

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 80\*  
Committee Substitute Favorable 5/1/91  
Third Edition Engrossed 5/9/91  
Senate Finance Committee Substitute Adopted 7/2/91

Short Title: Transit Authority Registration Tax.

(Public)

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Sponsors:

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Referred to:

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February 18, 1991

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE A REGIONAL TRANSPORTATION AUTHORITY TO  
LEVY A VEHICLE REGISTRATION 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.

(b) The Authority may levy an annual vehicle registration tax not to exceed five dollars (\$5.00) per vehicle in accordance with G.S. 160A-623."

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

**"§ 160A-623. Regional Transportation Authority registration tax.**

(a) Tax Authorized. In accordance with this section, an Authority organized under this Article may levy an annual license tax upon any motor vehicle with a tax situs within its territorial jurisdiction as defined by G.S. 160A-602.

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

4       (c) Amount of Tax. The annual levy under this section must be a full dollar  
5 amount, but may not exceed five dollars (\$5.00) per year.

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

14       (e) Collection of Tax. Upon receipt of the resolutions under subsections (d) and  
15 (j), the Division of Motor Vehicles shall proceed to collect and administer the tax. The  
16 tax is due at the same time and subject to the same restrictions as in G.S. 20-87 (1), (2),  
17 (4), (5), (6), and (7) and G.S. 20-88. The Commissioner of Motor Vehicles may adopt  
18 such rules as are necessary and proper to implement this section.

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

35       (g) Vehicles Subject to Tax. Only vehicles required to pay a tax under G.S. 20-  
36 87(1), (2), (4), (5), (6), and (7) and G.S. 20-88 shall be subject to the tax provided by  
37 this section. Taxes shall be prorated in accordance with G.S. 20-66 or G.S. 20-95, as  
38 applicable.

39       (h) Tax Situs. The fact that the county listed by the owner under G.S. 105-314 as  
40 the county where the vehicle is subject to ad valorem taxation is within the territorial  
41 jurisdiction of the Authority shall be **prima facie** evidence that the vehicle has a tax  
42 situs within the territorial jurisdiction of the Authority.

43       (i) Distribution of Proceeds. Taxes paid under this section shall be credited to a  
44 special fund, and the net proceeds disbursed quarterly to the appropriate Authority.

1 Interest credited to the fund shall be disbursed quarterly to the Highway Fund to  
2 reimburse the Division of Motor Vehicles for the cost of collecting and administering  
3 the tax.

4 (i1) Limitation on Expenditures. Of the proceeds of the tax, the Authority may  
5 not expend more than two percent (2%) on administrative expenses.

6 (j) When Special Tax Board and Board of County Commissioners Authorization  
7 Necessary. No Authority may adopt a resolution to levy any tax under this section, or to  
8 increase the amount of the levy, unless the special tax board of that Authority and the  
9 board of county commissioners of each county organizing the Authority have first  
10 passed a resolution approving the levy or increase, except where the levy or increase in  
11 tax is necessary for debt service on bonds or notes that special tax board and each of the  
12 boards of county commissioners had previously approved under G.S. 159-51. The  
13 Special Tax Board and Board of County Commissioners, upon adoption of the  
14 resolution, shall cause a certified copy of the resolution to be delivered immediately to  
15 the Authority and to the Division of Motor Vehicles."

16 Sec. 3. G.S. 105-314(a) reads as rewritten:

17 "(a) Every motor vehicle owner applying to the State Division of Motor Vehicles  
18 for motor vehicle license tags, or for renewal of such, shall specify in the application the  
19 county in which each such motor vehicle is subject to ad valorem taxation. If any such  
20 vehicle is not subject to ad valorem taxation in this State, that fact, with the reason  
21 therefor, shall be stated in the application. No State license tags shall be issued to any  
22 applicant, or renewed for such applicant until the requirements of this subsection have  
23 been met. It shall be a misdemeanor to knowingly make a false statement in the  
24 application as to the information required to be supplied by this section."

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

27 **"§ 160A-624. Recommendation of additional revenue sources.**

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

- 30 (1) Annual vehicle registration fees;
- 31 (2) Ad valorem taxes;
- 32 (3) Local land transfer taxes;
- 33 (4) Drivers license fees;
- 34 (5) Sales taxes on automobile parts and accessories; and
- 35 (6) Motor fuels taxes.

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

38 Sec. 5. G.S. 160A-617 is rewritten to read:

39 **"§ 160A-617. Bonds and notes authorized.**

40 In addition ~~of~~ to the powers granted by this Article, the authority may issue bonds  
41 and notes pursuant to the provisions of the Local Government Bond Act and the Local  
42 Government Revenue Bond Act for the purpose of financing public transportation  
43 systems or any part thereof and to refund such bonds and notes, whether or not in  
44 advance of their maturity or earliest redemption date. Any bond order must be

1 approved by resolution adopted by the special tax board of the Authority and in the case  
2 of a bond order under the Local Government Bond Act also by the board of county  
3 commissioners of each county organizing the authority. To pay any bond or note issued  
4 under the Local Government Bond Act, the Authority may not pledge the levy of any ad  
5 valorem tax, but only a tax or taxes it is authorized to levy."

6 Sec. 6. G.S. 159-51 as amended by Chapter 325, Session Laws of 1991,  
7 reads as rewritten:

8 **"§ 159-51. Application to Commission for approval of bond issue; preliminary**  
9 **conference; acceptance of application.**

10 No bonds may be issued under this Article unless the issue is approved by the Local  
11 Government Commission. The governing board of the issuing unit shall file an  
12 application for Commission approval of the issue with the secretary of the Commission.  
13 If the issuing unit is a regional public transportation authority, the application must be  
14 accompanied by ~~a resolution~~ resolutions of the special tax board of that authority and of  
15 each of the boards of county commissioners of the counties organizing the authority  
16 approving of the application. The application shall state such facts and have attached to  
17 it such documents concerning the proposed bonds and the financial condition of the  
18 issuing unit as the secretary may require. The Commission may prescribe the form of  
19 the application.

20 Before he accepts the application, the secretary may require the governing board or  
21 its representatives to attend a preliminary conference to consider the proposed bond  
22 issue. If the issuing unit is a merged school administrative unit described in G.S. 115C-  
23 513, each county in which the merged unit is located may attend the preliminary  
24 conference.

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

30 Sec. ♦7. This act is effective upon ratification.