

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 290\*  
Transportation Committee Substitute Adopted 3/23/89

Short Title: North Carolina Highway Trust Fund.

(Public)

Sponsors:

Referred to:

February 27, 1989

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE THE NORTH CAROLINA TRUST FUND AND TO  
3 DESIGNATE THE FUNDING SOURCES FOR THE FUNDS AND PURPOSES  
4 FOR THE FUND AND TO PROVIDE FOR INCREASED REVENUES FOR  
5 OTHER HIGHWAY PROGRAMS.

6 The General Assembly of North Carolina enacts:

7 Section 1. Chapter 136 of the General Statutes is amended by adding a new  
8 Article to read:

9 **“ARTICLE 14.**  
10 **“NORTH CAROLINA HIGHWAY TRUST FUND.**

11 **“§ 136-175. North Carolina Highway Trust Fund; created.**

12 There is created a special account within the State Treasury to be known as the  
13 ‘North Carolina Highway Trust Fund’. The Trust Fund shall contain the proceeds from  
14 the sources designated by this Article and the Trust Fund is continuously appropriated  
15 for the purposes designated by this Article.

16 **“§ 136-176. North Carolina Highway Trust Fund; purposes.**

17 The Trust Fund shall be used:

- 18 (1) For the planning, design, and construction of the projects of the North  
19 Carolina Intrastate System specifically described in G.S. 136-178.  
20 (2) For the planning, design and construction of the projects of the Urban  
21 Loops described in G.S. 136-179.  
22 (3) For a supplement to secondary road construction as described in G.S.  
23 136-180.

(4) For a supplement to the Transportation Improvement Program. Funds from the North Carolina Highway Trust Fund may be substituted on a dollar-for-dollar basis with funds from the Federal Aid Construction Program.

**"§ 136-177. North Carolina Highway Trust Fund; sources.**

The Trust Fund shall receive all funds generated by:

- (1) The three cents (3¢) per gallon tax on motor fuel authorized by Section 2 of this act and collected pursuant to Articles 36, 36A, and 36B of Chapter 105 of the General Statutes.
- (2) Two-thirds (2/3) of the net proceeds of the three percent (3%) use tax on motor vehicles authorized by Section 8 of this act.
- (3) The nine percent (9%) of the net revenue of the Highway Fund transferred to the North Carolina Highway Trust Fund pursuant to G.S. 136-182.

**"§ 136-178. North Carolina Intrastate System.**

Sixty and five one-hundredths percent (60.05%) of the Trust Fund shall be used to plan, design and construct the North Carolina Intrastate System, hereinafter referred to in this Article as the 'Intrastate System'. The Intrastate System is a network of major multi-lane arterial highways established to provide a high level of travel service (speed, safety and mobility) throughout the State, and serves to connect major population centers both inside and outside the State to provide safe, convenient, through travel for motorists. The Intrastate System is designed to support statewide growth and development objectives and connect to major highways of adjoining states. Designed for high speed travel, these corridors shall have access control determined by travel service and economic considerations. The entire Intrastate System shall be under construction no later than 2001.

The Intrastate System Construction Program consists of the following:

<u>Route</u>	<u>Description</u>	<u>Affected Counties</u>
<u>I-40</u>	<u>Widening</u>	
<u>I-77</u>	<u>Widening</u>	
<u>I-85</u>	<u>Widening</u>	
<u>I-95</u>	<u>Widening</u>	
<u>US-64</u>	<u>Complete 4-laning from Raleigh to Coast</u>	<u>Edgecombe, Pitt, Martin, Washington, Tyrrell, Dare</u>
<u>US-264</u>	<u>Complete 4-laning from US-64 to Washington (including Wilson and Greenville Bypasses)</u>	<u>Wilson, Greene, Pitt</u>

1			
2	<u>US-70</u>	<u>Complete 4-laning from</u>	<u>Wake, Johnston,</u>
3		<u>Raleigh to Morehead City</u>	<u>Wayne, Lenoir,</u>
4		<u>(including Clayton,</u>	<u>Craven</u>
5		<u>Goldsboro, Kinston,</u>	
6		<u>Smithfield-Selma, and</u>	
7		<u>Havelock Bypasses)</u>	
8			
9	<u>NC-24</u>	<u>Complete 4-laning from</u>	<u>Mecklenburg,</u>
10		<u>Charlotte to Morehead</u>	<u>Cabarrus, Stanly,</u>
11		<u>City</u>	<u>Montgomery, Moore,</u>
12			<u>Harnett, Cumberland,</u>
13			<u>Sampson, Duplin,</u>
14			<u>Onslow, Carteret</u>
15			
16	<u>US-74</u>	<u>Complete 4-laning from</u>	<u>Mecklenburg, Union,</u>
17		<u>Charlotte to US-17</u>	<u>Richmond, Robeson,</u>
18		<u>(including multi-laning</u>	<u>Columbus</u>
19		<u>of Independence Blvd. in</u>	
20		<u>Charlotte, and Bypasses</u>	
21		<u>of Monroe, Rockingham,</u>	
22		<u>and Hamlet)</u>	
23			
24	<u>US-74</u>	<u>Complete 4-laning from</u>	<u>Polk, Rutherford</u>
25		<u>I-26 to I-85</u>	
26			
27	<u>US-158</u>	<u>Complete 4-laning</u>	<u>Forsyth, Guilford,</u>
28		<u>from Winston-Salem</u>	<u>Rockingham, Caswell,</u>
29		<u>to Whalebone</u>	<u>Person, Granville,</u>
30			<u>Vance, Warren,</u>
31			<u>Halifax,</u>
32			<u>Northampton, Gates,</u>
33			<u>Hertford,</u>
34			<u>Pasquotank, Camden,</u>
35			<u>Currituck, Dare</u>
36			
37		<u>New bridge over</u>	<u>Currituck</u>
38		<u>Currituck Sound</u>	
39			
40	<u>US-64</u>	<u>Complete 4-laning from</u>	<u>Davidson, Randolph,</u>
41		<u>Lexington to Raleigh</u>	<u>Chatham, Wake</u>
42			
43	<u>US-421</u>	<u>Complete 4-laning from</u>	<u>Watauga, Wilkes,</u>
44		<u>Tennessee Line to I-40</u>	<u>Yadkin</u>

