensed as a distributor is not required to obtain a
41 separate license as an importer if the distributor acquires fuel for import only from an
42 elective supplier or a permissive supplier and is not required to obtain a separate license
43 as an exporter. A person who is licensed as a distributor or a blender is not required to

1 obtain a separate license as a motor fuel transporter if the distributor or blender does not
2 transport motor fuel for others for hire."

3 **SECTION 10.** G.S. 105-449.69(b) reads as rewritten:

4 "(b) Most Licenses. – An applicant for a license as a refiner, a supplier, a terminal
5 operator, an importer, a blender, ~~a bulk-end user of undyed diesel fuel, a retailer of~~
6 ~~undyed diesel fuel~~, or a distributor must meet the following requirements:

- 7 (1) If the applicant is a corporation, the applicant must either be
8 incorporated in this State or be authorized to transact business in this
9 State.
- 10 (2) If the applicant is a limited liability company, the applicant must either
11 be organized in this State or be authorized to transact business in this
12 State.
- 13 (3) If the applicant is a limited partnership, the applicant must either be
14 formed in this State or be authorized to transact business in this State.
- 15 (4) If the applicant is an individual or a general partnership, the applicant
16 must designate an agent for service of process and give the agent's
17 name and address."

18 **SECTION 11.** G.S. 105-449.73 reads as rewritten:

19 **"§ 105-449.73. Reasons why the Secretary can deny an application for a license.**

20 The Secretary may refuse to issue a license to an ~~individual~~ applicant that ~~has done~~
21 ~~any of the following and may refuse to issue a license to an applicant that is a business~~
22 ~~entity if any principal in the business has done any of the following:~~

- 23 (1) Had a license or registration issued under this Article or former Article
24 36 or 36A of this Chapter cancelled by the Secretary for cause.
- 25 (1a) Had a motor fuel license or registration issued by another state
26 cancelled for cause.
- 27 (2) Had a federal Certificate of Registry issued under § 4101 of the Code,
28 or a similar federal authorization, revoked.
- 29 (3) Been convicted of fraud or misrepresentation.
- 30 (4) Been convicted of any other offense that indicates that the applicant
31 may not comply with this Article if issued a license.
- 32 (5) Failed to remit payment for ~~an overdue tax debt~~ a tax debt under
33 Chapter 105 or Chapter 119 of the General Statutes. The term
34 "~~overdue tax debt~~" "tax debt" has the same meaning as defined in
35 G.S. 105-243.1.
- 36 (6) Failed to file a return due under Chapter 105 or Chapter 119 of the
37 General Statutes."

38 **SECTION 12.** G.S. 105-449.86(a) reads as rewritten:

39 "(a) Tax. – An excise tax at the motor fuel rate is imposed on dyed diesel fuel
40 acquired to operate any of the following:

- 41 (1) Repealed by Session Laws 2003-349, s. 10.8, effective January 1,
42 2004.
- 43 (2) ~~Either a A local bus or an intercity bus~~ that is allowed by § 4082(b)(3)
44 of the Code to use dyed diesel fuel.

1 (3) A highway vehicle that is owned by or leased to an educational
2 organization that is not a public school and is allowed by § 4082(b)(1)
3 or (b)(3) of the Code to use dyed diesel fuel.

4 (4) ~~A highway vehicle that is owned by or leased to the American Red
5 Cross and is allowed by § 4082 of the Code to use dyed diesel fuel."~~

6 **SECTION 13.** G.S. 105-449.90A reads as rewritten:

7 **"§ 105-449.90A. Payment by supplier of destination state tax collected on exported
8 motor fuel.**

9 Tax collected by a supplier on exported motor fuel is payable by the supplier to the
10 destination state if the supplier is licensed in that state for payment of motor fuel excise
11 taxes.~~state. Tax collected by a supplier on exported motor fuel is payable to the~~
12 ~~Secretary for remittance to the destination state if the supplier is not licensed in that~~
13 ~~state for payment of motor fuel excise taxes.~~Payments of destination state tax are due to
14 the destination state ~~or the Secretary, as appropriate,~~ on the date set by the law of the
15 destination state. ~~Payments of destination state tax to the Secretary must be~~
16 ~~accompanied by a form provided by the Secretary that contains the information required~~
17 ~~by the Secretary."~~

18 **SECTION 14.** G.S. 105-449.96 is amended by adding a new subdivision to
19 read:

20 **"§ 105-449.96. Information required on return filed by supplier.**

21 A return of a supplier must list all of the following information and any other
22 information required by the Secretary:

23 ...

24 (7) The number of gallons of motor fuel the supplier exchanged during the
25 month with another licensed supplier pursuant to a two-party exchange
26 agreement, sorted by type of fuel, licensed supplier receiving the fuel,
27 and terminal code."

28 **SECTION 15.** The catch line for G.S. 105-449.106 reads as rewritten:

29 **"§ 105-449.106. Quarterly refunds for ~~certain local governmental entities,~~**
30 **~~nonprofit organizations, taxicabs, and special mobile equipment."~~**

31 **SECTION 16.** G.S. 105-449.115 reads as rewritten:

32 **"§ 105-449.115. Shipping document required to transport motor fuel by railroad
33 tank car or transport truck.**

34 ...

35 (f) Sanctions Against Transporter. – The following acts are grounds for a civil
36 penalty payable to the ~~Department of Transportation, Division of Motor~~
37 ~~Vehicles,~~Department of Crime Control and Public Safety or the Department of
38 Revenue:

39 (1) Transporting motor fuel in a railroad tank car or transport truck
40 without a shipping document or with a false or an incomplete shipping
41 document.

42 (2) Delivering motor fuel to a destination state other than that shown on
43 the shipping document.

1 The penalty imposed under this subsection is payable by the person in whose name
2 the conveyance is registered, if the conveyance is a transport truck, and is payable by
3 the person responsible for the movement of motor fuel in the conveyance, if the
4 conveyance is a railroad tank car. The amount of the penalty is five thousand dollars
5 (\$5,000). A penalty imposed under this subsection is in addition to any motor fuel tax
6 assessed.

7 (g) Penalty Defense. – Compliance with the conditions set out in this subsection
8 is a defense to a civil penalty imposed under subsection (f) of this section as a result of
9 the delivery of fuel to a state other than the destination state printed on the shipping
10 document for the fuel. The Secretary must waive a penalty imposed against a person
11 under that subsection if the person establishes a defense under this subsection. The
12 conditions for the defense are:

13 (1) The person notified the Secretary of the diversion within 7 days after
14 the diversion occurred and received a confirmation number for the
15 diversion.

16 (2) Tax was timely paid on the diverted fuel.

17 (h) Sanctions Against Terminal Operator. – The Secretary may assess a civil
18 penalty of five thousand dollars (\$5,000) against a terminal operator who intentionally
19 issues a shipping document that does not satisfy the requirements of subsection (b) of
20 this section."

21 **SECTION 17.** G.S. 105-449.115A reads as rewritten:

22 **"§ 105-449.115A. Shipping document required to transport fuel by tank wagon.**

23 (a) Issuance. – A person who operates a tank wagon into which motor fuel is
24 loaded at the terminal must comply with the document requirements in
25 G.S. 105-449.115(b). A person ~~may not transport motor fuel by who operates a tank~~
26 wagon into which motor fuel is loaded from some other source must have ~~unless that~~
27 person ~~has~~ an invoice, bill of sale, or shipping document containing the following
28 information and any other information required by the Secretary:

29 (1) The name and address of the person from whom the motor fuel was
30 received.

31 (2) The date the fuel was loaded.

32 (3) The type of fuel.

33 (4) The gross number of gallons loaded.

34 (b) Duties of Transporter. – A person to whom an invoice, bill of sale, or
35 shipping document was issued must do all of the following:

36 (1) Carry the invoice, bill of sale, or shipping document in the conveyance
37 for which it is issued when transporting the motor fuel described in it.

38 (2) Show the invoice, bill of sale, or shipping document upon request
39 when transporting the motor fuel described in it.

40 (3) Keep a copy of the invoice, bill of sale, or shipping document at a
41 centralized place of business for at least three years from the date of
42 delivery.

43 (c) Sanctions. – Transporting motor fuel in a tank wagon without an invoice, bill
44 of sale, or shipping document containing the information required by this section is

1 grounds for a civil penalty payable to the ~~Department of Transportation, Division of~~
2 ~~Motor Vehicles, Department of Crime Control and Public Safety~~ or the Department of
3 Revenue. The penalty imposed under this subsection is payable by the person in whose
4 name the tank wagon is registered. The amount of the penalty is one thousand dollars
5 (\$1,000). A penalty imposed under this subsection is in addition to any motor fuel tax
6 assessed."

