

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1894*

Short Title: Congestion Relief/Intermodal Transport Fund. (Public)

Sponsors: Senators Stevens; Atwater, Kinnaird, Malone, and McKissick.

Referred to: Appropriations/Base Budget.

May 22, 2008

A BILL TO BE ENTITLED

1 AN ACT TO ESTABLISH A CONGESTION RELIEF AND INTERMODAL
2 TRANSPORTATION 21ST CENTURY FUND, TO PROVIDE FOR
3 ALLOCATION OF THOSE FUNDS TO: (1) LOCAL GOVERNMENTS AND
4 TRANSPORTATION AUTHORITIES FOR PUBLIC TRANSPORTATION
5 PURPOSES, (2) SHORT-LINE RAILROADS, FOR ASSISTANCE IN
6 MAINTAINING AND EXPANDING FREIGHT SERVICE STATEWIDE, (3)
7 RAILROADS FOR INTERMODAL FACILITIES, MULTIMODAL FACILITIES,
8 AND INLAND PORTS, (4) MAKE CAPITAL IMPROVEMENTS ON RAIL
9 LINES TO ALLOW IMPROVED FREIGHT SERVICE TO THE PORTS AND
10 MILITARY INSTALLATIONS, (5) EXPAND INTERCITY PASSENGER RAIL
11 SERVICE, AND TO EXTEND COMMON LEVELS OF LOCAL TRANSIT
12 FUNDING AUTHORIZATION TO THREE URBAN REGIONS, AND ALLOW
13 OTHER LOCAL GOVERNMENTS SIMILAR OPTIONS FOR LOCAL TRANSIT
14 FUNDING, AND TO EXTEND THE STATE PORTS TAX CREDIT, ALL AS
15 RECOMMENDED BY THE 21ST CENTURY TRANSPORTATION
16 COMMITTEE.

17 The General Assembly of North Carolina enacts:

CHAPTER I. Fund Created.

18 **SECTION 1.** Chapter 136 of the General Statutes is amended by adding a
19 new Article to read:

"Article 19.

"Congestion Relief and Intermodal 21st Century Transportation Fund.

20 **"§ 136-250. Congestion Relief and Intermodal Transportation 21st Century Fund.**

21 There is established in the State treasury the Congestion Relief and Intermodal
22 Transportation 21st Century Fund, hereinafter referred to as the Fund. The Fund shall
23 consist of all revenues appropriated and allocated to it. Interest on earnings of the Fund
24 shall remain within the Fund.

25 **"§ 136-251. Findings of fact.**

1 The General Assembly finds that:

- 2 (1) Most of North Carolina's growth is in its urban regions. According to
3 the State Data Center, during the first decade of the 21st century, sixty-
4 six percent (66%) of the projected 1,270,000 growth in population is in
5 15 urban counties surrounding Charlotte, Raleigh, and the Triad, while
6 forty percent (40%) is in just six counties: Mecklenburg, Wake,
7 Durham, Orange, Forsyth, and Guilford.
- 8 (2) This large urban population growth greatly taxes resources. Despite
9 the visionary creation of the Highway Trust Fund by the 1989 General
10 Assembly and the funding of urban loop highways, congestion
11 continues to grow at an exponential rate. Creation of a special fund to
12 help meet urban transportation needs with alternatives such as rail
13 transit and buses, coupled with land use planning, will spur and guide
14 economic development in a more economically and environmentally
15 sound manner. Charlotte's recent success in opening the first phase of
16 its light rail system, with ridership significantly over projections,
17 shows that North Carolinians are willing to use alternates.
- 18 (3) Accelerated use of rail for transport of freight will reduce highway
19 congestion as well as allow economic expansion in a way that lessens
20 the impact on the State highway system.
- 21 (4) Public transportation, in addition to a program of urban loops and toll
22 roads, will enable North Carolina to have a balanced 21st century
23 transportation system.
- 24 (5) As part of its initial program of internal improvements, the State
25 capitalized the North Carolina Railroad in the 1840s, and invested in
26 other railroads, and those internal improvements led to North
27 Carolina's rapid economic development. The North Carolina Railroad,
28 with a 317-mile corridor from Charlotte to Morehead City, is still
29 owned by the State.
- 30 (6) Improved rail facilities and restoration of abandoned rail lines can
31 allow increased access to the North Carolina State Ports and military
32 installations located within the State.
- 33 (7) Session Law 2005-222 found that expanding and upgrading passenger,
34 freight, commuter, and short-line rail service is important to the
35 economy of North Carolina; and provided that the State would seek to
36 provide matching funds partly so it can leverage the maximum federal
37 and private participation to fund needed rail initiatives, such as the
38 restoration of the rail corridor from Wallace to Castle Hayne, and a rail
39 connection between north-south and east-west routes in the vicinity of
40 Pembroke.
- 41 (8) Rail freight plays a vital role in economic development throughout the
42 State. Intermodal service depends on partnerships with railroads,
43 trucking companies, seaports, and others in the transportation logistics
44 chain. North Carolina has 3,250 mainline miles of track, with Class I