1			
2	<u>US-421</u>	<u>Complete 4-laning from</u>	<u>Chatham, Lee</u>
3		<u>Greensboro to Sanford</u>	
4		<u>(including Bypass of</u>	
5		<u>Sanford)</u>	
6			
7	<u>NC-87</u>	<u>Complete 4-laning from</u>	<u>Lee, Harnett,</u>
8		<u>Sanford to US-74</u>	<u>Cumberland, Bladen,</u>
9			<u>Columbus</u>
10			
11	<u>US-13</u>	<u>Connector from I-95</u>	<u>Cumberland</u>
12		<u>to NC-87</u>	
13			
14	<u>US-19/</u>	<u>Complete 4-laning from</u>	<u>Madison, Yancey,</u>
15	<u>US-19E</u>	<u>US-23 to NC 194 in</u>	<u>Mitchell, Avery</u>
16		<u>Ingalls</u>	
17			
18	<u>NC-194</u>	<u>Complete 4-laning from</u>	<u>Avery</u>
19		<u>US-19E to US-221</u>	
20			
21	<u>US-19</u>	<u>Complete 4-laning</u>	<u>Cherokee, Macon,</u>
22			<u>Swain</u>
23			
24	<u>US-23-441</u>	<u>Complete 4-laning from</u>	<u>Macon</u>
25		<u>US-19/US-74 to Georgia</u>	
26		<u>Line</u>	
27			
28	<u>US-23</u>	<u>Complete 4-laning and</u>	<u>Madison, Buncombe</u>
29		<u>upgrading existing</u>	
30		<u>4-lanes from Tennessee</u>	
31		<u>Line to I-240</u>	
32			
33	<u>NC-105</u>	<u>Complete 4-laning from</u>	<u>Watauga, Avery</u>
34		<u>Boone to Linville</u>	
35			
36	<u>US-221</u>	<u>Complete 4-laning from</u>	<u>Avery, McDowell,</u>
37		<u>Linville to South</u>	<u>Rutherford</u>
38		<u>Carolina</u>	
39			
40	<u>US-321</u>	<u>Complete 4-laning from</u>	<u>Caldwell, Catawba,</u>
41		<u>Boone to South Carolina</u>	<u>Lincoln, Gaston</u>
42		<u>Line</u>	
43			
44	<u>US-52</u>	<u>Complete 4-laning from</u>	<u>Surry, Davidson</u>

1		<u>I-77 to Lexington</u>	
2		<u>(including new I-77</u>	
3		<u>Connector)</u>	
4			
5	<u>US-220/NC-68</u>	<u>Complete 4-laning from</u>	<u>Rockingham, Guilford</u>
6		<u>Virginia Line to I-40</u>	
7			
8	<u>US-220</u>	<u>Complete 4-laning from</u>	<u>Guilford, Randolph,</u>
9		<u>I-40 to the inter-</u>	<u>Montgomery, Richmond</u>
10		<u>section with US-1</u>	
11			
12	<u>US-1</u>	<u>Complete 4-laning from</u>	<u>Vance, Franklin,</u>
13		<u>Henderson to South</u>	<u>Wake, Chatham, Lee,</u>
14		<u>Carolina Line</u>	<u>Moore, Richmond</u>
15		<u>(including 6-laning of</u>	
16		<u>Raleigh Beltline)</u>	
17			
18	<u>US-13</u>	<u>Complete 4-laning from</u>	<u>Gates, Hertford,</u>
19		<u>Virginia Line to US-17</u>	<u>Bertie</u>
20			
21	<u>US-17</u>	<u>Complete 4-laning from</u>	<u>Camden, Pasquotank,</u>
22		<u>Virginia Line to South</u>	<u>Perquimans, Chowan,</u>
23		<u>Carolina Line (including</u>	<u>Bertie, Martin,</u>
24		<u>Washington, New Bern,</u>	<u>Beaufort, Craven,</u>
25		<u>and Jacksonville</u>	<u>Jones, Onslow,</u>
26		<u>Bypasses)</u>	<u>Pender, New Hanover,</u>
27	<u>Brunswick</u>		
28			
29	<u>NC-168</u>	<u>Complete multi-laning</u>	<u>Currituck</u>
30		<u>from Virginia Line</u>	
31		<u>to US-158</u>	

**"§ 136-179. Urban loops.**

Twenty-four and six one-hundredths percent (24.06%) of the Trust Fund shall be used to plan, design and construct the following projects:

<u>Project</u>	<u>Description</u>	<u>County</u>
<u>Charlotte Outer Loop</u>	<u>Multi-lane facility on</u>	<u>Mecklenburg</u>
<u>new location encircling</u>		
<u>City of Charlotte.</u>		
<u>Raleigh Outer Loop</u>	<u>Multi-lane facility on</u>	<u>Wake</u>
<u>new location from US 1</u>		
<u>southwest of Cary</u>		
	<u>northerly to US-64 in</u>	

1		<u>eastern Wake County.</u>	
2			
3	<u>Greensboro Loop</u>	<u>Multi-lane facility on new</u>	<u>Guilford</u>
4	<u>location encircling City</u>		
5	<u>of Greensboro.</u>		
6			
7	<u>Winston-Salem</u>	<u>Multi-lane facility on new</u>	<u>Forsyth</u>
8	<u>Northbelt</u>	<u>new location from I-40 west</u>	
9		<u>of Winston-Salem northerly</u>	
10		<u>to I-40 in eastern Forsyth</u>	
11		<u>County.</u>	
12			
13	<u>Durham Northern Loop</u>	<u>Multi-lane facility on new</u>	<u>Durham, Orange</u>
14	<u>location from I-85 west of</u>		
15	<u>Durham to US 70 east of</u>		
16	<u>Durham.</u>		
17			
18	<u>Asheville Western</u>	<u>Multi-lane facility on new</u>	<u>Buncombe</u>
19	<u>Loop</u>	<u>location from I-26 west of</u>	
20		<u>Asheville to US-19/23</u>	
21		<u>north of Asheville.</u>	
22			
23	<u>Wilmington Bypass</u>	<u>Multi-lane facility on new</u>	<u>New Hanover</u>
24		<u>location from US-17</u>	
25		<u>northeast of Wilmington</u>	
26		<u>to the US-17 southwest</u>	
27		<u>of Wilmington.</u>	

28 **"§ 136-180. Secondary roads.**

29 Six and one-half percent (6.5%) of the Trust Fund shall be used to supplement the  
 30 regular secondary road appropriations to each county, on a pro rata basis, so as to pave  
 31 by 1999 all secondary roads with a traffic vehicular equivalent of 50 vehicles per day, at  
 32 which time the supplemental funding will be discontinued. All funds shall be allocated  
 33 solely based upon the ratio of the number of miles of unpaved secondary road mileage  
 34 with traffic vehicular equivalent of 50 vehicles per day within a county bear to the total  
 35 number of State-maintained unpaved secondary road miles with traffic vehicular  
 36 equivalent of 50 vehicles per day.

37 **"§ 136-181. Transportation Improvement Program.**

38 Nine and thirty-nine one-hundredths percent (9.39%) of the Trust Fund shall be  
 39 used to supplement the Transportation Improvement Program and the planning, design,  
 40 and construction of the Intrastate System.