7 **SECTION 18.** G.S. 105-449.123 reads as rewritten:

8 **"§ 105-449.123. Marking requirements for dyed fuel storage facilities.**

9 (a) Requirements. – A person who is a retailer of dyed motor fuel or who stores
10 both dyed and undyed motor fuel for use by that person or another person must mark the
11 storage facility for the dyed motor fuel as follows in a manner that clearly indicates the
12 fuel is not to be used to operate a highway vehicle. The storage facility must be marked
13 "Dyed Diesel, Nontaxable Use Only, Penalty For Taxable Use" or "Dyed Kerosene,
14 Nontaxable Use Only, Penalty for Taxable Use" or a similar phrase that clearly
15 indicates the fuel is not to be used to operate a highway vehicle. A person who
16 intentionally fails to mark the storage facility as required by this section is subject to a
17 civil penalty equal to the excise tax at the motor fuel rate on the inventory held in the
18 storage tank at the time of the violation. If the inventory cannot be determined, then the
19 penalty is calculated on the capacity of the storage tank.

20 (1) The storage tank of the storage facility must be marked if the storage
21 tank is visible.

22 (2) The fillcap or spill containment box of the storage facility must be
23 marked.

24 (3) The dispensing device that serves the storage facility must be marked.

25 (4) The retail pump or dispensing device at any level of the distribution
26 system must comply with the marking requirements.

27 (b) Exception. – The marking requirements of this section do not apply to a
28 storage facility that contains fuel used only for one of the purposes listed in
29 G.S. 105-449.105A(a)(1) and is installed in a manner that makes use of the fuel for any
30 other purpose improbable."

31 **SECTION 19.** G.S. 119-15 is amended by adding the following two new
32 subdivisions to read:

33 **"§ 119-15. Definitions that apply to Article.**

34 The following definitions apply in this Article:

35 ...

36 (1a) Dyed diesel fuel distributor. – A person who acquires dyed diesel fuel
37 from either of the following:

38 a. A person who is not required to be licensed under Part 2 of
39 Article 36C of Chapter 105 of the General Statutes and who
40 maintains storage facilities for dyed diesel fuel to be used for
41 nonhighway purposes.

42 b. Another dyed diesel fuel distributor.

43 (1b) Dyed diesel fuel. – Defined in G.S. 105-449.60."

44 **SECTION 20.** G.S. 119-15.1(a) reads as rewritten:

1 (a) License. – A person may not engage in business in this State as any of the
2 following unless the person has a license issued by the Secretary authorizing the person
3 to engage in business:

- 4 (1) A kerosene supplier.
- 5 (2) A kerosene distributor.
- 6 (3) A kerosene terminal operator.
- 7 (4) A dyed diesel fuel distributor."

8 **SECTION 21.** G.S. 119-15.3(a) reads as rewritten:

9 (a) Initial Bond. – An applicant for a license as a kerosene supplier, kerosene
10 distributor, or kerosene terminal operator must file with the Secretary of Revenue a
11 bond or an irrevocable letter of credit. A bond or irrevocable letter of credit must be
12 conditioned upon compliance with the requirements of this Article, be payable to the
13 State, and be in the form required by the Secretary. The amount of the bond or
14 irrevocable letter of credit may not be less than five hundred dollars (\$500.00) and may
15 not be more than twenty thousand dollars (\$20,000)."

16 **SECTION 22.** G.S. 20-91 reads as rewritten:

17 **"§ 20-91. Audit of vehicle registrations under the International Registration Plan.**

18 (a) Repealed by Session Laws 1995 (Regular Session, 1996), c. 756, s. 9.

19 (b) ~~The Division~~ Department of Revenue may audit a person who registers or is
20 required to register a vehicle under the International Registration Plan to determine if
21 the person has paid the registration fees due under this Article. A person who registers a
22 vehicle under the International Registration Plan must keep any records used to
23 determine the information ~~provided to the Division~~ when registering the vehicle. The
24 records must be kept for three years after the date of the registration to which the
25 records apply. ~~The Division~~ Department of Revenue may examine these records during
26 business hours. If the records are not located in North Carolina and an auditor must
27 travel to the location of the records, the registrant shall reimburse North Carolina for per
28 diem and travel expense incurred in the performance of the audit. If more than one
29 registrant is audited on the same out-of-state trip, the per diem and travel expense may
30 be prorated.

31 ~~The Commissioner~~ Secretary of Revenue may enter into reciprocal audit agreements
32 with other agencies of this State or agencies of another jurisdiction for the purpose of
33 conducting joint audits of any registrant subject to audit under this section.

34 (c) If an audit is conducted and it becomes necessary to assess the registrant for
35 deficiencies in registration fees or taxes due based on the audit, the assessment will be
36 determined based on the schedule of rates prescribed for that registration year, adding
37 thereto and as a part thereof an amount equal to five percent (5%) of the tax to be
38 collected. If, during an audit, it is determined that:

- 39 (1) A registrant failed or refused to make acceptable records available for
40 audit as provided by law; or
- 41 (2) A registrant misrepresented, falsified or concealed records, then all
42 plates and cab cards shall be deemed to have been issued erroneously
43 and are subject to cancellation. ~~The Commissioner~~ Commissioner,
44 based on information provided by the Department of Revenue audit,

1 may assess the registrant for an additional percentage up to one
2 hundred percent (100%) North Carolina registration fees at the rate
3 prescribed for that registration year, adding thereto and as a part
4 thereof an amount equal to five percent (5%) of the tax to be collected.
5 The Commissioner may cancel all registration and reciprocal
6 privileges.

7 As a result of an audit, no assessment shall be issued and no claim for refund shall
8 be allowed which is in an amount of less than ten dollars (\$10.00).

9 The results of any audit conducted under this section shall be provided to the
10 Division. The notice of any assessments ~~will~~shall be sent by the Division to the
11 registrant by registered or certified mail at the address of the registrant as it appears in
12 the records of the Division of Motor Vehicles in Raleigh. The notice, when sent in
13 accordance with the requirements indicated above, will be sufficient regardless of
14 whether or not it was ever received.

15 The failure of any registrant to pay any additional registration fees or tax within 30
16 days after the billing date, shall constitute cause for revocation of registration license
17 plates, cab cards and reciprocal privileges.

18 (d) Repealed by Session Laws 1995 (Regular Session, 1996), c. 756, s. 9."

19 **SECTION 23.** G.S. 105-449.115(g), as enacted by Section 16 of this part, is
20 effective when it becomes law and applies to penalties imposed on or after January 1,
21 2005. Sections 1, 7, 8, 9, and 18 and the remainder of Section 16 of this part become
22 effective January 1, 2006. The remainder of this part is effective when it becomes law.

23 **PART II. REVENUE LAWS TECHNICAL CHANGES**

24 **SECTION 24.** G.S. 105-32.8 reads as rewritten:

25 "**§ 105-32.8. Federal determination that changes the amount of tax payable to the**
26 **State.**

27 If the federal government corrects or otherwise determines the gross estate tax
28 imposed under section 2001 of the Code or the amount of the maximum state death tax
29 credit allowed an estate under section ~~6166~~2011 of the Code, the personal representative
30 must, within two years after being notified of the correction or final determination by
31 the federal government, file an estate tax return with the Secretary reflecting the correct
32 amount of tax payable under this Article. If the federal government corrects or
33 otherwise determines the amount of the maximum state generation-skipping transfer tax
34 credit allowed under section 2604 of the Code, the person who made the transfer must,
35 within two years after being notified of the correction or final determination by the
36 federal government, file a tax return with the Secretary reflecting the correct amount of
37 tax payable under this Article.

38 The Secretary must assess and collect any additional tax due as provided in Article 9
39 of this Chapter and must refund any overpayment of tax as provided in Article 9 of this
40 Chapter. A person who fails to report a federal correction or determination in
41 accordance with this section forfeits the right to any refund due by reason of the
42 determination."

43 **SECTION 25.(a)** G.S. 18B-101(15) reads as rewritten:
44

1 "(15) 'Unfortified wine' means any wine of sixteen percent (16%) or less
2 alcohol by volume made by fermentation from ~~pure~~ grapes, fruits,
3 berries, rice, or honey; or by the addition of pure cane, beet, or
4 dextrose sugar; or by the addition of pure brandy from the same type
5 of grape, fruit, berry, rice, or honey that is contained in the base wine
6 and produced in accordance with the regulations of the United States."