1 railroads holding seventy-nine percent (79%) of the trackage rights,
2 the remainder controlled by local railroads and switching and terminal
3 railroads. The 2006 Mid-Cycle Update to the North Carolina Statewide
4 Intermodal Transportation Plan identified seven hundred ninety-nine
5 million dollars (\$799,000,000) in freight rail needs over the next 25
6 years, including maintenance and preservation, modernization, and
7 expansion.

8 (9) North Carolina's short-line railroads play a key role in the State's
9 economic development and transportation service and are needed to
10 provide essential services to other modes of transportation and the
11 North Carolina port system. North Carolina agriculture is dependent
12 upon essential service by short-line railroads. North Carolina economic
13 development and commerce are dependent upon essential service by
14 short-line railroads, and grant funds may be used to improve and
15 restore tracks and lines. State funds are needed to maintain short-line
16 railroads as a viable contributor to economic development, agriculture,
17 and transportation in this State in order to prevent the loss of regional
18 rail service. The Department of Transportation reported that 44,992
19 rail cars handled by short lines kept 179,688 trucks off North Carolina
20 highways. Short-line railroads are essential to preserve and develop
21 jobs in rural and small urban areas of North Carolina.

22 (10) Intermodal facilities and inland ports can greatly reduce freight traffic
23 on North Carolina's highway system, reducing demand, congestion,
24 and damage.

25 (11) The proposed North Carolina International Terminal will need high
26 capacity intermodal access.

27 (12) Significant local revenues are needed to match State funds so that a
28 major portion of the expenses is borne by the localities receiving the
29 majority of the benefits. A local option sales tax for public
30 transportation was approved by a fifty-eight percent (58%) favorable
31 vote in Mecklenburg County in 1998, and reaffirmed by a seventy
32 (70%) favorable vote in 2008. Extending this authority to additional
33 jurisdictions, along with other revenue options, will enable localities to
34 demonstrate local support for additional transit options.

35 (13) Surveys have indicated broad public support for providing additional
36 public transportation options and for allowing localities to generate
37 revenue to match State grants.

38 **"§ 136-252. Grants to local governments and transportation authorities.**

39 (a) Cities, counties, regional public transportation authorities under Article 26 of
40 Chapter 160A of the General Statutes, and regional transportation authorities under
41 Article 27 of Chapter 160A of the General Statutes may receive grants from the fund for
42 public transportation purposes, including planning and engineering.

43 (b) No grant may be approved from the fund unless:

- 1 (1) The application is approved by all Metropolitan Planning
2 Organizations under Article 16 of this Chapter whose jurisdiction
3 includes any of the service area of the grant applicant.
4 (2) The applicant has approved a transit plan that includes local planning
5 policies and adopted plans that reasonably support transit ridership and
6 appropriate land use.
7 (3) The applicant has an adequate and sustainable source of funding
8 established for its share of project costs.