41 **"§ 136-182. Continuation funding of Trust Fund.**

42 Except to the extent needed to satisfy any current obligation of all outstanding  
 43 bonded indebtedness pursuant to any pertinent Bond Act, within 30 days after the end of  
 44 each calendar quarter, beginning with the calendar quarter ending September 30, 1989,

1 the State Treasurer shall transfer from the Highway Fund and deposit to the credit of the  
2 North Carolina Highway Trust Fund, a sum equal to nine percent (9%) of net revenue  
3 credited to the Highway Fund during the immediately preceding quarter including the  
4 net proceeds of revenues from taxes on motor fuels collected pursuant to Articles 36,  
5 36A, and 36B of Chapter 105 of the General Statutes, and the motor vehicle registration  
6 fees and other revenues collected pursuant to Chapter 20 of the General Statutes,  
7 including interest or income received and accruing on the State Highway Fund by  
8 reason of these revenues. These transfers shall be made from the Highway Fund prior  
9 to the availability of these funds for any other appropriation. The sums transferred  
10 pursuant to this section shall constitute recurring annual appropriations.

11 **§ 136-183. North Carolina Highway Trust Fund Oversight Committee.**

12 (a) There is created the North Carolina Highway Trust Fund Oversight  
13 Committee. The members of this Committee shall be:

- 14 (1) The Chairman of the Transportation Committee of the Senate.
- 15 (2) The Vice-Chairman of the Transportation Committee of the Senate.
- 16 (3) The Ranking Minority Member of the Transportation Committee of  
17 the Senate.
- 18 (4) The Chairman of the Finance Committee of the Senate.
- 19 (5) The Chairman of the Appropriations Committee of the Senate.
- 20 (6) The Chairman of the Base Budget Committee of the Senate.
- 21 (7) The Chairman of the Infrastructure Committee of the House of  
22 Representatives.
- 23 (8) The Chairman of the Highways Subcommittee of the Infrastructure  
24 Committee of the House of Representatives.
- 25 (9) The Chairman of the Finance Committee of the House of  
26 Representatives.
- 27 (10) The Chairman of the Highway Fund Subcommittee of the Finance  
28 Committee of the House of Representatives.
- 29 (11) The Chairman of the Appropriations Committee of the House of  
30 Representatives.
- 31 (12) The Chairman of the Highway Fund Subcommittee of the  
32 Appropriations Committee of the House of Representatives.

33 The Chairmanship of the Oversight Committee shall alternate annually between the  
34 Chairman of the Senate Transportation Committee and the Chairman of the Highway  
35 Subcommittee of the Infrastructure Committee of the House of Representatives.

36 (b) The Committee shall meet at least quarterly to review reports prepared by  
37 the Department of Transportation relating to the matters contained in this Article.

38 The Committee shall:

- 39 (1) Monitor the collections and expenditures to the North Carolina  
40 Highway Trust Fund.
- 41 (2) Insure that the funds are spent in accordance with the provisions of this  
42 Article.

1           (3) Recommend to the General Assembly any revisions needed in the  
2           programs established by this Article based on funds available to the  
3           North Carolina Highway Trust Fund.

4           (c) The Committee shall prepare reports to be submitted to the 1991 General  
5 Assembly, the 1995 General Assembly, and the 1999 General Assembly, containing any  
6 necessary legislation needed to facilitate the construction of the projects authorized by  
7 this Article.

8           (d) The Committee, while in the discharge of official duties, may exercise all  
9 the powers provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through  
10 G.S. 120-19.4. The Committee may meet at any time upon the call of the Chairman.  
11 The Committee may meet in the Legislative Building or the Legislative Office Building.

12           (e) Members of the Committee shall receive subsistence and travel expenses at  
13 the rates set forth in G.S. 120-3.1.

14           (f) The Committee may contract for professional, clerical, or consultant services  
15 as provided by G.S. 120-32.02. The Legislative Services Commission, through the  
16 Legislative Administrative Officer, shall assign professional staff to assist in the work  
17 of the Committee. The House of Representatives' and the Senate's Supervisor of Clerks  
18 shall assign clerical staff to the Committee, upon the direction of the Legislative  
19 Services Commission. The expenses relating to clerical employees shall be borne by  
20 the Committee.

21           (g) All State departments and agencies and local governments and their  
22 subdivisions shall furnish the Committee with any information in their possession or  
23 available to them.

24           (h) The Committee shall be funded from funds available to the Legislative  
25 Services Commission.

26           (i) The President Pro-Tempore of the Senate may appoint an additional member  
27 of the Oversight Committee, to maintain numerical balance, when a member of the  
28 Senate holds more than one position listed in subsection (a) of this section."

29           Sec. 2. G.S. 105-434(a) reads as rewritten:

30           "(a) Tax. – An excise tax is levied on motor fuel sold, distributed, or used by a  
31 distributor within this State at the rate of ~~fourteen cents (14¢)~~ seventeen cents (17¢) per  
32 gallon plus ~~three percent (3%)~~ seven percent (7%) of the average wholesale price of  
33 motor fuel, but no less than the equivalent of three and one-half cents (3 1/2¢) per  
34 gallon of the average wholesale price of motor fuel, as determined semiannually by the  
35 Secretary of Revenue from information on refiner and gas plant operator sales prices of  
36 finished motor gasoline and No. 2 diesel fuel for resale, published by the United States  
37 Department of Energy in the 'Monthly Energy Review,' or on equivalent data. The  
38 Secretary shall determine the average wholesale price of motor fuel by computing the  
39 average sales price of finished motor gasoline for the base period, computing the  
40 average sales price for No. 2 diesel fuel for the base period, and then computing a  
41 weighted average of the results of the first two computations based on the proportion of  
42 tax collected under this Article on motor fuel and Article 36A on fuel for the base  
43 period. The Secretary shall notify affected taxpayers of the tax rate to be in effect for  
44 each six-month period.



1 To facilitate collection of the motor fuel tax, the Secretary shall convert the  
2 percentage rate to a cents-per-gallon rate to be in effect during the six-month period  
3 beginning each January 1 and July 1. The rate to be in effect during the six-month  
4 period beginning January 1 shall be computed from data published for the six-month  
5 base period ending on the preceding September 30, and the rate to be in effect during  
6 the six-month period beginning July 1 shall be computed from data published for the  
7 six-month base period ending on the preceding March 31. The cents-per-gallon rate  
8 computed by the Secretary shall be rounded to the nearest one-tenth of a cent (1/10¢). If  
9 the cents-per-gallon rate computed by the Secretary is exactly between two tenths of a  
10 cent, the rate shall be rounded up to the higher of the two."

11 Sec. 3. G.S. 105-446 reads as rewritten:

12 **"§ 105-446. Refund of motor fuel used other than to propel a motor vehicle.**

13 A person who purchases and uses motor fuel for a purpose other than to operate a  
14 licensed motor vehicle may receive an annual refund, for the tax paid during the  
15 preceding calendar year, at a rate equal to ~~fourteen cents (14¢)~~ seventeen cents (17¢) per  
16 gallon plus the average of the two wholesale cents-per-gallon rates of tax in effect  
17 during the year for which refund is claimed, less one cent (1¢) per gallon. An  
18 application for a refund allowed under this section shall be made in accordance with  
19 G.S. 105-440."