7 **SECTION 25.(b)** G.S. 105-113.68(a) reads as rewritten:

8 "(a) Definitions. – ~~As used in this Article, unless the context clearly requires~~
9 ~~otherwise:~~ The following definitions apply in this Article:

10 (1) ~~"ABC Commission" means ABC Commission. – the~~ The North
11 Carolina Alcoholic Beverage Control Commission established under
12 G.S. 18B-200.

13 (2) Repealed by Session Laws 2004-170, s. 6, effective August 2, 2004.

14 (3) ~~"ABC permit" means a written or printed authorization issued by the~~
15 ~~ABC Commission pursuant to Chapter 18B, other than a~~
16 ~~purchase transportation permit. Unless the context clearly requires~~
17 ~~otherwise, "ABC permit" means a presently valid permit.~~ ABC permit.
18 – Defined in G.S. 18B-101.

19 (4) ~~"Alcoholic beverage" means a beverage containing at least one half of~~
20 ~~one percent (0.5%) alcohol by volume, including malt beverages,~~
21 ~~unfortified wine, fortified wine, spirituous liquor, and mixed~~
22 ~~beverages.~~ Alcoholic beverage. – Defined in G.S. 18B-101.

23 (5) ~~"Fortified wine" means any wine, of more than sixteen percent (16%)~~
24 ~~and no more than twenty four percent (24%) alcohol by volume, made~~
25 ~~by fermentation from grapes, fruits, berries, rice, or honey; or by the~~
26 ~~addition of pure cane, beet, or dextrose sugar; or by the addition of~~
27 ~~pure brandy from the same type of grape, fruit, berry, rice, or honey~~
28 ~~that is contained in the base wine and produced in accordance with the~~
29 ~~regulations of the United States.~~ Fortified wine. – Defined in
30 G.S. 18B-101.

31 (6) ~~"License" means a License. – A~~ certificate, issued pursuant to this
32 Article by a city or county, that authorizes a person to engage in a
33 phase of the alcoholic beverage industry.

34 (7) ~~"Malt beverage" means beer, lager, malt liquor, ale, porter, and any~~
35 ~~other brewed or fermented beverage containing at least one half of one~~
36 ~~percent (0.5%) and not more than six percent (6%) alcohol by~~
37 ~~volume.~~ Malt beverage. – Defined in G.S. 18B-101.

38 (8) ~~"Person" has the same meaning as in G.S. 105-228.90.~~ Person. –
39 Defined in G.S. 105-228.90.

40 (9) ~~"Sale" means a transfer, trade, exchange, or barter, in any manner or~~
41 ~~by any means, for consideration.~~ Sale. – Defined in G.S. 18B-101.

42 (10) ~~"Secretary" means the~~ Secretary. – The Secretary of Revenue.

43 (11) ~~"Spirituous liquor" or "liquor" means distilled spirits or ethyl alcohol,~~
44 ~~including spirits of wine, whiskey, rum, brandy, gin, and all other~~

~~distilled spirits and mixtures of cordials, liqueurs, and premixed
cocktails in closed containers for beverage use regardless of the
dilution.~~Spirituuous liquor or liquor. – Defined in G.S. 18B-101.

(12) ~~"Unfortified wine" means any wine of sixteen percent (16%) or less
alcohol by volume made by fermentation from grapes, fruits, berries,
rice, or honey; or by the addition of pure cane, beet, or dextrose sugar;
or by the addition of pure brandy from the same type of grape, fruit,
berry, rice, or honey that is contained in the base wine, and produced
in accordance with the regulations of the United States.~~Unfortified
wine. – Defined in G.S. 18B-101.

(13) ~~"Wholesaler or importer" when~~Wholesaler or importer. – When used
with reference to wholesalers or importers of wine or malt beverages
beverages, the term includes resident wineries that sell their wines at
retail and resident breweries that produce fewer than 310,000 gallons
25,000 barrels of malt beverages per year.

(14) ~~"Wine" means unfortified~~Wine. – Unfortified and fortified wine.

(15) ~~"Wine shipper permittee" means a~~Wine shipper permittee. – A winery
that holds a wine shipper permit issued by the ABC Commission under
G.S. 18B-1001.1."

SECTION 26. G.S. 105-113.83(b) reads as rewritten:

"(b) Beer and Wine. – The excise taxes on malt beverages and wine levied under
G.S. 105-113.80(a) and (b), respectively, are payable to the Secretary by the resident
wholesaler or importer who first handles the beverages in this State. The excise taxes
levied under G.S. 105-113.80(b) on wine shipped directly to consumers in this State
pursuant to G.S. 18B-1001.1 must be paid by the wine shipper permittee. The taxes on
malt beverages and wine ~~shall be paid~~ are payable only once on the same beverages.
The tax ~~shall be paid~~ is due on or before the 15th day of the month following the month
in which the beverage is first sold or otherwise disposed of in this State by the
wholesaler, importer, or wine shipper permittee. When excise taxes are paid on wine or
malt beverages, the wholesaler, importer, or wine shipper permittee ~~shall~~ must submit to
the Secretary verified reports on forms provided by the Secretary detailing sales records
for the month for which the taxes are paid. The report ~~shall~~ must indicate the amount of
excise tax due, contain the information required by the Secretary, and indicate
separately any transactions to which the excise tax does not apply."

SECTION 27. G.S. 105-113.112 reads as rewritten:

"§ 105-113.112. Confidentiality of information.

~~Notwithstanding any other provision of law, information obtained pursuant to this
Article is confidential and may not be disclosed or, unless independently obtained, used
in a criminal prosecution other than a prosecution for a violation of this Article. Stamps
issued pursuant to this Article may not be used in a criminal prosecution other than a
prosecution for a violation of this Article. A person who discloses information obtained
pursuant to this Article is guilty of a Class 1 misdemeanor. This section does not
prohibit the Secretary from publishing statistics that do not disclose the identity of
dealers or the contents of particular returns or reports.~~Information obtained by the

1 Department in the course of administering the tax imposed by this Article, including
2 information on whether the Department has issued a revenue stamp to a person, is
3 confidential tax information and is subject to the following restrictions on disclosure:

4 (1) G.S. 105-259 prohibits the disclosure of the information, except in the
5 limited circumstances provided in that statute.

6 (2) The information may not be used as evidence, as defined in
7 G.S. 15A-971, in a criminal prosecution for an offense other than an
8 offense under this Article or under Article 9 of this Chapter. Under this
9 prohibition, no officer, employee, or agent of the Department may
10 testify about the information in a criminal prosecution for an offense
11 other than an offense under this Article or under Article 9 of this
12 Chapter. This subdivision implements the protections against double
13 jeopardy and self-incrimination set out in Amendment V of the United
14 States Constitution and the restrictions in it apply regardless of
15 whether information may be disclosed under G.S. 105-259. This
16 subdivision does not apply to information obtained from a source other
17 than an employee, officer, or agent of the Department. An officer,
18 employee, or agent of the Department who provides evidence or
19 testifies in violation of this subdivision is guilty of a Class 1
20 misdemeanor."

21 **SECTION 28.** G.S. 105-129.8(a2) reads as rewritten:

22 "(a2) Installments. – The credit may not be taken in the taxable year in which the
23 additional employee is hired. Instead, the credit must be taken in equal installments over
24 the four years following the taxable year in which the additional employee was hired
25 and is conditioned on the taxpayer's continued employment by the taxpayer in this State
26 of the number of full-time employees the taxpayer had upon hiring the employee that
27 caused the taxpayer to qualify for the credit.

28 If, in one of the four years in which the installment of a credit accrues, the number of
29 the taxpayer's full-time employees in this State falls below the number of full-time
30 employees the taxpayer had in this State in the year in which the taxpayer qualified for
31 the credit, the credit expires and the taxpayer may not take any remaining installment of
32 the credit. The taxpayer may, however, take the portion of an installment that accrued in
33 a previous year and was carried forward to the extent permitted under G.S. 105-129.5."

34 **SECTION 29.(a)** G.S. 105-129.62(c) reads as rewritten:

35 "(c) Environmental Impact. – A taxpayer is eligible for the credit allowed under
36 ~~this section~~ Article with respect to a facility in this State only if as of the last day of the
37 taxable year for which a credit or carryforward is claimed the taxpayer and the
38 taxpayer's related entities and strategic partners whose employees are included in the
39 taxpayer's increased employment level have no pending administrative, civil, or
40 criminal enforcement actions based on alleged significant violations of any program
41 implemented by an agency of the Department of Environment and Natural Resources,
42 and have had no final determination of responsibility for any significant administrative,
43 civil, or criminal violation of any program implemented by an agency of the Department
44 of Environment and Natural Resources within the last five years. For the taxpayer's

1 related entities and strategic partners, this subsection applies only to the activities of the
2 related entity or strategic partner at the facility with respect to which a credit is claimed.
3 A significant violation is a violation or alleged violation that does not satisfy any of the
4 conditions of G.S. 143-215.6B(d). Upon request, the Secretary of Environment and
5 Natural Resources must notify the Department of Revenue of whether a person
6 currently has any of these pending actions or has had any of these final determinations
7 within the last five years."

