

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1387*

Short Title: Transit Authority Driver's License Tax.

(Public)

Sponsors: Senators Plyler, Goldston, Johnson of Cabarrus, Parnell, and Simpson.

Referred to: Transportation.

May 25, 1990

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE A REGIONAL TRANSPORTATION AUTHORITY TO
LEVY A DRIVER'S LICENSE TAX.

The General Assembly of North Carolina enacts:

Section 1. G.S. 160A-613 reads as rewritten:

"§ 160A-613. Funds.

(a) The establishment and operation of an Authority are governmental functions and constitute a public purpose, and the State of North Carolina and any unit of local government may appropriate funds to support the establishment and operation of the Authority. The State of North Carolina and any unit of local government may also dedicate, sell, convey, donate or lease any of their interests in any property to the Authority.

(a1) The Authority may levy a driver's license tax not to exceed ten dollars (\$10.00) in accordance with G.S. 160A-622."

Sec. 2. Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-622. Regional Transportation Authority driver's license tax.

(a) Tax Authorized. In accordance with this section, an Authority organized under this Article may levy a tax upon the issuance or reissuance of any driver's license with an address located within its territorial jurisdiction.

(b) Purpose. The purpose of the tax levied under this section is to raise revenue for capital and operating expenses of an Authority in providing a public transportation system.

1 (c) Amount of Tax. The levy under this section must be a full dollar amount, but
2 may not exceed ten dollars (\$10.00) per issuance or reissuance of a driver's license
3 under G.S. 20-7.

4 (d) Procedure for Levy. The Board of Trustees of an Authority may levy the tax
5 provided by this section by passage of a resolution, after not less than 10 days' public
6 notice and after a public hearing. Collection of the tax, and liability therefor, shall begin
7 and continue only on and after the first day of a calendar month set by the Board of
8 Trustees in the resolution levying the tax, which shall in no case be earlier than the first
9 day of the third calendar month after the adoption of the resolution. The Board of
10 Trustees, upon adoption of the resolution, shall cause a certified copy of the resolution
11 to be delivered immediately to the Division of Motor Vehicles.

12 (e) Collection of Tax. Upon receipt of the resolutions under subsections (d) and
13 (h) the Division of Motor Vehicles shall proceed to collect and administer the tax. The
14 tax is due at the same time and subject to the same restrictions as the fee provided in
15 G.S. 20-7(i). The Commissioner of Motor Vehicles may adopt rules as necessary to
16 implement this section.

17 (f) Modification or Repeal of Tax. The Board of Trustees may, by resolution,
18 terminate the levy of the tax under this section, or increase or decrease the amount of
19 the tax, under the same procedures as provided in subsection (d) of this section, and
20 subject to the limitations provided in subsections (c) and (h) of this section. Collection
21 of the increased or decreased tax, and liability therefor, shall begin and continue only on
22 and after the first day of a calendar month set by the Board of Trustees in the resolution
23 increasing or reducing the tax, which shall in no case be earlier than the first day of the
24 third calendar month after the adoption of the resolution. The effective date of the
25 termination of the tax shall be only on and after the first day of a calendar month set by
26 the Board of Trustees in the resolution terminating the tax, which shall in no case be
27 earlier than the first day of the third calendar month after the adoption of the resolution.
28 No liability for any tax levied under this section which shall have attached prior to the
29 effective date on which a levy is terminated or reduced shall be discharged as a result of
30 such termination or reduction, and no right to a refund of tax or otherwise, which shall
31 have accrued prior to the effective date on which a levy is terminated or reduced shall
32 be denied as a result of such termination or reduction.

33 (g) Distribution of Proceeds. Taxes paid under this section shall be credited to a
34 special fund, and the net proceeds disbursed quarterly to the appropriate Authority.
35 Interest credited to the fund shall be disbursed quarterly to the Highway Fund to
36 reimburse the Division of Motor Vehicles for the cost of collecting and administering
37 the tax.

38 (h) When Special Tax Board and Board of County Commissioners Authorization
39 Necessary. No Authority may adopt a resolution to levy any tax under this section, or to
40 increase the amount of the levy, unless the special tax board of that Authority and the
41 board of county commissioners of each county organizing the Authority have first
42 passed a resolution approving the levy or increase, except where the levy or increase in
43 tax is necessary for debt service on bonds or notes that special tax board and each of the
44 boards of county commissioners had previously approved under G.S. 159-51. The

1 special tax board and board of county commissioners, upon adoption of the resolution,
2 shall cause a certified copy of the resolution to be delivered immediately to the
3 Authority and to the Division of Motor Vehicles."

4 Sec. 3. Chapter 160A of the General Statutes is amended by adding a new
5 section to read:

6 **"§ 160A-624. Recommendation of additional revenue sources.**

7 The Authority may make recommendations to the General Assembly concerning
8 additional revenue sources, including, but not limited to:

- 9 (1) Annual vehicle registration fees;
- 10 (2) Ad valorem taxes;
- 11 (3) Local land transfer taxes;
- 12 (4) Driver's license fees;
- 13 (5) Sales taxes on automobile parts and accessories; and
- 14 (6) Motor fuels taxes.

15 Any additional revenue sources for an Authority must be approved by the General
16 Assembly."

17 Sec. 4. G.S. 160A-617 is rewritten to read:

18 **"§ 160A-617. Bonds and notes authorized.**

19 In addition ~~of~~to the powers granted by this Article, the authority may issue bonds
20 and notes pursuant to the provisions of the Local Government Bond Act and the Local
21 Government Revenue Bond Act for the purpose of financing public transportation
22 systems or any part thereof and to refund such bonds and notes, whether or not in
23 advance of their maturity or earliest redemption date. Any bond order must be
24 approved by resolution adopted by the special tax board of the Authority and in the case
25 of a bond order under the Local Government Bond Act also by the board of county
26 commissioners of each county organizing the Authority. To pay any bond or note
27 issued under the Local Government Bond Act, the Authority may not pledge the levy of
28 any ad valorem tax, but only a tax or taxes it is authorized to levy."

29 Sec. 5. G.S. 159-51 reads as rewritten:

30 **"§ 159-51. Application to Commission for approval of bond issue; preliminary**
31 **conference; acceptance of application.**

32 No bonds may be issued under this Article unless the issue is approved by the Local
33 Government Commission. The governing board of the issuing unit shall file an
34 application for Commission approval of the issue with the secretary of the Commission.
35 If the issuing unit is a regional public transportation authority, the application must be
36 accompanied by ~~a resolution~~resolutions of the special tax board of that authority and of
37 each of the boards of county commissioners of the counties organizing the Authority
38 approving of the application. The application shall state such facts and have attached to
39 it such documents concerning the proposed bonds and the financial condition of the
40 issuing unit as the secretary may require. The Commission may prescribe the form of
41 the application.

42 Before he accepts the application, the secretary may require the governing board or
43 its representatives to attend a preliminary conference to consider the proposed bond
44 issue.

1 After an application in proper form has been filed, and after a preliminary
2 conference if one is required, the secretary shall notify the unit in writing that the
3 application has been filed and accepted for submission to the Commission. The
4 secretary's statement shall be conclusive evidence that the unit has complied with this
5 section."

6 Sec. 6. This act is effective upon ratification.