20 Sec. 4. G.S. 105-446.1 reads as rewritten:

21 **"§ 105-446.1. Refunds of taxes paid by counties and municipalities.**

22 The following entities shall be entitled to reimbursement for the tax levied by G.S.  
23 105-434 upon filing a statement in writing with the Secretary of Revenue, which  
24 statement shall be made upon the oath or affirmation of the chief executive officer of  
25 said entity, showing the number of gallons of fuel purchased and used by said entity on  
26 which the tax levied by G.S. 105-434 has been paid: the ~~Board of~~  
27 ~~Transportation~~ Department of Transportation, counties, municipal corporations, volunteer  
28 fire departments, county fire departments, volunteer rescue squads, and 'sheltered  
29 workshop' organizations recognized and approved by the Department of Human  
30 Resources. 'Chief executive officer' shall mean the ~~Director of Highways~~ Secretary of the  
31 North Carolina Department of Transportation, the mayor, city manager or other  
32 municipal officer designated by the governing body of the municipality, the chairman of  
33 the board of county commissioners or other county officer designated by the board of  
34 county commissioners, or the president or other duly designated officer or agent of a  
35 volunteer fire department, county fire department, volunteer rescue squad or 'sheltered  
36 workshop' organization. Reimbursement shall be at a rate equal to ~~fourteen cents (14¢)~~  
37 seventeen cents (17¢) per gallon plus the wholesale cents-per-gallon rate of tax in effect  
38 during the quarter for which the refund is claimed, less one cent (1¢) per gallon. An  
39 application for a refund under this section shall be made in accordance with G.S. 105-  
40 440."

41 Sec. 5. G.S. 105-446.3.(a) reads as rewritten:

42 "(a) Any person, association, firm or corporation, who shall purchase any motor  
43 fuels, as defined in this Article, for the purpose of use, and the same is actually used, in  
44 the operation of motor buses transporting fare-paying passengers, in connection with a

1 city transit system or in the operation of a taxicab transporting fare-paying passengers,  
2 both as hereinafter defined in subsection (b) of this section, or in the operation, by  
3 private nonprofit organizations, of motor vehicles transporting passengers under  
4 contract with or at the express designation of units of local government (such  
5 transportation above and hereinafter referred to as private nonprofit transportation  
6 services) shall be entitled to reimbursement for the tax levied by this Article upon filing  
7 with the Secretary of Revenue an application upon the oath or affirmation of the  
8 applicant or his agent showing the number of gallons of motor fuel so purchased and  
9 used. Reimbursement shall be at a rate equal to ~~fourteen cents (14¢)~~ seventeen cents  
10 (17¢) per gallon plus the wholesale cents-per-gallon rate of tax in effect during the  
11 quarter for which the refund is claimed, less one cent (1¢) per gallon. An application for  
12 a refund allowed under this section shall be made in accordance with G.S. 105-440."

13 Sec. 5.1. G.S. 105-446.5(a) reads as rewritten:

14 "(a) Refund. – A person who purchases and uses motor fuel in one of the vehicles  
15 listed below may receive a refund for the amount of fuel consumed by the vehicle:

- 16 (1) A concrete mixing vehicle;
- 17 (2) A solid waste compacting vehicle;
- 18 (3) A bulk feed vehicle that delivers feed to poultry or livestock and uses a  
19 power take-off to unload the feed; and
- 20 (4) A vehicle that delivers lime or fertilizer in bulk to farms and uses a  
21 power take-off to unload the lime or fertilizer.

22 The refund rate shall be computed by subtracting one cent (1¢) from  
23 ~~fourteen cents (14¢)~~ seventeen cents (17¢) per gallon plus the average of  
24 the two wholesale cents-per-gallon rates of tax in effect during the  
25 year for which the refund is claimed, and multiplying the difference by  
26 thirty-three and one-third percent (33 1/3%). An application for a  
27 refund allowed under this section shall be made in accordance with  
28 G.S. 105-440. This refund is allowed for the amount of fuel consumed  
29 by the vehicle in its mixing, compacting, or unloading operations, as  
30 distinguished from propelling the vehicle, which amount is considered  
31 to be one third of the amount of fuel consumed by the vehicle."

32 Sec. 5.2. G.S. 105-446.6 reads as rewritten:

33 **"§ 105-446.6. Refund on taxpaid motor fuel transported to another state.**

34 Upon application to the Secretary, any person, association or corporation who  
35 purchases motor fuel upon which the tax imposed by this Article has been paid, and  
36 who transports the fuel to another state for sale or use in that state may be reimbursed at  
37 a rate equal to ~~fourteen cents (14¢)~~ seventeen cents (17¢) per gallon plus the wholesale  
38 cents-per-gallon rate of tax paid on the fuel, less one cent (1¢) per gallon. The refund  
39 application shall require the claimant to furnish evidence satisfactory to the Secretary  
40 that the motor fuel for which the refund is claimed has been reported for taxation in the  
41 state to which it was transported. As used in this section, to 'transport' means to carry  
42 motor fuel in a cargo tank, tank car, barge or barrel and does not include carrying fuel in  
43 a tank connected with or attached to the engine of a motor vehicle."

44 Sec. 6. G.S. 136-41.1(a) reads as rewritten:

1       "(a) There is hereby annually appropriated out of the State Highway Fund a sum  
2 equal to ~~the net amount after refunds that was produced during the fiscal year by a one~~  
3 ~~and three fourths cents (1 3/4¢) tax on each gallon of motor fuel as taxed by G.S. 105-~~  
4 ~~434 and 105-435, nine percent (9%) of the annual net revenues paid into the State~~  
5 Highway Fund to be allocated in cash on or before October 1 of each year to the cities  
6 and towns of the State in accordance with the following formula:

7       Seventy-five percent (75%) of said funds shall be distributed among the several  
8 eligible municipalities of the State in the percentage proportion that the population of  
9 each eligible municipality bears to the total population of all eligible municipalities  
10 according to the most recent annual estimates of population as certified to the Secretary  
11 of Revenue by the State Budget Officer. This annual estimation of population shall  
12 include increases in the population within the municipalities caused by annexations  
13 accomplished through July 1 of the calendar year in which these funds are distributed.  
14 Twenty-five percent (25%) of said fund shall be distributed among the several eligible  
15 municipalities of the State in the percentage proportion that the mileage of public streets  
16 in each eligible municipality which does not form a part of the State highway system  
17 bears to the total mileage of the public streets in all eligible municipalities which do not  
18 constitute a part of the State highway system.