9 (c) Grants from the fund may be committed for a multiyear basis to stabilize the
10 phased implementation of a plan, including multiyear allotments. The Board of
11 Transportation shall approve, and amend from time to time, a rolling multiyear
12 projection of up to 15 years for allocation of funds under this section. No applicant is
13 eligible under the 15-year plan projection for more than one-third of the total funds to
14 be granted under this Article during that 15-year period.

15 (d) No grant under this section may exceed twenty-five percent (25%) of the cost
16 of the project and must be matched by an equal or greater amount of funds by the
17 applicant. In evaluating projects, qualification for federal funding shall be considered.

18 **"§ 136-253. Grants to other units.**

19 (a) Grants from the fund may also be made to State agencies and railroads for the
20 following purposes:

- 21 (1) Assistance to short line railroads to continue and enhance rail service
22 in the State so as to assist in economic development and access to ports
23 and military installations. This may involve both the Rail Industrial
24 Access program and the Short Line Infrastructure Access Program, as
25 well as other innovative programs. Grants under this subdivision shall
26 not exceed fifty percent (50%) of the nonfederal share, and must be
27 matched by equal or greater funding from the applicant. Total grants
28 under this subdivision may not exceed five million dollars
29 (\$5,000,000) per fiscal year.
30 (2) Assistance to any railroad in construction of (i) rail improvements and
31 restorations and intermodal or multimodal facilities to serve ports and
32 military installations; and (ii) inland ports to reduce truck traffic on
33 the highway system. Grants under this subdivision shall not exceed
34 fifty percent (50%) of the nonfederal share and must be matched by
35 equal or greater funding from the applicant. Total grants under this
36 subdivision may not exceed ten million dollars (\$10,000,000) per
37 fiscal year.
38 (3) Assistance to the State ports in terminal railroad facilities and
39 operations, and to improve access to military installations, and to the
40 North Carolina International Terminal. Grants under this subdivision
41 shall not exceed fifty percent (50%) of the nonfederal share and must
42 be matched by equal or greater funding from the applicant. Total
43 grants under this subdivision may not exceed ten million dollars
44 (\$10,000,000) per fiscal year.

1 the extent they are necessary for access to vehicle parking or passenger
2 transfer facilities.

3 (4) Transportation authority. – A regional public transportation authority
4 or a regional transportation authority created pursuant to Article 26 or
5 Article 27 of Chapter 160A of the General Statutes.

6 **"§ 105-506.1. Exemption of food.**

7 A tax levied under this Article does not apply to the sales price of food that is not
8 otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the
9 State sales and use tax pursuant to G.S. 105-164.13 if it were purchased with coupons
10 issued under the Food Stamp Program, 7 U.S.C. § 2011.

11 "Part 2. Mecklenburg County.

12 **"§ 105-507. Limitations.**

13 A county may not levy a tax under this ~~Article-Part~~ unless the county or at least one
14 unit of local government in the county operates a public transportation system. In
15 addition, a county may not levy a tax under this ~~Article-Part~~ unless it has developed a
16 financial plan and distributed it to each unit of local government in the county that
17 operates a local public transportation system. The financial plan must provide for
18 equitable allocation of the net proceeds distributed to the county in consideration of the
19 identified needs of local public transportation systems in the county, countywide human
20 service transportation systems, and expansion of public transportation service to
21 unserved areas in the county.

22 **"§ 105-508. Local election on adoption of sales and use tax.**

23 (a) Resolution. – The board of commissioners of a county may direct the county
24 board of elections to conduct an advisory referendum within the county on the question
25 of whether a local sales and use tax at the rate of one-half percent (1/2%) may be levied
26 in accordance with this ~~Article-Part~~. The election shall be held on a date jointly agreed
27 upon by the boards and shall be held in accordance with the procedures of
28 G.S. 163-287. The board of commissioners shall hold a public hearing on the question
29 at least 30 days before the date the election is to be held.