8 **SECTION 29.(b)** G.S. 105-129.62(d) reads as rewritten:

9 "(d) Safety and Health Programs. – A taxpayer is eligible for the credit allowed
10 under this ~~section~~ Article with respect to a facility in this State only if as of the last day
11 of the taxable year for which a credit or carryforward is claimed the taxpayer and the
12 taxpayer's related entities and strategic partners whose employees are included in the
13 taxpayer's increased employment level have no citations under the Occupational Safety
14 and Health Act at the facility with respect to which the credit is claimed that have
15 become a final order within the past three years for willful serious violations or for
16 failing to abate serious violations. For the purposes of this subsection, "serious violation"
17 has the same meaning as in G.S. 95-127. Upon request, the Secretary of Labor must
18 notify the Department of Revenue of whether a person has had these citations become
19 final orders within the past three years."

20 **SECTION 29.(c)** G.S. 105-129.62(e) reads as rewritten:

21 "(e) Overdue Tax Debts. – A taxpayer is eligible for the credit allowed under this
22 ~~section~~ Article with respect to a facility only if as of the last day of the taxable year for
23 which a credit or carryforward is claimed the taxpayer and the taxpayer's related entities
24 and strategic partners whose employees are included in the taxpayer's increased
25 employment level have no overdue tax debts that have not been satisfied or otherwise
26 resolved."

27 **SECTION 29.(d)** G.S. 105-129.63 reads as rewritten:

28 "**§ 105-129.63. Determination by the Secretary of Commerce.**

29 The taxpayer must apply to the Secretary of Commerce for the determination
30 required under G.S. 105-129.62. The application must be made under oath and must
31 provide any information the Secretary requires in order to make the determination. The
32 determination by the Secretary of Commerce is a factual determination. The Secretary
33 must make this determination in any case in which the taxpayer can demonstrate
34 performance or can provide a credible plan for performance.

35 If the taxpayer fails to create the required number of new jobs or to make the
36 required investment, the information provided by the taxpayer on the application proves
37 to have been false at the time it was given, and the person making the application knew
38 or should have known that the information was false, the taxpayer forfeits any credits
39 claimed under this Article with respect to the facility. A taxpayer that forfeits a credit
40 under this ~~section~~ Article is liable for all past taxes avoided as a result of the credit plus
41 interest at the rate established under G.S. 105-241.1(i), computed from the date the
42 taxes would have been due if the credit had not been allowed. The past taxes and
43 interest are due 30 days after the date the credit is forfeited; a taxpayer that fails to pay

1 the past taxes and interest by the due date is subject to the penalties provided in
2 G.S. 105-236."

3 **SECTION 30.** G.S. 105-164.13(29) is repealed.

4 **SECTION 31.** G.S. 105-164.13(39) reads as rewritten:

5 "**§ 105-164.13. Retail sales and use tax.**

6 The sale at retail and the use, storage, or consumption in this State of the following
7 tangible personal property and services are specifically exempted from the tax imposed
8 by this Article:

9 ...

10 (39) **(Effective July 1, 2005 – see note)** Sales of paper, ink, and other
11 tangible personal property to commercial printers and commercial
12 publishers for use as ingredients or component parts of free
13 distribution periodicals and sales by printers of free distribution
14 periodicals to the publishers of these periodicals. As used in this
15 subdivision, the term "free distribution periodical" means a publication
16 that is continuously published on a periodic basis monthly or more
17 frequently, is provided without charge to the recipient, and is
18 distributed in any manner other than by mail."

19 **SECTION 32.(a)** G.S. 105-164.14(f) reads as rewritten:

20 "(f) Information to ~~Counties.~~ Counties and Cities. – The Secretary must give
21 information on refunds of tax made under this section to a designated county or city
22 official within 30 days after the official makes a ~~Upon~~ written request of a county, ~~to the~~
23 Secretary for the information. shall, within 30 days after the request, provide the
24 designated county official a list of each claimant that has, within the past 12 months, ~~For~~
25 a request made by a county official, the Secretary must give the official a list of each
26 claimant that received a refund under subsection (b), (c), or (g) of this section in the past
27 12 months of at least one thousand dollars (\$1,000) of tax paid to the county. For a
28 request made by a city official, the Secretary must give the official a list of each
29 claimant that received a refund in the past 12 months of at least one thousand dollars
30 (\$1,000) of tax paid to all the counties in which the city is located. The list shall ~~must~~
31 include the name and address of each claimant of these claimants and the amount of the
32 refund it has received from that county. each county covered by the request.

33 ~~Upon written request of a county, a~~ A claimant that has received a refund under
34 subsection (b), (c), or (g) of this section shall provide the of tax paid to a county must
35 give information on the refund to a designated county official of the county or a city
36 located in the county. The claimant must give the information to the county or city
37 official within 30 days after the official makes a written request to the claimant for the
38 information. For a request by a county or city official, the claimant must give the
39 official a copy of the request for the refund and any supporting documentation requested
40 by the county official to verify the request. If a claimant determines that a refund it has
41 received under this section is incorrect, the claimant must file an amended request for a
42 refund.

43 For the purpose of this subsection, ~~the a~~ a designated county official is the chair of the
44 board of county commissioners or a county official designated in a resolution adopted

1 by the ~~board~~-Board, and a designated city official is the mayor of the city or a city
2 official designated in a resolution adopted by the city's governing board. Information
3 provided to a county given to a county or city official under this subsection section is
4 not a public record and may not be disclosed except ~~in accordance with~~
5 G.S. 153A-148.1. as provided in G.S. 153A-148.1 or G.S. 160A-208.1. If a claimant
6 determines that a refund it has received under subsection (b), (c), or (g) of this section is
7 incorrect, it shall file an amended request for the refund."

8 **SECTION 32.(b)** G.S. 105-259(a)(2) reads as rewritten:

9 "(2) Tax information. – Any information from any source concerning the
10 liability of a taxpayer for a tax, as defined in G.S. 105-228.90. The
11 term includes the following:

- 12 a. Information contained on a tax return, a tax report, or an
13 application for a license for which a tax is imposed.
- 14 b. Information obtained through an audit of a taxpayer or by
15 correspondence with a taxpayer.
- 16 c. Information on whether a taxpayer has filed a tax return or a tax
17 report.
- 18 d. A list or other compilation of the names, addresses, social
19 security numbers, or similar information concerning taxpayers.

20 The term does not include (i) statistics classified so that information
21 about specific taxpayers cannot be identified, (ii) an annual report
22 required to be filed under G.S. 55-16-22 or (iii) ~~information submitted~~
23 ~~to the Business License Information Office of the Department of~~
24 ~~Secretary of State on a master application form for various business~~
25 ~~licenses~~ the amount of tax refunds paid to a governmental entity listed
26 in G.S. 105-164.14(c) or to a State agency."

27 **SECTION 32.(c)** G.S. 105-259(b)(6a) reads as rewritten:

28 "(6a) To furnish the county or city official designated under
29 G.S. 105-164.14(f) a list of claimants that have received a refund of
30 ~~the~~ county sales or use tax to the extent authorized in
31 G.S. 105-164.14(f)."

32 **SECTION 33.(a)** G.S. 105-164.14(j)(3) reads as rewritten:

33 "(3) Industries. – This subsection applies to the following industries:

- 34 a. Air courier services. Air courier services has the same meaning
35 as in G.S. 105-129.2.
- 36 b. Aircraft manufacturing. Aircraft manufacturing means
37 manufacturing or assembling complete aircraft.
- 38 c. Bioprocessing. Bioprocessing means biomanufacturing or
39 processing that includes the culture of cells to make commercial
40 products, the purification of biomolecules from cells, or the use
41 of these molecules in manufacturing.
- 42 d. Computer manufacturing. Computer manufacturing means
43 manufacturing or assembling electronic computers, such as
44 personal computers, workstations, laptops, and computer

1 servers. The term includes the assembly or integration of
2 processors, coprocessors, memory, storage, and input/output
3 devices into a user-programmable final product. The term
4 includes manufacturing or assembling computer peripheral
5 equipment, such as storage devices, printers, monitors,
6 input/output devices, and terminals only if the manufacture or
7 assembly of this peripheral equipment occurs at a facility or
8 campus at which the taxpayer also manufactures or assembles
9 electronic computers.