19       It shall be the duty of the mayor of each municipality to report to the Department of  
20 Transportation such information as it may request for its guidance in determining the  
21 eligibility of each municipality to receive funds by virtue of G.S. 136-41.1 and 136-41.2  
22 and in determining the amount of allocation to which each is entitled. Upon failure of  
23 any municipality to make such report within the time prescribed by the Department of  
24 Transportation, the Department of Transportation may disregard such defaulting unit in  
25 making said allotment.

26       The funds to be allocated under this section shall be paid in cash to the various  
27 eligible municipalities on or before October 1 each year after March 15, 1951. Provided  
28 that eligible municipalities are authorized within the discretion of their governing bodies  
29 to enter into contracts for the purpose of maintenance, repair, construction,  
30 reconstruction, widening, or improving streets of such municipalities at any time after  
31 January 1 of any calendar year in total amounts not to exceed ninety percent (90%) of  
32 the amount received by such municipality during the preceding fiscal year, in  
33 anticipation of the receipt of funds under this section during the next fiscal year, to be  
34 paid for out of such funds when received.

35       No allocation to cities and towns shall be made under the provisions of this section  
36 from the one cent (1¢) per gallon additional tax on gasoline imposed by Chapter 46 of  
37 the Session Laws of 1965, unless and until said additional one cent (1¢) per gallon tax  
38 produces funds which are not needed for or committed by said Chapter 46 of the  
39 Session Laws of 1965, to the payment of the principal of or the interest on the  
40 secondary road bonds issued pursuant to the provisions of said Chapter 46 of the  
41 Session Laws of 1965. The Department of Transportation is hereby authorized to  
42 withhold each year an amount not to exceed one percent (1%) of the total amount  
43 appropriated in G.S. 136-41.1 for the purpose of correcting errors in allocations:

1 Provided, that the amount so withheld and not used for correcting errors will be carried  
2 over and added to the amount to be allocated for the following year.

3 The word 'street' as used in this section is hereby defined as any public road  
4 maintained by a municipality and open to use by the general public, and having an  
5 average width of not less than 16 feet. In order to obtain the necessary information to  
6 distribute the funds herein allocated, the Department of Transportation may require that  
7 each municipality eligible to receive funds under G.S. 136-41.1 and 136-41.2 submit to  
8 it a statement, certified by a registered engineer or surveyor of the total number of miles  
9 of streets in such municipality. The Department of Transportation may in its discretion  
10 require the certification of mileage on a biennial basis."

11 Sec. 7. G.S. 136-44.2A reads as rewritten:

12 **"§ 136-44.2A. Secondary road construction.**

13 There shall be annually allocated out of the State Highway Fund to the Department  
14 of Transportation for secondary road construction programs developed pursuant to G.S.  
15 136-44.7 and 136-44.8, a sum equal to that allocation made under G.S. 136-41.1(a).  
16 ~~Such secondary roads allocation shall be made in accordance with the provisions of G.S. 136-~~  
17 ~~44.5. The sum of sixty-eight million six hundred seventy thousand dollars (\$68,670,000)~~  
18 allocated to secondary road construction shall be distributed in accordance with the  
19 provisions of G.S. 136-44.5. All funds for secondary road construction in excess of  
20 sixty-eight million six hundred seventy thousand dollars (\$68,670,000) shall be  
21 allocated solely based upon the ratio of the number of miles of unpaved secondary road  
22 mileage with traffic vehicular equivalent of 50 vehicles per day within a county bear to  
23 the total number of State-maintained unpaved secondary road miles with traffic  
24 vehicular equivalent of 50 vehicles per day. The Department of Transportation shall  
25 report, on or before April 1 of each year, to the General Assembly, and to the Fiscal  
26 Research Division of the Legislative Services Commission, the number of secondary  
27 roads with a traffic vehicular equivalent of 50 vehicles per day statewide, the number of  
28 secondary roads with a traffic vehicular equivalent of 50 vehicles per day in each  
29 county, and the number of secondary roads with a traffic vehicular equivalent of 50  
30 vehicles per day paved pursuant to this section."

31 Sec. 8. G.S. 105-164.6 is amended by adding a new subdivision to read:

32 "(9) Notwithstanding any other provision of law, there is hereby levied and  
33 imposed, in addition to all other taxes of every kind imposed by law, a  
34 use tax of three percent (3%) on the sales price of motor vehicles to be  
35 collected upon the sale or transfer of the motor vehicles in this State.  
36 For purposes of this section 'motor vehicle' means any vehicle which  
37 is self-propelled and designed primarily for use on the highways, any  
38 vehicle which is propelled by a self-propelled vehicle, but shall not  
39 include any implement of husbandry, farm tractor, road construction or  
40 maintenance machinery, special mobile equipment as defined in G.S.  
41 20-4.01, any manufactured/mobile homes while titled for transport on  
42 the highways, or any vehicle designed primarily for use in work off the  
43 highway. For purposes of this section, 'sales price' means the total  
44 amount for which the motor vehicle was sold including charges that

1           are a part of the sale valued in money whether paid in money or  
2           otherwise. The three percent (3%) use tax shall not apply, but instead  
3           a minimum tax of twenty-five dollars (\$25.00) shall apply, to transfers  
4           between spouses and between parents and children in which there is no  
5           exchange of anything of value except the motor vehicle; to court  
6           ordered or approved transfers in divorces, estate settlements, and other  
7           legal actions; and when it is impossible, because of a limited market or  
8           the unique quality of the motor vehicle, to determine the value of the  
9           particular motor vehicle. This use tax shall be collected by the  
10           Department of Revenue using the procedures established for collection  
11           of use taxes, in general, and the administrative interpretations made by  
12           the Secretary of Revenue with respect to the North Carolina Sales and  
13           Use Tax Act, to the extent not inconsistent with the provisions of this  
14           subdivision, may be uniformly applied in the construction,  
15           interpretation, and implementation of this subdivision. The net  
16           proceeds of this use tax shall be transferred, at least monthly: two-  
17           thirds (2/3) to the North Carolina Highway Trust Fund and one-third  
18           (1/3) to the General Fund."

19           Sec. 8.1. G.S. 105-164.4. reads as rewritten:

20    **"§ 105-164.4. Imposition of tax; retailer.**

21           There is hereby levied and imposed, in addition to all other taxes of every kind now  
22 imposed by law, a privilege or license tax upon every person who engages in the  
23 business of selling tangible personal property at retail, renting or furnishing tangible  
24 personal property or the renting and furnishing of rooms, lodgings and accommodations  
25 to transients, in this State, the same to be collected and the amount to be determined by  
26 the application of the following rates against gross sales and rentals, to wit:

- 27           (1)    At the rate of three percent (3%) of the sales price of each item or  
28           article of tangible property when sold at retail in this State, the tax to  
29           be computed on total net taxable sales as defined herein but for the  
30           purpose of computing the amount due the State each and every taxable  
31           retail sale, or retail sales upon which the tax has been collected, or the  
32           amount of tax actually collected, whichever be greater and whether or  
33           not erroneously collected, shall be included in the computation of tax  
34           due the State. Provided, however, that in the case of the sale of any  
35           aircraft, railway locomotive, railway car or the sale of any taxable  
36           motor vehicle or boat, the tax shall be only at the rate of two percent  
37           (2%) of the sales price, but at no time shall the maximum tax with  
38           respect to any one such aircraft, railway locomotive, railway car or  
39           taxable motor vehicle or boat, including all accessories attached  
40           thereto at the time of delivery thereof to the purchaser, be in excess of  
41           three hundred dollars (\$300.00).