30 (b) Ballot Question. – The form of the question to be presented on a ballot for a
31 special election concerning the levy of a tax authorized by this Article shall be:

32 [] FOR [] AGAINST

33 One-half percent (1/2%) local sales and use taxes, in addition to the current
34 ~~two percent (2%)~~ local sales and use taxes, to be used only for public transportation
35 systems.'

36 **"§ 105-509. Levy and collection of sales and use tax.**

37 If the majority of those voting in a referendum held pursuant to this ~~Article-Part~~ vote
38 for the levy of the tax, the board of commissioners of the county may, by resolution,
39 levy one-half percent (1/2%) local sales and use taxes in addition to any other State and
40 local sales and use taxes levied pursuant to law. Except as provided in this ~~Article-Part~~,
41 the adoption, levy, collection, administration, and repeal of these additional taxes shall
42 be in accordance with Article 39 of this Chapter. In applying the provisions of Article
43 39 of this Chapter to this ~~Article-Part~~, references to 'this Article' mean 'Part 1 of Article
44 43 of Chapter 105 of the General Statutes'.

1 A tax levied under this Article does not apply to the sales price of food that is not
2 otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the
3 State sales and use tax pursuant to G.S. 105-164.13 if it were purchased with coupons
4 issued under the Food Stamp Program, 7 U.S.C. § 51.

5 **"§ 105-510. Distribution and use of taxes.**

6 (a) Distribution. – The Secretary shall, on a quarterly basis, allocate to each
7 taxing county the net proceeds of the tax levied under this ~~Article~~Part by that county. If
8 the Secretary collects taxes under this ~~Article~~Part in a month and the taxes cannot be
9 identified as being attributable to a particular taxing county, the Secretary shall allocate
10 these taxes among the taxing counties, in proportion to the amount of taxes collected in
11 each county under this ~~Article~~Part in that month and shall include them in the quarterly
12 distribution.

13 The Secretary shall distribute the net proceeds of the tax levied by a county on a per
14 capita basis among the county and the units of local government in the county that
15 operate public transportation systems. No proceeds shall be distributed to a county that
16 does not operate a public transportation system or to a unit of local government that
17 does not operate a public transportation system.

18 (b) Use. – A county must allocate the net proceeds distributed to it in accordance
19 with its financial plan adopted pursuant to G.S. 105-507 and use the net proceeds only
20 for financing, constructing, operating, and maintaining local public transportation
21 systems. Any other unit of local government may use the net proceeds distributed to it
22 under this ~~Article~~Part only for financing, constructing, operating, and maintaining
23 local public transportation systems. Every unit of government shall use the net proceeds
24 to supplement and not to supplant or replace existing funds or other resources for public
25 transportation systems.

26 **"§ 105-510.1. Applicability.**

27 This ~~section~~Part applies only to Mecklenburg County.

28 "Part 3. Transportation Authorities.

29 **"§ 105-510.5. Limitations.**

30 A transportation authority may not levy a tax under this Part unless:

- 31 (1) It operates a public transportation system.
32 (2) It has developed a financial plan and distributed it to each unit of local
33 government located within its territorial jurisdiction. The plan must be
34 approved by the board of commissioners of each county in the district
35 prior to the levy of the tax. If the board of commissioners of a county
36 in a multicounty district does not adopt the plan, the transportation
37 authority may remove that county from the district, and no tax may be
38 levied in that county under this Part. The financial plan must provide
39 for equitable use of the net proceeds within the special district created
40 under this Part and consider (i) the identified needs of local public
41 transportation systems in the district, (ii) human service transportation
42 systems within the district, and (iii) expansion of public transportation
43 systems to underserved areas of the district. The financial plan must
44 also be approved by all Metropolitan Planning Organizations under

1 Article 16 of this Chapter whose jurisdiction includes any of the area
2 of the special district. The plan may be revised from time to time.

3 (3) The tax is approved by the voters.

