

March 21, 2007

S 1201. FINANCING CAPITAL PROJECTS . Filed 3/21/07. *TO ADDRESS THE INFRASTRUCTURE NEEDS OF THE STATE BY PROVIDING PERMANENT SOURCES OF FUNDING FOR INFRASTRUCTURE AND TO REQUIRE THE ANNUAL DEBT AFFORDABILITY STUDY TO INCLUDE DEBT CAPACITY FOR HIGHWAY FUNDS.*

Increases the rate of highway use tax on motor vehicle title transfers in GS 105-187.3 and on long-term motor vehicle leases and rentals in GS 105-187.5(b) from 3% to the combined general rate of state and local sales taxes. Further increases the highway use tax on motor vehicle title transfers by (1) raising the maximum tax on certain out-of-state vehicles from \$150 to \$300 and (2) providing that the motor vehicle value to which the title transfer tax applies is not reduced by the amount of any trade-in vehicle in the transaction. Amends GS 105-187.9 to provide that half of the highway use tax proceeds credited to the Highway Trust Fund must be used to retire debt incurred for road projects.

Enacts new GS 143C-8-13 creating the non-reverting Capital and Infrastructure Fund to provide funds to be appropriated for capital projects. Expands the tax on instruments conveying real property by (1) deleting the exemption for instruments securing indebtedness in GS 105-228.29 and setting the tax rate on these instruments in GS 105-228.30 at 0.1% and (2) increasing the tax rate on other instruments from 0.2% to 0.5%. Further amends GS 105-228.30 by adjusting the amount of the tax revenue that the county and the state receive and the percentage that the county retains for its collection costs. Provides that 75% of the funds credited to the state go to the new Capital and Infrastructure Fund and adjusts the percentages that go to the Parks and Recreation Trust Fund and the Natural Heritage Trust Fund. Amends GS 142-101 to require the annual debt affordability report to include recommendations on debt supported by the highway funds as well as the General Fund. Effective July 1, 2007.

Intro. by Clodfelter.

GS 105, 142, 143C