42           The separate sale of a new taxable motor vehicle chassis and a new  
43           taxable motor vehicle body to be installed thereon, whether by the  
44           same retailer or by different retailers shall be subject only to the tax

1 herein prescribed with respect to a single taxable motor vehicle. No tax  
2 shall be imposed upon a body mounted on the chassis of a taxable  
3 motor vehicle which temporarily enters the State for the purpose of  
4 having such body mounted thereon by the manufacturer thereof.

5 Notwithstanding G.S. 105-164.3(16) and regardless whether the  
6 seller is a retailer of taxable motor vehicles, the sales price of a taxable  
7 motor vehicle is the gross sales price of the taxable motor vehicle less  
8 any allowance given for a taxable motor vehicle taken in trade as part  
9 of the consideration for the purchased taxable motor vehicle.

10 The tax levied under this section applies to all retail sales of taxable  
11 motor vehicles regardless whether the seller is engaged in business as a  
12 retailer of taxable motor vehicles or whether a tax on the sale of the  
13 vehicle has previously been paid under this Article. A purchaser of a  
14 taxable motor vehicle from a retailer shall pay the tax imposed under  
15 this Article to the retailer, who is liable for collecting and remitting the  
16 tax to the Secretary. A purchaser of a motor vehicle is liable for  
17 payment of the tax imposed by this Article if the seller is not a retailer.  
18 The purchaser shall pay the tax to the Commissioner of Motor  
19 Vehicles when applying for a certificate of title for the vehicle. When  
20 property is transferred by an individual to a partnership or corporation,  
21 and no gain or loss arises as provided by Section 351 or Section 721 of  
22 the Code, such transfer is not a sale for the purpose of this subdivision  
23 if the transfer is incident to the organization of the partnership or  
24 corporation.

25 When applying for a certificate of title, a purchaser of a motor  
26 vehicle from a seller who is not a retailer shall certify in writing the  
27 sales price of the purchased motor vehicle. A purchaser who  
28 knowingly makes a false certification of the sales price is guilty of a  
29 misdemeanor.

30 The Commissioner of Motor Vehicles may not issue a certificate of  
31 title for a motor vehicle sold by a seller who is not a retailer unless the  
32 tax imposed by this section is paid when the purchaser of the vehicle  
33 applies for a certificate of title. The Commissioner shall remit taxes  
34 collected by him under this subsection to the Secretary.

35 Persons who lease or rent motor vehicles shall collect and remit the  
36 tax imposed by this Article on the separate retail sale of a motor  
37 vehicle in addition to the tax imposed on the proceeds from the lease  
38 or rental of the motor vehicle.

39 Provided further, the tax shall be only at the rate of one percent  
40 (1%) of the sales price on the following items:

- 41 a. Horses or mules by whomsoever sold.
- 42 b. Semen to be used in the artificial insemination of animals.
- 43 c. Sales of fuel, other than electricity or piped natural gas, to  
44 farmers to be used by them for any farm purposes other than

1 preparing food, heating dwellings and other household  
2 purposes. The quantity of fuel purchased or used at any one  
3 time shall not in any manner be a determinative factor as to  
4 whether any sale or use of fuel is or is not subject to the one  
5 percent (1%) rate of tax imposed herein.

6 d. Sales of fuel, other than electricity or piped natural gas, to  
7 manufacturing industries and manufacturing plants for use in  
8 connection with the operation of such industries and plants other than  
9 sales of fuels to be used for residential heating purposes. The quantity  
10 of fuel purchased or used at any one time shall not in any manner be a  
11 determinative factor as to whether any sale or use of fuel is or is not  
12 subject to the one percent (1%) rate of tax imposed herein.

13 e. Sales of fuel, other than electricity or piped natural gas, to  
14 commercial laundries or to pressing and dry-cleaning establishments  
15 for use in machinery used in the direct performance of the laundering  
16 or the pressing and cleaning service.

17 f. Sales to freezer locker plants of wrapping paper, cartons and  
18 supplies consumed directly in the operation of such plant.

19 Provided further, the tax shall be only at the rate of one  
20 percent (1%) of the sales price, subject to a maximum tax of  
21 eighty dollars (\$80.00) per article, on the following items:

22 g. Sales of machines and machinery, whether animal or motor drawn  
23 or operated, and parts and accessories for such machines and  
24 machinery to farmers for use by them in the planting, cultivating,  
25 harvesting or curing of farm crops, and sales of machines and  
26 machinery and parts and accessories for such machines and machinery  
27 to dairy operators, poultry farmers, egg producers, and livestock  
28 farmers for use by them in the production of dairy products, poultry,  
29 eggs or livestock, except such machines, machinery, equipment, parts,  
30 and accessories that come within the provisions of G.S. 105-  
31 164.13(4c).

32 The term 'machines and machinery' as used in this  
33 subdivision is defined as follows:

34 The term shall include all vehicular implements, designed  
35 and sold for any use defined in this subdivision, which are  
36 operated, drawn or propelled by motor or animal power, but  
37 shall not include vehicular implements which are operated  
38 wholly by hand, and shall not include any motor vehicles  
39 required to be registered under Chapter 20 of the General  
40 Statutes.

41 The term shall include all nonvehicular implements and  
42 mechanical devices designed and sold for any use defined in  
43 this subdivision, which have moving parts, or which require the  
44 use of any motor or animal power, fuel, or electricity in their

1 operation but shall not include nonvehicular implements which  
2 have no moving parts and are operated wholly by hand.

3 The term shall also include metal flues sold for use in curing  
4 tobacco, whether such flues are attached to handfired furnaces  
5 or used in connection with mechanical burners.

6 h. Sales of mill machinery or mill machinery parts and accessories to  
7 manufacturing industries and plants, and sales to contractors and  
8 subcontractors purchasing mill machinery or mill machinery parts and  
9 accessories for use by them in the performance of contracts with  
10 manufacturing industries and plants, and sales to subcontractors  
11 purchasing mill machinery or mill machinery parts and accessories for  
12 use by them in the performance of contracts with general contractors  
13 who have contracts with manufacturing industries and plants. As used  
14 in this paragraph, the term 'manufacturing industries and plants' does  
15 not include delicatessens, cafes, cafeterias, restaurants, and other  
16 similar retailers that are principally engaged in the retail sale of foods  
17 prepared by them for consumption on or off their premises.