4 "**§ 105-510.6. Local election on adoption of sales and use tax – regional public**
5 **transportation authority.**

6 (a) Special District. – A transportation authority may create a special district that
7 consists of the entire area of one or more counties within its territorial jurisdiction and
8 may levy on behalf of the special district the tax authorized in this section. A special
9 district created pursuant to this subsection is a body corporate and politic and has the
10 power to carry out the purposes of this subsection. The board of trustees of the
11 transportation authority shall serve, ex officio, as the governing body of a special
12 district it creates pursuant to this subsection. The proceeds of a tax levied under this
13 section may be used only for the benefit of the special district and only for the purposes
14 provided in this Article. In the case of a regional transportation authority created
15 pursuant to Article 27 of Chapter 160A of the General Statutes, the special district may
16 not include counties other than Forsyth and Guilford Counties.

17 (b) Resolution. – The board of trustees of the authority, with the concurrent vote
18 of:

19 (1) In the case of a single-county special district, a majority of the county
20 board of commissioners within the special district,

21 (2) In the case of a multicounty special district, a majority vote of all the
22 county boards of commissioners within the special district,

23 may direct the respective county board or boards of elections to conduct an advisory
24 referendum within the special tax district on the question of whether a local sales and
25 use tax at the rate of one-half percent (1/2%) may be levied within the district in
26 accordance with this Part. The election shall be held on a date jointly agreed upon by
27 the authority and the county board or boards of elections and shall be held in accordance
28 with the procedures of G.S. 163-287. The board or boards of commissioners shall hold a
29 public hearing on the question at least 30 days before the date the election is to be held.

30 (c) Ballot Question. – The form of the question to be presented on a ballot for a
31 special election concerning the levy of a tax authorized by this Article shall be:

32 FOR AGAINST

33 One-half percent (1/2%) local sales and use taxes, to be used only for public
34 transportation systems.'

35 "**§ 105-510.7. Levy and collection of sales and use tax – regional public**
36 **transportation authority.**

37 If the majority of those voting in a referendum held pursuant to G.S. 105-510.6 vote
38 for the levy of the tax, the transportation authority may, by resolution, levy one-half
39 percent (1/2%) local sales and use taxes within the special district, in addition to any
40 other State and local sales and use taxes levied pursuant to law. In determining the
41 results of the election in a multicounty district, all the counties of the district shall be
42 considered to be one unit. Except as provided in this Part, the adoption, levy, collection,
43 administration, and repeal of these additional taxes shall be in accordance with Article
44 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this

1 Article, references to 'this Article' mean 'Part 2 of Article 43 of Chapter 105 of the
2 General Statutes.' Any repeal of the tax shall be done by the same procedure as its
3 enactment under this section, and a petition for repeal under G.S. 105-473 shall be
4 judged by the total votes in all three counties.

5 **"§ 105-510.8. Expansion of district.**

6 If a special district established under this Part does not include all the counties in the
7 territorial jurisdiction of a transportation authority, it may be expanded to include an
8 additional whole county or counties by joint action of the board of trustees of the
9 transportation authority and the board of commissioners of the county or boards of
10 commissioners of the counties to be added, with the approval of the voters in the county
11 or counties to be added. The procedure for addition of a county or counties shall be the
12 same as for the initial creation of the district, but the referendum shall be held separately
13 within each of the counties to be added.

14 **"§ 105-510.9. Distribution and use of taxes.**

15 (a) Distribution. – The Secretary shall, on a quarterly basis, allocate to each
16 transportation authority the net proceeds of the tax levied under this Part within the
17 special tax district, to be used for the benefit of that district.

18 (b) Use. – A transportation authority must expend the net proceeds distributed to
19 it in accordance with its financial plan adopted pursuant to G.S. 105-510.5 and use the
20 net proceeds only for financing, constructing, operating, and maintaining local public
21 transportation systems. The transportation authority shall use the net proceeds to
22 supplement and not to supplant or replace existing funds or other resources for public
23 transportation systems.

24 "Part 4. Other Counties.