10 g. Motor vehicle manufacturing. Motor vehicle manufacturing
11 means any of the following:

- 12 1. Manufacturing complete automobiles and light-duty
13 motor vehicles.
- 14 2. Manufacturing heavy-duty truck chassis and assembling
15 complete heavy-duty trucks, buses, heavy-duty motor
16 homes, and other special purpose heavy-duty motor
17 vehicles for highway use.
- 18 3. Manufacturing complete military armored vehicles,
19 nonarmored military universal carriers, combat tanks,
20 and specialized components for combat tanks.

21 j. Pharmaceutical and medicine manufacturing and distribution of
22 pharmaceuticals and medicines. Pharmaceutical and medicine
23 manufacturing means any of the following:

- 24 1. Manufacturing biological and medicinal products. For
25 the purpose of this sub-subdivision, a biological product
26 is a preparation that is synthesized from living organisms
27 or their products and used medically as a diagnostic,
28 preventive, or therapeutic agent. For the purpose of this
29 sub-subdivision, bacteria, viruses, and their parts are
30 considered living organisms.
- 31 2. Processing botanical drugs and herbs by grading,
32 grinding, and milling.
- 33 3. Isolating active medicinal principals from botanical
34 drugs and herbs.
- 35 4. Manufacturing pharmaceutical products intended for
36 internal and external consumption in forms such as
37 ampoules, tablets, capsules, vials, ointments, powders,
38 solutions, and suspensions.

39 m. Semiconductor manufacturing. Semiconductor manufacturing
40 means development and production of semiconductor material,
41 devices, or components."

42 **SECTION 33.(b)** G.S. 105-164.14(j), as amended by Section 10(a) of this
43 act, is further amended by adding a new subdivision to read:

1 (j) Certain Industrial Facilities. – The owner of an eligible facility is allowed an
2 annual refund of sales and use taxes as provided in this subsection.

3 ...

4 (5) Sunset. – This subsection is repealed for sales made on or after January
5 1, 2010."

6 **SECTION 33.(c)** Section 32B.5 of S.L. 2004-124 reads as rewritten:

7 **"SECTION 32B.5.** The amendment to G.S. 105-164.14(j)(2) made by this part is
8 effective on and after January 1, 2004, and applies to sales made on or after that date.
9 Sections 32B.2 and 32B.3 of this part become effective October 1, 2004, and apply to
10 sales made on or after that date. Section 32B.4 of this part becomes effective July 1,
11 2005, and applies to sales made on or after that date. The remainder of this part becomes
12 effective July 1, 2004, and applies to sales made on or after that date. ~~The amendments~~
13 ~~to G.S. 105-164.14(j)(3) made by this part are repealed effective for sales made on or~~
14 ~~after July 1, 2009."~~

15 **SECTION 33.(d)** This section becomes effective August 1, 2005, and
16 applies to sales made on or after that date.

17 **SECTION 34.(a)** G.S. 105-113.82(h) reads as rewritten:

18 (h) Disqualification. – No municipality may receive any funds under this section
19 if it was incorporated with an effective date of on or after January 1, 2000, and is
20 disqualified from receiving funds under G.S. 136-41.2. No municipality may receive
21 any funds under this section, incorporated with an effective date on or after January 1,
22 2000, unless a majority of the mileage of its streets ~~are~~is open to the public. The
23 previous sentence becomes effective with respect to distribution of funds on or after
24 July 1, 1999."

25 **SECTION 34.(b)** G.S. 105-116.1(e) reads as rewritten:

26 (e) Disqualification. – No municipality may receive any funds under this section
27 if it was incorporated with an effective date of on or after January 1, 2000, and is
28 disqualified from receiving funds under G.S. 136-41.2. No municipality may receive
29 any funds under this section, incorporated with an effective date on or after January 1,
30 2000, unless a majority of the mileage of its streets ~~are~~is open to the public. The
31 previous sentence becomes effective with respect to distribution of funds on or after
32 July 1, 1999."

33 **SECTION 34.(c)** G.S. 105-164.44F(e) reads as rewritten:

34 (e) Ineligible Cities. – An ineligible city is disregarded for all purposes under this
35 section. A city incorporated on or after January 1, 2000, is not eligible for a distribution
36 under this section unless it meets both of the following requirements:

37 (1) It is eligible to receive funds under G.S. 136-41.2.

38 (2) A majority of the mileage of its streets ~~are~~is open to the public."

39 **SECTION 35.** G.S. 105-187.20 reads as rewritten:

40 **"§ 105-187.20. Definitions.**

41 The definitions in G.S. 105-164.3 apply to this Article, except that the term "sale"
42 does not include lease or rental, and the following ~~definitions apply~~ definition applies to
43 this Article:

44 (1) ~~Chlorofluorocarbon refrigerant. Defined in G.S. 130A-290(a).~~

1 (2) White goods. – Defined in G.S. 130A-290(a)."

2 **SECTION 36.** G.S. 105-241.1(e) reads as rewritten:

3 "(e) Statute of Limitations. – There is no statute of limitations and the Secretary
4 may propose an assessment of tax due from a taxpayer at any time if (i) the taxpayer did
5 not file a proper application for a license or did not file a return, (ii) the taxpayer filed a
6 false or fraudulent application or return, or (iii) the taxpayer attempted in any manner to
7 fraudulently evade or defeat the tax.

8 If a taxpayer files a return reflecting a federal determination as provided in
9 ~~G.S. 105-29,~~ G.S. 105-32.8, 105-130.20, 105-159, 105-160.8, 105-163.6A, or
10 105-197.1, the Secretary must propose an assessment of any tax due within one year
11 after the return is filed or within three years of when the original return was filed or due
12 to be filed, whichever is later. If there is a federal determination and the taxpayer does
13 not file the required return, the Secretary must propose an assessment of any tax due
14 within three years after the date the Secretary received the final report of the federal
15 determination.

16 If a taxpayer forfeits a tax credit or tax benefit pursuant to forfeiture provisions of
17 this Chapter, the Secretary must assess any tax due as a result of the forfeiture within
18 three years after the date of the forfeiture. If a taxpayer elects under section
19 1033(a)(2)(A) of the Code not to recognize gain from involuntary conversion of
20 property into money, the Secretary must assess any tax due as a result of the conversion
21 or election within the applicable period provided under section 1033(a)(2)(C) or section
22 1033(a)(2)(D) of the Code. If a taxpayer sells at a gain the taxpayer's principal
23 residence, the Secretary must assess any tax due as a result of the sale within the period
24 provided under section 1034(j) of the Code.

25 In all other cases, the Secretary must propose an assessment of any tax due from a
26 taxpayer within three years after the date the taxpayer filed an application for a license
27 or a return or the date the application or return was required by law to be filed,
28 whichever is later.

29 If the Secretary proposes an assessment of tax within the time provided in this
30 section, the final assessment of the tax is timely.

31 A taxpayer may make a written waiver of any of the limitations of time set out in
32 this subsection, for either a definite or an indefinite time. If the Secretary accepts the
33 taxpayer's waiver, the Secretary may propose an assessment at any time within the time
34 extended by the waiver."

35 **SECTION 37.** G.S. 105-259(b) reads as rewritten:

36 "(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State
37 who has access to tax information in the course of service to or employment by the State
38 may not disclose the information to any other person unless the disclosure is made for
39 one of the following purposes:

40 ...

41 (17) To inform the Business License Information Office of the Department
42 of ~~Secretary of State Commerce~~ of the status of an application for a
43 license for which a tax is imposed and of any information needed to
44 process the application.

1 ...
2 (32) To furnish to a taxpayer claiming a credit under Article 3G of this
3 Chapter information from a related entity or strategic partner to the
4 extent that information was used by the Secretary to adjust the amount
5 of tax credit claimed by the taxpayer.

6 "

7 **SECTION 38.** G.S. 105-278(a) reads as rewritten:

8 "(a) Real property designated as a historic structure or site by a local ordinance
9 adopted pursuant to ~~G.S. 160A-399.4~~ G.S. 160A-400.7 or designated as a historic
10 landmark by a local ordinance adopted pursuant to G.S. 160A-400.5 is hereby
11 designated a special class of property under authority of Article V, Sec. 2(2) of the
12 North Carolina Constitution. Property so classified shall be taxed uniformly as a class in
13 each local taxing unit on the basis of fifty percent (50%) of the true value of the
14 property as determined pursuant to G.S. 105-285 and 105-286, or 105-287."