18 i. Sales of central office equipment and switchboard and private  
19 branch exchange equipment to telephone companies regularly engaged  
20 in providing telephone service to subscribers on a commercial basis,  
21 and sales to these companies of prewritten computer programs used in  
22 providing telephone service to their subscribers.

23 j. Sales to commercial laundries or to pressing and dry cleaning  
24 establishments of machinery used in the direct performance of the  
25 laundering or the pressing and cleaning service and of parts and  
26 accessories thereto.

27 k. Sales to freezer locker plants of machinery used in  
28 the direct operation of said freezer locker plant and of parts  
29 and accessories thereto.

30 l. Sales of broadcasting equipment and parts and accessories thereto  
31 and towers to commercial radio and television companies which are  
32 under the regulation and supervision of the Federal Communications  
33 Commission.

34 m. Sales to farmers of bulk tobacco barns and racks and all parts and  
35 accessories thereto and similar apparatus used for the curing and  
36 drying of any farm produce.

37 n. Repealed by Session Laws 1987, c. 800, s. 2.

38 o. Sales to farmers of grain, feed or soybean storage  
39 facilities and accessories thereto, whether or not dryers are  
40 attached, and all similar apparatus and accessories thereto for  
41 the storage of grain, feed or soybeans.

42 p. Repealed by Session Laws 1983, c. 805, s. 2,  
43 effective July 1, 1983.



1           q. Sales of containers to farmers or producers for use in  
2           the planting, producing, harvesting, curing, marketing,  
3           packaging, sale, or transporting or delivery of their products  
4           when such containers do not go with and become part of the  
5           sale of their products at wholesale or retail.

6           (2) At the rate of three percent (3%) of the gross proceeds derived from  
7           the lease or rental of tangible personal property as defined herein,  
8           where the lease or rental of such property is an established business, or  
9           the same is incidental or germane to said business; except that  
10          whenever a rate of less than three percent (3%) is applicable to a sale  
11          of property which is leased or rented, the lower rate of tax shall be due  
12          on such lease or rental proceeds.

13          (3) Operators of hotels, motels, tourist homes, tourist camps, and similar  
14          type businesses and persons who rent private residences and cottages  
15          to transients are considered retailers under this Article. There is levied  
16          upon every such retailer a tax of three percent (3%) of the gross  
17          receipts derived from the rental of any room or rooms, lodgings, or  
18          accommodations furnished to transients for a consideration. This tax  
19          does not apply to any private residence or cottage that is rented for less  
20          than 15 days in a calendar year or to any room, lodging, or  
21          accommodation supplied to the same person for a period of 90 or more  
22          continuous days.

23          As used in this subdivision, the term 'persons who rent to transients' means (i)  
24          owners of private residences and cottages who rent to transients and (ii) rental  
25          agents, including 'real estate brokers' as defined in G.S. 93A-2, who rent private  
26          residences and cottages to transients on behalf of the owners. If a rental agent is liable  
27          for the tax imposed by this subdivision, the owner is not liable.

28          (4) Every person, firm or corporation engaged in the business of operating  
29          a pressing club, cleaning plant, hat-blocking establishment, dry-  
30          cleaning plant, laundry (including wet or damp wash laundries and  
31          businesses known as laundrettes and launderalls), or any similar-type  
32          business, or engaged in the business of renting clean linen or towels or  
33          wearing apparel, or any similar-type business, or engaged in the  
34          business of soliciting cleaning, pressing, hat blocking, laundering or  
35          rental business for any of the aforementioned businesses, shall be  
36          considered 'retailers' for the purposes of this Article. There is hereby  
37          levied upon every such person, firm or corporation a tax of three  
38          percent (3%) of the gross receipts derived from services rendered in  
39          engaging in any of the occupations or businesses named in this  
40          subdivision, and every person, firm or corporation subject to the  
41          provisions of this subdivision shall register and secure a license in the  
42          manner hereinafter provided in this section, and, insofar as practicable,  
43          all other provisions of this Article shall be applicable with respect to  
44          the tax herein provided for. The tax imposed by this subdivision does

1 not apply to receipts derived from coin or token-operated washing  
2 machines, extractors, and dryers. The taxes levied in this subdivision  
3 are additional privilege or license taxes for the privilege of engaging in  
4 the occupations or businesses named herein. Any person, firm or  
5 corporation engaged in cleaning, pressing, hat blocking, laundering  
6 for, or supplying clean linen or towels or wearing apparel to, another  
7 person, firm or corporation engaged in soliciting shall not be required  
8 to pay the three percent (3%) tax on its gross receipts derived through  
9 such solicitor, if the soliciting person, firm or corporation has  
10 registered with the Department, secured the license hereinafter  
11 required and has paid the tax at the rate of three percent (3%) of the  
12 total gross receipts derived from business solicited.

13 (4a) At the rate of three percent (3%) of the gross receipts derived by a  
14 utility from sales of electricity, piped natural gas, or local  
15 telecommunications service as defined by G.S. 105-120(a). A person  
16 who operates a utility is considered a retailer under this Article.

17 (4b) A person who sells tangible personal property at a flea market, other  
18 than his own household personal property, is considered a retailer  
19 under this Article. A tax is levied on that person at the rate of three  
20 percent (3%) of the sales price of each article sold by him at the flea  
21 market. A person who leases or rents space at a flea market may not  
22 lease or rent this space unless the retailer requesting to rent or lease the  
23 space furnishes evidence that he has obtained the license required by  
24 this Article. A person who leases or rents space at a flea market shall  
25 keep records of retailers to whom he has leased or rented space at the  
26 market. As used in this subdivision, the term 'flea market' means a  
27 place where space is rented to a person for the purpose of selling  
28 tangible personal property.

29 (4c) At the rate of six and one-half percent (6 1/2%) of the gross receipts  
30 derived from providing toll telecommunications services or private  
31 telecommunications services as defined by G.S. 105-120(a) that both  
32 originate from and terminate in the State which are not subject to the  
33 privilege tax under G.S. 105-120. Any business entity that provides  
34 the service outlined above is considered a retailer under this Article.  
35 This subdivision shall not apply to telephone membership corporations  
36 as described in Chapter 117 of the General Statutes.

37 (5) The said tax shall be collected from the retailer as defined herein and  
38 paid by him at the time and in the manner as hereinafter provided.  
39 Provided, however, that any person engaging or continuing in business  
40 as a retailer shall pay the tax required on the net taxable sales of such  
41 business at the rates specified when proper books are kept showing  
42 separately the gross proceeds of taxable and nontaxable sales of  
43 tangible personal property in such form as may be accurately and  
44 conveniently checked by the Secretary or his duly authorized agent. If

1 such records are not kept separately the tax shall be paid as a retailer  
2 on the gross sales of business and the exemptions and exclusions  
3 provided by this Article shall not be allowed.