25 **"§ 105-510.12. Limitations.**

26 A county may not levy a tax under this Part unless the county or at least one unit of
27 local government in the county operates a public transportation system or contracts with
28 a transportation authority to provide a public transportation system. In addition, a
29 county may not levy a tax under this Part unless it has developed a financial plan and
30 distributed it to each unit of local government in the county that operates a local public
31 transportation system. The financial plan must provide for equitable allocation of the net
32 proceeds distributed to the county in consideration of the identified needs of local public
33 transportation systems in the county, countywide human service transportation systems,
34 and expansion of public transportation service to unserved areas in the county.

35 **"§ 105-510.13 Local election on adoption of sales and use tax.**

36 (a) Resolution. – The board of commissioners of a county may direct the county
37 board of elections to conduct an advisory referendum within the county on the question
38 of whether a local sales and use tax at the rate of one-quarter percent (1/4%) may be
39 levied in accordance with this Part. The election shall be held on a date jointly agreed
40 upon by the boards and shall be held in accordance with the procedures of
41 G.S. 163-287. The board of commissioners shall hold a public hearing on the question
42 at least 30 days before the date the election is to be held.

43 (b) Ballot Question. – The form of the question to be presented on a ballot for a
44 special election concerning the levy of a tax authorized by this Article shall be:

1 [] FOR [] AGAINST

2 One-quarter percent (1/4%) local sales and use taxes, in addition to the
3 current local sales and use taxes, to be used only for public transportation systems.'

4 **"§ 105-510.14. Levy and collection of sales and use tax.**

5 If the majority of those voting in a referendum held pursuant to this Part vote for the
6 levy of the tax, the board of commissioners of the county may, by resolution, levy
7 one-quarter percent (1/4%) local sales and use taxes in addition to any other State and
8 local sales and use taxes levied pursuant to law. Except as provided in this Part, the
9 adoption, levy, collection, administration, and repeal of these additional taxes shall be in
10 accordance with Article 39 of this Chapter. In applying the provisions of Article 39 of
11 this Chapter to this Part, references to 'this Article' mean 'Part 1 of Article 43 of Chapter
12 105 of the General Statutes.'

13 **"§ 105-510.15. Distribution and use of taxes.**

14 (a) Distribution. – The Secretary shall, on a quarterly basis, allocate to each
15 taxing county the net proceeds of the tax levied under this Part by that county. If the
16 Secretary collects taxes under this Part in a month and the taxes cannot be identified as
17 being attributable to a particular taxing county, the Secretary shall allocate these taxes
18 among the taxing counties, in proportion to the amount of taxes collected in each county
19 under this Part in that month and shall include them in the quarterly distribution.

20 The Secretary shall distribute the net proceeds of the tax levied by a county on a per
21 capita basis among the county and the units of local government in the county that
22 operate public transportation systems. No proceeds shall be distributed to a county that
23 does not operate a public transportation system or to a unit of local government that
24 does not operate a public transportation system.

25 (b) Use. – A county must allocate the net proceeds distributed to it in accordance
26 with its financial plan adopted pursuant to G.S. 105-507 and use the net proceeds only
27 for financing, constructing, operating, and maintaining local public transportation
28 systems. Any other unit of local government may use the net proceeds distributed to it
29 under this Part only for financing, constructing, operating, and maintaining local public
30 transportation systems. Every unit of government shall use the net proceeds to
31 supplement and not to supplant or replace existing funds or other resources for public
32 transportation systems.

33 **"§ 105-510.16. Applicability.**

34 (a) This Part only applies in counties that meet one or more of the following
35 criteria:

- 36 (1) Have a population of 160,000 or over according to the most recent
37 decennial federal census.
38 (2) Are members of a regional transportation authority created pursuant to
39 Article 27 of Chapter 160A of the General Statutes.
40 (3) Are contiguous to Mecklenburg County.
41 (4) Are contiguous to Wake, Durham, or Orange County.

42 (b) This Part does not apply to Durham, Forsyth, Guilford, Mecklenburg,
43 Orange, or Wake Counties."