15 **SECTION 39.** G.S. 105-278.1(c) reads as rewritten:

16 "(c) For purposes of this section:

- 17 (1) A specified unit of government (federal, State, or local) includes its
18 departments, institutions, and agencies.
- 19 (2) By way of illustration but not by way of limitation, the following
20 boards, commissions, authorities, and institutions are units of State
21 government:
22 a. The State Marketing Authority established by G.S. 106-529.
23 b. The Board of Governors of the University of North Carolina
24 incorporated under the provisions of G.S. 116-3 and known as
25 "The University of North Carolina."
26 c. The North Carolina Museum of Art made an agency of the State
27 under ~~G.S. 140-1~~ G.S. 140-5.12.
- 28 (3) By way of illustration but not by way of limitation, the following
29 boards, commissions, authorities, and institutions are units of local
30 government of this State:
31 a. An airport authority, board, or commission created as a separate
32 and independent body corporate and politic by an act of the
33 General Assembly.
34 b. An airport authority, board, or commission created as a separate
35 and independent body corporate and politic by one or more
36 counties or municipalities or combinations thereof under the
37 authority of an act of the General Assembly.
38 c. A hospital authority created under ~~G.S. 131-93~~ G.S. 131E-17.
39 d. A housing authority created under G.S. 157-4 or G.S. 157- 4.1.
40 e. A municipal parking authority created under G.S. 160-477.
41 f. A veterans' recreation authority created under G.S. 165-26."

42 **SECTION 40.** G.S. 20-81.12(b7) reads as rewritten:

43 "(b7) Scenic Rivers Plates. – The Division must receive 300 or more applications
44 for a Scenic Rivers plate before the plate may be developed. The Division shall transfer

1 quarterly the money in the Collegiate and Cultural Attraction Plate Account derived
2 from the sale of Scenic Rivers plates to the Clean Water Management Trust Fund
3 established in ~~G.S. 113-45.3~~G.S. 113A-253."

4 **SECTION 41.** G.S. 105-469(a) reads as rewritten:

5 "(a) The Secretary shall collect and administer a tax levied by a county pursuant
6 to this Article. As directed by G.S. 105-164.13B, taxes levied by a county on food are
7 administered as if they were levied by the State under Article 5 of this Chapter. The
8 Secretary must, on a monthly basis, distribute local taxes levied on food to the taxing
9 counties as follows:

10 (1) The Secretary must allocate one-half of the net proceeds on a per
11 capita basis according to the most recent annual population estimates
12 certified to the Secretary by the State Budget Officer. The Secretary
13 must then adjust the amount allocated to each county as provided in
14 G.S. 105-486(b). The Secretary must include one-half of the amount
15 allocated under this subdivision in the distribution made under Article
16 40 of this Chapter and must include the remaining one-half in the
17 distribution made under Article 42 of this Chapter.

18 (2) The Secretary must allocate the remaining net proceeds
19 proportionately to each taxing county based upon the amount of sales
20 tax on food collected in the taxing county in the 1997-1998 fiscal year
21 under Article 39 of this Chapter or under Chapter 1096 of the 1967
22 Session Laws relative to the total amount of sales tax on food collected
23 in all taxing counties in the 1997-1998 fiscal year under Article 39 of
24 this Chapter and under Chapter 1096 of the 1967 Session Laws. The
25 Secretary must include the amount allocated under this subdivision in
26 the distribution made under Article 39 of this Chapter."

27 **SECTION 42.** G.S. 105A-8(a) reads as rewritten:

28 "**§ 105A-8. State agency notice, hearing, decision, and refund of setoff.**

29 (a) Notice. – Within 10 days after a State agency receives a refund of a debtor,
30 the agency must send the debtor written notice that the agency has received the debtor's
31 refund. The notice must explain the debt that is the basis for the agency's claim to the
32 debtor's refund and that the agency intends to apply the refund against the debt. The
33 notice must also inform the debtor that the debtor has the right to contest the matter by
34 filing a request for a hearing, must state the time limits and procedure for requesting the
35 hearing, and must state that failure to request a hearing within the required time will
36 result in setoff of the debt. A State agency that does not send a debtor a notice within
37 the time required by this subsection must refund the amount set off plus the collection
38 assistance fee, in accordance with subsection ~~(e)~~(d) of this section."

39 **SECTION 43.** G.S. 106-516.1 reads as rewritten:

40 "**§ 106-516.1. Carnivals and similar amusements not to operate without permit.**

41 Every person, firm, or corporation engaged in the business of a carnival company or
42 a show of like kind, including menageries, merry-go-rounds, Ferris wheels, riding
43 devices, circus and similar amusements and enterprises operated and conducted for
44 profit, shall, prior to exhibiting in any county annually staging an agricultural fair, apply

1 to the sheriff of the county in which the exhibit is to be held for a permit to exhibit. The
 2 sheriff of the county shall issue a permit without charge; provided, however, that no
 3 permit shall be issued if he shall find the requested exhibition date is less than 30 days
 4 prior to a regularly advertised agricultural fair ~~and so in conflict with~~
 5 ~~G.S. 105-37.1(d) fair.~~ Exhibition without a permit from the sheriff of the county in
 6 which the exhibition is to be held shall constitute a Class 1 misdemeanor: Provided,
 7 that nothing contained in this section shall prevent veterans' organizations and posts
 8 chartered by Congress or organized and operated on a statewide or nationwide basis
 9 from holding fairs or tobacco festivals on any dates which they may select if such fairs
 10 or festivals have heretofore been held as annual events."

11 **SECTION 44.** G.S. 146-22.5 reads as rewritten:

12 **"§ 146-22.5. Reimbursement of payment in lieu of future ad valorem taxes.**

13 (a) If a State agency acquires land under G.S. 146-22.3 or G.S. 146-22.4 and
 14 later uses this land to mitigate wetlands permitted to be lost in the same county, then the
 15 county shall reimburse the State ~~agency for a percentage of agency.~~ The reimbursement
 16 shall equal the estimated amount of ad valorem taxes paid for the land in accordance
 17 with G.S. 146-22.3 minus ten percent (10%) of this amount ~~times multiplied by the~~
 18 number of years the State agency held the land before the wetlands were lost.

19 (b) Application. – This section applies only to land acquired in counties
 20 designated as an enterprise tier one or enterprise tier two area under G.S. 105-129.3."

21 **SECTION 45.** G.S. 160A-215(d) reads as rewritten:

22 "(d) Administration. – The taxing city shall administer a room occupancy tax it
 23 levies. A room occupancy tax is due and payable to the city finance officer in monthly
 24 installments on or before the ~~20th~~15th day of the month following the month in which the
 25 tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or
 26 before the ~~fifteenth~~20th day of each month, prepare and render a return on a form
 27 prescribed by the taxing city. The return shall state the total gross receipts derived in the
 28 preceding month from rentals upon which the tax is levied. A room occupancy tax
 29 return filed with the city finance officer is not a public record and may not be disclosed
 30 except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1."

31 **SECTION 46.** G.S. 59-35.2 reads as rewritten:

32 **"§ 59-35.2. Fees. Filing, service, and copying fees.**

33 (a) The Secretary of State shall collect the following fees when the documents
 34 described in this subsection are submitted by a partnership to the Secretary of State for
 35 filing:

Document	Fee
(1) Application for reserved name	\$10.00
(2) Notice of transfer of reserved name	10.00
(3) Application for registered name	10.00
(4) Application for renewal of registered name	10.00
(5) Registered limited liability partnership's or foreign limited liability partnership's statement of change of registered agent or registered office or both	5.00

1	(6)	Agent's statement of change of registered office for each	
2		affected registered limited liability partnership or foreign	
3		limited liability partnership	5.00
4	(7)	Agent's statement of resignation	No Fee
5	(8)	Designation of registered agent or registered office or both.....	5.00
6	(9)	Articles of conversion (other than articles of conversion	
7		included as part of another document)	50.00
8	(10)	Articles of merger	50.00
9	(11)	Application for registration as a registered limited liability	
10		partnership	125.00
11	(12)	Certificate of amendment of registration as a registered limited	
12		liability partnership	25.00
13	(13)	Cancellation of registration as a registered limited liability	
14		partnership	25.00
15	(14)	Application for registration as a foreign limited liability	
16		partnership	125.00
17	(15)	Certificate of amendment of registration as a foreign limited	
18		liability partnership.....	25.00
19	(16)	Cancellation of registration as a foreign limited liability	
20		partnership	25.00
21	(17)	Application for certificate of withdrawal by reason of merger,	
22		consolidation, or conversion	10.00
23	(18)	Annual report	200.00
24	(19)	Articles of correction	10.00
25	(20)	Any other document required or permitted to be filed pursuant	
26		to this act <u>Act</u>	10.00

27 (b) Whenever the Secretary of State is deemed appointed as a registered agent
 28 under this ~~act~~ Act or under Chapter 55D of the General Statutes, the Secretary of State
 29 shall collect a fee of ten dollars (\$10.00) each time process is served on the Secretary of
 30 State under this ~~act~~ Act. The party to the proceeding causing service of process is
 31 entitled to recover this fee as costs if the party prevails in the proceeding.

