

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**HOUSE BILL 1112**

Short Title: Adjust Matthews Motor Vehicle Tax. (Local)

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Sponsors: Representative Gulley.

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Referred to: Finance.

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March 28, 2007

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF MATTHEWS TO USE THE PROCEEDS  
IN EXCESS OF FIVE DOLLARS, FROM THE MOTOR VEHICLE TAX  
ASSESSED PURSUANT TO G.S. 20-97, FOR TRANSPORTATION-RELATED  
PURPOSES ONLY.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 20-97(a), as applicable to the Town of Matthews under  
S.L. 1985-1009, S.L. 1991- 209, and S.L. 1993-345, reads as rewritten:

"(a) All taxes levied under the provisions of this Article are intended as  
compensatory taxes for the use and privileges of the public highways of this State, and  
shall be paid by the Commissioner to the State Treasurer, to be credited by him to the  
State Highway Fund; and no county or municipality shall levy any license or privilege  
tax upon any motor vehicle licensed by the State of North Carolina, except that cities  
and towns other than the City of Durham may levy not more than thirty dollars (\$30.00)  
per year upon any vehicle resident therein, and except that the City of Durham may levy  
not more than one dollar (\$1.00) per year upon any vehicle resident therein. Provided,  
further, that cities and towns may levy, in addition to the amounts hereinabove provided  
for, a sum not to exceed fifteen dollars (\$15.00) per year upon each vehicle operated in  
such city or town as a taxicab. Provided, further that any tax levied in excess of twenty  
dollars (\$20.00) per year per vehicle by the City of Charlotte ~~and any tax levied in  
excess of five dollars (\$5.00) per year per vehicle by the Town of Matthews~~ shall be  
dedicated to and may be expended only for public mass transit systems and mass  
transit-related activities."

**SECTION 2.** G.S. 20-97(b) reads as rewritten:

**"§ 20-97. Taxes credited to Highway Fund; municipal vehicle taxes.**

...

(b) General Municipal Vehicle Tax. – Cities and towns may levy a tax of not  
more than ~~five dollars (\$5.00)~~ thirty dollars (\$30.00) per year upon any vehicle resident  
in the city or town. The proceeds of the tax up to five dollars (\$5.00) may be used for

1 ~~any lawful purpose-~~road repair and improvements. The proceeds of these taxes derived  
2 from any levy above five dollars (\$5.00) and up to thirty dollars (\$30.00) shall be used  
3 exclusively for public mass transit systems and mass transit-related activities.

4 ...."

5 **SECTION 3.** This act applies to the Town of Matthews only.

6 **SECTION 4.** This act is effective for taxes imposed for taxable years  
7 beginning on or after July 1, 2007.