44 CHAPTER III. Extension of Vehicle Registration Charge to Mecklenburg County.

1 **SECTION 3.** Section 6.2 of S.L. 1997-417, as added by Section 30 of S.L.
2 2006-162, reads as rewritten:

3 **"SECTION 3.1.** A county authorized to impose a tax under Part 2 of Article 43 of
4 Chapter 105 of the General Statutes, ~~as enacted by Part 1 of this act,~~ Statutes is
5 considered an authority ~~under~~ under:

6 (1) Article 50 of Chapter 105 of the General Statutes, as enacted by
7 Section 3 of this act, and the board of commissioners of that county is
8 considered the board of trustees of the authority under Article 50.
9 G.S. 105-554 of Article 50 does not apply to the proceeds of a tax
10 imposed by a county considered an authority under this section. The
11 proceeds of a tax imposed by a county considered an authority under
12 this section must be transferred to the largest city in that county
13 operating a public transportation system and used only for financing,
14 constructing, operating, and maintaining a public transportation
15 system. The proceeds may supplant existing funds allocated for a
16 public transportation system. The term 'public transportation system'
17 has the same meaning as defined in ~~G.S. 105-506 of Article 43.~~
18 G.S. 105-506.

19 (2) Article 51 of Chapter 105 of the General Statutes, as enacted by
20 Section 4 of this act, and the board of commissioners of that county is
21 considered the board of trustees of the authority under Article 51. The
22 proceeds of a tax imposed by a county considered an authority under
23 this section must be transferred to the largest city in that county
24 operating a public transportation system and used only for financing,
25 constructing, operating, and maintaining a public transportation
26 system. The term 'public transportation system' has the same meaning
27 as defined in G.S. 105-506."

28 CHAPTER IV. Local Vehicle Registration Charge Adjusted for Inflation.

29 **SECTION 4.(a)** Effective July 1, 2008, G.S. 105-561(a) reads as rewritten:

30 "(a) Tax Authorized. – The board of trustees of an Authority may, by resolution,
31 levy an annual license tax in accordance with this Article upon any motor vehicle with a
32 tax situs within its territorial jurisdiction. The purpose of the tax levied under this
33 Article is to raise revenue for capital and operating expenses of an Authority in
34 providing public transportation systems. The rate of tax levied under this Article must
35 be a full dollar amount, but may not exceed ~~five dollars (\$5.00)~~ seven dollars (\$7.00) a
36 year.

37 **SECTION 4.(b)** Effective July 1, 2008, G.S. 105-561(d) reads as rewritten:

38 "(d) Special Tax District. – If a regional transportation authority created under
39 Article 27 of Chapter 160A of the General Statutes has not levied the tax under this
40 section or has levied the tax at a rate of less than ~~five dollars (\$5.00)~~ seven dollars
41 (\$7.00), it may create a special district that consists of the entire area of one or more
42 counties within its territorial jurisdiction and may levy on behalf of the special district
43 the tax authorized in this section. The rate of tax levied within the special district may
44 not, when combined with the rate levied within the entire territorial jurisdiction of the

1 authority; exceed ~~five dollars (\$5.00)~~ seven dollars (\$7.00). The regional transportation
2 authority may not levy or increase a tax within the special district unless the board of
3 commissioners of each county in the special district has adopted a resolution approving
4 the levy or increase.

5 A special district created pursuant to this subsection is a body corporate and politic
6 and has the power to carry out the purposes of this subsection. The board of trustees of
7 the regional transportation authority created under Article 27 of Chapter 160A of the
8 General Statutes shall serve, ex officio, as the governing body of a special district it
9 creates pursuant to this subsection. The proceeds of a tax levied under this subsection
10 may be used only for the benefit of the special district and only for the purposes
11 provided in G.S. 105-564. Except as provided in this subsection, a tax levied under this
12 subsection is governed by the provisions of this Article."

13 CHAPTER V. Extension of Vehicle Registration Charge and Motor Vehicle Rental
14 Charge to Counties Contiguous to the Triangle and Mecklenburg County and to Other
15 Urban Counties.