32 (c) The Secretary of State shall collect the following fees for copying,
 33 comparing, and certifying a copy of a ~~document filed pursuant to this act~~ filed
 34 partnership document:

- 35 (1) One dollar (\$1.00) a page for copying or comparing a copy to the
 36 ~~original; and~~ original.
- 37 (2) ~~Five dollars (\$5.00) for the certificate.~~ Fifteen dollars (\$15.00) for a
 38 paper certificate.
- 39 (3) Ten dollars (\$10.00) for an electronic certificate."

40 **SECTION 47.(a)** S.L. 2004-123 is amended by adding a new section to
 41 read:

42 "SECTION 3.1. This act applies to Dare County only."

43 **SECTION 47.(b)** S.L. 2004-123, as amended by this act, is reenacted.

44 **SECTION 48.** Section 5 of S.L. 2004-204 reads as rewritten:

1 **"SECTION 5.** Section 3 of this act becomes effective January 1, 2005, and applies
2 to sales made on or after that date. The remainder of this act is effective for business
3 activities occurring on or after November 1, 2004, and for taxable years beginning on or
4 after January 1, 2005. Section 4 of this act is repealed for business activities occurring
5 in taxable years beginning on or after January 1, 2020."

6 **SECTION 49.** The introductory language in Section 1 of S.L. 2005-53 reads
7 as rewritten:

8 **"SECTION 1.** Chapter ~~377~~317 of the 1987 Session Laws reads as rewritten:".

9 **SECTION 50.** Section 1(a) of S.L. 2005-68 reads as rewritten:

10 **"SECTION 1.** Occupancy tax. (a) Authorization and Scope. – Upon receiving
11 written confirmation from the National Association ~~of~~for Stock Car Auto Racing, Inc.,
12 (NASCAR) that it will license or otherwise legally authorize the location of the
13 NASCAR Hall of Fame Museum facility in Charlotte, North Carolina, the Mecklenburg
14 County Board of Commissioners may levy a room occupancy tax of up to two percent
15 (2%) of the gross receipts derived from the rental of any accommodation subject to the
16 tax under Section 6 of Chapter 908 of the 1983 Session Laws, as amended by Chapter
17 821 of the 1989 Session Laws. The tax authorized by this section is in addition to any
18 other State or local sales and use tax and any other State or local occupancy tax
19 authorized by law."

20 **SECTION 51.** Section 43.4 of S.L. 2003-284 reads as rewritten:

21 **"SECTION 43.4.** This part is effective for taxable years beginning on or after
22 January 1, 2004. ~~The Commissioner of Insurance must make a certification to the~~
23 ~~Secretary of Revenue and to the Revisor of Statutes when there are no Article 65~~
24 ~~corporations that offer medical service plans or hospital service plans. This part is~~
25 ~~repealed effective for taxable years beginning on or after the January 1 immediately~~
26 ~~following the certification required by this section."~~

27 **SECTION 52.** S.L. 2005-120 is reenacted.

28 **SECTION 53.** G.S. 105-130.4(a)(6) reads as rewritten:

29 "(6) "Public utility" means any corporation that is subject to control of one
30 ~~of~~or more of the following entities: the North Carolina Utilities
31 Commission, the Federal Communications Commission, the Interstate
32 Commerce Commission, the Federal Energy Regulatory Commission,
33 or the Federal Aviation Agency; and that owns or operates for public
34 use any plant, equipment, property, franchise, or license for the
35 transmission of communications, the transportation of goods or
36 persons, or the production, storage, transmission, sale, delivery or
37 furnishing of electricity, water, steam, oil, oil products, or gas. The
38 term also includes a motor carrier of property whose principal business
39 activity is transporting property by motor vehicle for hire over the
40 public highways of this State."

41 **SECTION 54.(a)** Section 2(c) of S.L. 2005-233 reads as rewritten:

42 **"SECTION 2.(c)** Distribution and Use of Tax Revenue. – The City of Eden shall,
43 on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part
44 to the Rockingham County Tourism Development Authority. The net proceeds under

1 this Part shall be deposited into a separate Eden Account. Based on recommendations
2 from and in consultation with the Eden City Council, the Authority shall use at least
3 two-thirds of the funds in the Eden Account ~~for tourism promotion~~ to promote travel and
4 tourism and the remainder for tourism-related expenditures. In accordance with the
5 North Carolina Constitution and the United States Constitution, the tax proceeds may be
6 used only for the direct benefit of the City of Eden. None of the proceeds may be used
7 to promote travel and tourism or for tourism-related expenditures in areas within
8 Rockingham County that are outside of the City of Eden.

9 The following definitions apply in this Part:

- 10 (1) Net proceeds. – Gross proceeds less the cost to the city of
11 administering and collecting the tax, as determined by the finance
12 officer, not to exceed three percent (3%) of the first five hundred
13 thousand dollars (\$500,000) of gross proceeds collected each year and
14 one percent (1%) of the remaining gross receipts collected each year.
- 15 (2) Promote travel and tourism. – To advertise or market an area or
16 activity, publish and distribute pamphlets and other materials, conduct
17 market research, or engage in similar promotional activities that attract
18 tourists or business travelers to the area. The term includes
19 administrative expenses incurred in engaging in the listed activities.
- 20 (3) Tourism-related expenditures. – Expenditures that are designed to
21 increase the use of lodging facilities, meeting facilities, or convention
22 facilities in a city or to attract tourists or business travelers to the city.
23 The term includes tourism-related capital expenditures."

24 **SECTION 54.(b)** Section 3(c) of S.L. 2005-233 reads as rewritten:

25 **"SECTION 3.(c)** Distribution and Use of Tax Revenue. – The City of Reidsville
26 shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this
27 Part to the Rockingham County Tourism Development Authority. The net proceeds
28 under this Part shall be deposited into a separate Reidsville Account. Based on
29 recommendations from and in consultation with the Reidsville City Council, the
30 Authority shall use at least two-thirds of the funds in the Reidsville Account ~~for tourism~~
31 ~~promotion~~ to promote travel and tourism and the remainder for tourism-related
32 expenditures. In accordance with the North Carolina Constitution and the United States
33 Constitution, the tax proceeds may be used only for the direct benefit of the City of
34 Reidsville. None of the proceeds may be used to promote travel and tourism or for
35 tourism-related expenditures in areas within Rockingham County that are outside of the
36 City of Reidsville.

37 The following definitions apply in this Part:

- 38 (1) Net proceeds. – Gross proceeds less the cost to the city of
39 administering and collecting the tax, as determined by the finance
40 officer, not to exceed three percent (3%) of the first five hundred
41 thousand dollars (\$500,000) of gross proceeds collected each year and
42 one percent (1%) of the remaining gross receipts collected each year.
- 43 (2) Promote travel and tourism. – To advertise or market an area or
44 activity, publish and distribute pamphlets and other materials, conduct

1 market research, or engage in similar promotional activities that attract
2 tourists or business travelers to the area. The term includes
3 administrative expenses incurred in engaging in the listed activities.

- 4 (3) Tourism-related expenditures. – Expenditures that are designed to
5 increase the use of lodging facilities, meeting facilities, or convention
6 facilities in a city or to attract tourists or business travelers to the city.
7 The term includes tourism-related capital expenditures."

8 **SECTION 55.** If Senate Bill 622, 2005 Regular Session, becomes law, then
9 G.S. 105-134.6(c)(9), as enacted by that act, reads as rewritten:

10 "(c) Additions. – The following additions to taxable income shall be made in
11 calculating North Carolina taxable income, to the extent each item is not included in
12 taxable income:

13 ...

- 14 (9) The amount of qualifying expenses for which the taxpayer claims a
15 credit under ~~G.S. 105-130.47~~ G.S. 105-151.29."