4 (6) The tax so levied is and shall be in addition to all other taxes whether  
5 levied in the form of excise, license or privilege or other taxes.

6 (7) Any person who shall engage or continue in any business for which a  
7 privilege tax is imposed by this Article shall immediately after July 1,  
8 1979, apply for and obtain from the Secretary upon payment of the  
9 sum of five dollars (\$5.00) a license to engage in and conduct such  
10 business upon the condition that such person shall pay the tax accruing  
11 to the State of North Carolina under the provisions of this Article and  
12 he shall thereby be duly licensed and registered to engage in and  
13 conduct such business. Except as hereinafter provided, a license issued  
14 under this subsection shall be a continuing license until revoked for  
15 failure to comply with the provisions of this Article. However, any  
16 person who has heretofore applied for and obtained such license, and  
17 such license was in force and effect as of July 1, 1979, shall not be  
18 required to apply for and obtain a new license.

19 Any person who shall cease to be engaged in any business for  
20 which a privilege tax is imposed by this Article, and who shall remain  
21 continuously out of business for a period of five years shall apply for  
22 and obtain a new license from the Secretary upon the payment of a tax  
23 of five dollars (\$5.00), and any license previously issued under this  
24 section shall be null, void and of no effect. The burden of proof after  
25 such period shall be upon the taxpayer to show that he did engage in  
26 such activity within the period, and that no new license is required.

27 A retailer who sells tangible personal property at a flea market shall  
28 conspicuously display his sales tax license when making sales at the  
29 flea market.

30 For purposes of this section 'taxable motor vehicle' means all  
31 motor vehicles not subject to the use tax imposed by G.S. 105-  
32 164.6(9)."

33 Sec. 8.2. G.S. 105-164.6(1) reads as rewritten:

34 "(1) At the rate of three percent (3%) of the cost price of each item or  
35 article of tangible personal property when the same is not sold but  
36 used, consumed, distributed or stored for use or consumption in this  
37 State; except that, whenever a rate of less than three percent (3%) is  
38 applicable under the sales tax schedule set out in G.S. 105-164.4 to the  
39 sale at retail of an item or article of tangible personal property, the  
40 same rate, and maximum tax if any, shall be used in computing any  
41 use tax due under this subdivision. The separate sale of a new taxable  
42 motor vehicle chassis and a new taxable motor vehicle body to be  
43 installed thereon, whether by the same retailer or by different retailers,

1 shall be subject only to the tax herein prescribed with respect to a  
2 single taxable motor vehicle.

3 For purposes of this subdivision 'taxable motor vehicle' means any  
4 motor vehicle not subject to the use tax imposed by subdivision (9) of  
5 this section."

6 Sec. 9. Chapter 136 of the General Statutes is amended by adding a new  
7 section to read:

8 **"§ 136-184. Distribution Formula.**

9 The funds for the construction of the program authorized in G.S. 136-178, G.S.  
10 136-181, G.S. 143B-350(f)(4), and exempting G.S. 136-179, shall be distributed in the  
11 following manner:

12 (1) For purposes of this formula, the State shall be divided into seven  
13 Distribution Regions:

14 a. Highway Divisions 1 and 4 shall be Distribution Region A.

15 b. Highway Divisions 2 and 3 shall be Distribution Region B.

16 c. Highway Divisions 5 and 6 shall be Distribution Region C.

17 d. Highway Divisions 7 and 9 shall be Distribution Region D.

18 e. Highway Divisions 8 and 10 shall be Distribution Region E.

19 f. Highway Divisions 11 and 12 shall be Distribution Region F.

20 g. Highway Divisions 13 and 14 shall be Highway Distribution  
21 Region G.

22 (2) The amount of funds available during each seven year period for the  
23 construction of Intrastate System Construction Program authorized in  
24 G.S. 136-178, G.S. 136-181, G.S. 143B-350(f)(4), and exempting G.S.  
25 136-179, in each Distribution Region shall be determined by  
26 multiplying the total amount of the funds available for that seven year  
27 period for the construction of these projects by a factor based: twenty-  
28 five percent (25%) on the miles to complete the Intrastate System  
29 within the Distribution Region as compared to the miles of the entire  
30 Intrastate System; twenty-five percent (25%) on the vehicle miles  
31 travelled (VMT) within the Distribution Region as compared to the  
32 total VMT for the State; twenty-five percent (25%) on the population  
33 of the Distribution Region compared to the total population of the  
34 State; and twenty-five percent (25%) on an equal share based on the  
35 number of Distribution Regions (14.28%).

36 (3) These funds shall be distributed on a seven-year construction program,  
37 which shall be updated annually.

38 (4) When ninety percent (90%) of the Intrastate System Construction  
39 Program is completed, a certified by the Department of Transportation,  
40 or in the year 2000, whichever comes first, the distribution formula  
41 shall change to be determined by multiplying the total amount of funds  
42 available in that fiscal year for the construction of the projects  
43 authorized by G.S. 136-178, G.S. 136-181, G.S. 143B-350(f)(4), and  
44 exempting G.S. 136-179 by a factor based: thirty-three and one-third

1                   percent (33.3%) on the VMT within the Distribution Region as  
2                   compared to the total VMT for the State; thirty-three and one-third  
3                   percent (33.3%) on the population of the Distribution Region as  
4                   compared to the total population of the State; and thirty-three and one-  
5                   third percent (33.3%) on an equal share based on the number of  
6                   Distribution Regions (14.28%).

7                   (5) Each Distribution Region shall receive within fifteen percent (15%),  
8                   more or less of received by any other Distribution Region, as  
9                   determined using the formulae set forth in subdivisions (3) and (4) of  
10                   this section, in each consecutive seven-year period.

11                   (6) The miles of the Intrastate System completed, the VMT, and the  
12                   population figures for the State and each Distribution Region shall be  
13                   adjusted on July 1, or each year."

14                   Sec. 10. Chapter 136 of the General Statutes is amended by adding a new  
15 section to read:

16 **"§ 136-44.16. Toll roads authorized.**

17                   The Department of Transportation shall determine on which highways and  
18                   bridges it is legally and economically feasible to collect tolls and shall report to the  
19                   General Assembly along with the necessary legislation to implement the collection of  
20                   the tolls including the creation of a North Carolina Toll Roads Authority to collect the  
21                   tolls."

22                   Sec. 11. Notwithstanding any provision of this act, nothing in this act  
23 authorizes the appropriation, allocation, or expenditure of any funds.

24                   Sec. 12. This act is effective upon ratification and the taxes imposed by  
25 Sections 2, 3, and 8 of this act shall be collected beginning no later than 60 days after  
26 the ratification date of this act. Except for completion of projects for which funding is  
27 available prior to the expiration date of this act, this act shall expire on June 30, 2001.