16 SECTION 5. Subchapter IX of Chapter 105 of the General Statutes is
17 amended by adding a new Article to read:

18 "Article 52. Urban County Vehicle Rental Tax and Registration Tax.

19 "§ 105-557. Urban County Vehicle Rental Tax.

20 (a) This section only applies in counties that meet all of the following criteria:

21 (1) Has a population of 160,000 or over according to the most recent
22 decennial federal census.

23 (2) Is not a member of a regional transportation authority created pursuant
24 to Article 27 of Chapter 160A of the General Statutes.

25 (3) Is not contiguous to Mecklenburg County.

26 (4) Is not contiguous to Wake, Durham, or Orange County.

27 (b) This section does not apply to Durham, Forsyth, Mecklenburg, Orange, or
28 Wake Counties.

29 (c) A county is considered an authority under Article 50 of this Chapter, and the
30 board of commissioners of that county is considered the board of trustees of the
31 authority under Article 50.

32 (d) To the extent that any county does not levy the full percentage authorized by
33 Article 50 of this Chapter, any city located wholly within that county is considered an
34 authority under Article 50 of this Chapter, and may levy a percentage under that Article
35 as if it were an authority, such that the total gross levy of the county and city does not
36 exceed the maximum permitted by law. For that purpose, the governing board of that
37 city is considered the board of trustees of the authority under Article 50. If thereafter the
38 county levies a tax at a rate that, combined with the city rate, would exceed the
39 maximum, then the new county rate shall become effective on the first day of the next
40 fiscal year beginning at least 60 days after adoption, and that levy automatically reduces
41 the city rate on that date so the combined rate does not exceed the maximum.

42 (e) The proceeds of a tax imposed by a county or city considered an authority
43 under this section may be used by that county or city to operate or contract for the
44 operation of a public transportation system and used only for financing, constructing,

1 operating, and maintaining a public transportation system. The term 'public
2 transportation system' has the same meaning as defined in G.S. 105-506.

3 **"§ 105-558; Urban County Vehicle Registration Tax.**

4 (a) A county authorized to impose a tax under Part 4 of Article 43 of Chapter 105
5 of the General Statutes is considered an authority under Article 51 of this Chapter, and
6 the board of commissioners of that county is considered the board of trustees of the
7 authority under Article 51.

8 (b) To the extent that any county does not levy the full amount authorized by
9 Article 51 of this Chapter, any city located wholly within that county is considered an
10 authority under Article 51 of this Chapter and may levy an amount under that Article (in
11 whole dollars) as if it were an authority, such that the total gross levy of the county and
12 city does not exceed the maximum permitted by law. For that purpose, the governing
13 board of that city is considered the board of trustees of the authority under Article 51. If
14 thereafter the county levies a tax at a rate that, combined with the city rate, would
15 exceed the maximum, then the new county rate shall become effective on the first day
16 of the next fiscal year beginning at least 60 days after adoption, and that levy
17 automatically reduces the city rate on that date so the combined rate does not exceed the
18 maximum.

19 (c) The proceeds of a tax imposed by a county or city considered an authority
20 under this section may be used by that county or city to operate or contract for the
21 operation of a public transportation system and used only for financing, constructing,
22 operating, and maintaining a public transportation system. The term 'public
23 transportation system' has the same meaning as defined in G.S. 105-506. Any levy by a
24 city under this section is in addition to any authority granted by G.S. 20-97 or any other
25 local act."

26 CHAPTER V. Extension of State Ports Tax Credit.

27 **SECTION 6.(a)** G.S. 105-130.41(d) reads as rewritten:

28 "(d) Sunset. – This section is repealed effective for taxable years beginning on or
29 after January 1, ~~2009~~ 2014."

30 **SECTION 6.(b)** G.S. 105-151.22(d) reads as rewritten:

31 "(d) Sunset. – This section is repealed effective for taxable years beginning on or
32 after January 1, ~~2009~~ 2014."

33 **SECTION 7.** This act is effective when it becomes law.