16 **SECTION 56.(a)** If Senate Bill 622, 2005 Regular Session, becomes law,
17 then G.S. 105-187.51(b) reads as rewritten:

18 "(b) Rate. – The tax is one percent (1%) of the sales price of the machinery, part,
19 or accessory purchased. The maximum tax is eighty dollars (\$80.00) per article. As used
20 in this section, the term 'accessories' does not include electricity."

21 **SECTION 56.(b)** This section becomes effective January 1, 2006.

22 **SECTION 57.(a)** If Senate Bill 622, 2005 Regular Session, becomes law,
23 then G.S. 105-228.5(d)(2) reads as rewritten:

24 "(d) Tax Rates; Disposition. –

25 ...

- 26 (2) Other Insurance Contracts. – The tax rate to be applied to gross
27 premiums on all other taxable contracts issued by insurers or health
28 maintenance organizations and to be applied to gross premiums and
29 gross collections from membership dues, exclusive of receipts from
30 cost plus plans, received by Article 65 corporations is one and
31 nine-tenths percent (1.9%). The net proceeds shall be credited to the
32 General Fund."

33 **SECTION 57.(b)** This section is effective for taxable years beginning on or
34 after January 1, 2007.

35 **SECTION 58.** If Senate Bill 622, 2005 Regular Session, becomes law, then
36 Section 33.34, as enacted by that act, reads as rewritten:

37 "**SECTION 33.34.** Sections 33.1, 33.24, and 33.31 through 33.34 of this part are
38 effective when they become law. Sections 33.4(b), 33.5, 33.9, 33.12, 33.14, and 33.20
39 through 33.23 become effective January 1, 2006. Section 33.25 of this part is effective
40 for taxable years beginning on or after January 1, 2006. The remainder of this part
41 becomes effective October 1, 2005. For prepayments of telecommunications and
42 direct-to-home satellite services, the first billing period is considered to start on or after
43 November 1, 2005. For prepayments of satellite digital audio radio services or cable
44 services, the first billing period is considered to start on or after February 1, 2006.

1 Section 33.19 of this part applies to distributions to cities of the net proceeds of the sales
2 tax imposed on telecommunications service under G.S. 105-164.4(a)(4c) collected
3 during calendar quarters that begin on or after January 1, 2006."

4 **SECTION 59.(a)** G.S. 105-278.3(d)(4) reads as rewritten:

5 "(d) Within the meaning of this section:

6 ...

7 (4) A literary purpose is one that pertains to letters or ~~literature (including~~
8 ~~drama)~~, literature, especially writing, publishing, and the study of
9 literature. It includes the literature of the stage and screen as well as
10 the performance or exhibition of works based on literature."

11 **SECTION 59.(b)** G.S. 105-278.7(a) reads as rewritten:

12 "(a) Buildings, the land they actually occupy, and additional adjacent land
13 necessary for the convenient use of any such building shall be exempted from taxation if
14 wholly owned by an agency listed in subsection (c), below, and if:

- 15 (1) Wholly and exclusively used by its owner for nonprofit educational,
16 scientific, literary, or charitable purposes as defined in subsection (f),
17 below; or
18 (2) Occupied gratuitously by an agency listed in subsection (c), below,
19 other than the owner, and wholly and exclusively used by the occupant
20 for nonprofit educational, scientific, literary, ~~or charitable~~ charitable,
21 or cultural purposes."

22 **SECTION 59.(c)** G.S. 105-278.7(f) reads as rewritten:

23 "(f) Within the meaning of this section:

- 24 (1) An educational purpose is one that has as its objective the education or
25 instruction of human beings; it comprehends the transmission of
26 information and the training or development of the knowledge or skills
27 of individual persons.
28 (2) A scientific purpose is one that yields knowledge systematically
29 through research, experimentation, or other work done in one or more
30 of the natural sciences.
31 (3) A literary purpose is one that pertains to letters or ~~literature (including~~
32 ~~drama)~~, literature, especially writing, publishing, and the study of
33 literature. It includes the literature of the stage and screen as well as
34 the performance or exhibition of works based on literature.
35 (4) A charitable purpose is one that has humane and philanthropic
36 objectives; it is an activity that benefits humanity or a significant rather
37 than limited segment of the community without expectation of
38 pecuniary profit or reward. The humane treatment of animals is also a
39 charitable purpose.
40 (5) A cultural purpose is one that is conducive to the enlightenment and
41 refinement of taste acquired through intellectual and aesthetic training,
42 education, and discipline."

43 **SECTION 59.1.(a)** If Senate Bill 622, 2005 Regular Session, becomes law,
44 then Section 6.12(b) of that act reads as rewritten:

1 **"SECTION 6.12.(b)** If this section, or any portion of the amendment made to
2 G.S. 66-291(b)(2) by this section, is held by a court of competent jurisdiction to be
3 unconstitutional, then G.S. 66-291(b)(2) shall be deemed to be repealed in its entirety.
4 If G.S. ~~66-291(b)(2)~~66-291(b) shall thereafter be held by a court of competent
5 jurisdiction to be unconstitutional, then this section shall be repealed, and
6 G.S. 66-291(b)(2) shall be restored as if no amendments had been made by this section.
7 Neither any judicial holding of unconstitutionality nor the repeal of G.S. 66-291(b)(2)
8 shall affect, impair, or invalidate any other portion of Part 1 of Article 37 of Chapter 66
9 of the General Statutes or the application of Part 1 of Article 37 of Chapter 66 of the
10 General Statutes to any other person or circumstance, and the remaining portions of Part
11 1 of Article 37 of Chapter 66 of the General Statutes shall at all times continue in full
12 force and effect."

13 **SECTION 59.1.(b)** This section becomes effective January 1, 2006.

14 **SECTION 59.2.(a)** G.S. 105-114.1(a4) reads as rewritten:

15 "(a4) No Double Taxation. – G.S. 105-122 does not apply to holding companies
16 taxed under G.S. 105-120.2. G.S. 105-122 applies to a corporation taxed under another
17 section of this Article only to the extent the taxes levied on the corporation in G.S.
18 105-122 exceed the taxes levied ~~on the corporation~~ in other sections of this
19 ~~Article.~~Article on the corporation or on a limited liability company whose assets must
20 be included in the corporation's tax base under G.S. 105-114.1."

21 **SECTION 59.2.(b)** This section is effective for taxable years beginning on or after
22 January 1, 2006.

23 **SECTION 60.** Except as otherwise provided in this part, this part is effective
24 when it becomes law.

25 26 **PART III. REFUND OF SALES AND USE TAXES ON FUEL**

27 **SECTION 61.** G.S. 105-164.14 is amended by adding a new subsection to
28 read:

29 "(a1) Passenger Plane Maximum. – An interstate passenger air carrier is allowed a
30 refund of the net amount of sales and use tax paid by it in this State on fuel during a
31 calendar year in excess of two million five hundred thousand dollars (\$2,500,000). The
32 'net amount of sales and use tax paid' is the amount paid less the refund allowed under
33 subsection (a) of this section. A request for a refund must be in writing and must include
34 any information and documentation the Secretary requires. A request for a refund is due
35 within six months after the end of the calendar year for which the refund is claimed. The
36 refund allowed by this subsection is in addition to the refund allowed in subsection (a)
37 of this section."

38 **SECTION 61.1.** G.S. 105-164.14, as amended by Section 61 of this act, is
39 further amended by adding a new subdivision to read:

40 "(k) Motorsports Events. – A motorsports racing team or a motorsports
41 sanctioning body is allowed a refund of the sales and use tax paid by it in this State on
42 aviation fuel that is used to travel to or from a motorsports event in this State, to travel
43 to a motorsports event in another state from a location in this State, or to travel to this
44 State from a motorsports event in another state. For the purposes of this subsection, a

1 "motorsports event" includes a motorsports race, a motorsports sponsor event, and
2 motorsports testing. A request for a refund must be in writing and must include any
3 information and documentation the Secretary requires. A request for a refund is due
4 within six months after the end of the State's fiscal year. Refunds applied for after the
5 due date are barred."

6 **SECTION 62.** This part becomes effective January 1, 2005, and applies to
7 purchases made on or after that date. This part is repealed effective for purchases made
8 on or after January 1, 2007. This part does not affect the rights or liabilities of the State,
9 a taxpayer, or another person arising under a statute amended or repealed by this part
10 before the effective date of its amendment or repeal; nor does it affect the right to any
11 refund or credit of a tax that accrued under the amended or repealed statute before the
12 effective date of its amendment or repeal.

13
14 **PART IV. EFFECTIVE DATES**

15 **SECTION 63.** Except as otherwise provided in this act, this act is effective
16 when it becomes law.