



# HOUSE BILL 372: Restore Funding/State Conservation Purposes.

2021-2022 General Assembly

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<b>Committee:</b>	House Finance. If favorable, re-refer to Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	May 4, 2021
<b>Introduced by:</b>	Reps. McElraft, Howard, Saine, Davis	<b>Prepared by:</b>	Trina Griffin
<b>Analysis of:</b>	Second Edition		Staff Attorney

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**OVERVIEW:** *House Bill 372 would require that proceeds of the Deed Stamp Excise Tax be deposited into the Parks and Recreation Trust Fund, Land and Water Fund (formerly known as the Clean Water Management Trust Fund), Coastal Storm Damage Mitigation Fund, and North Carolina Agricultural Development and Farmland Preservation Trust Fund, rather than the General Fund.*

**CURRENT LAW AND BACKGROUND:** Pursuant to G.S. 105-228.30, the State levies an excise tax of \$1 for every \$500 of property value conveyed in most land transactions. This tax is commonly called the Deed Stamp Excise Tax or the Land Transfer Tax. G.S. 105-228.30 allows counties to retain a portion of the proceeds and to remit the remainder to the Department of Revenue.

Prior to 2013, of the funds remitted to the Department of Revenue, 75% were credited to the Parks and Recreation Trust Fund, and 25% were credited to the Natural Heritage Trust Fund. The 2013 Appropriations Act, S.L. 2013-360, (i) closed the Natural Heritage Trust Fund and transferred the funds in the account to the Clean Water Management Trust Fund, and (ii) directed the Department of Revenue to credit the funds remitted to the Department from the Deed Stamp Excise Tax to the General Fund.

**BILL ANALYSIS:** The bill would amend the distribution of the State portion of the Deed Stamp Excise Tax to credit the funds as follows, rather than crediting it to the General Fund:

- 30% to the Parks and Recreation Trust Fund.
- 30% to the Land and Water Fund (formerly known as the Clean Water Management Trust Fund).
- 30% to the Coastal Storm Damage Mitigation Fund.
- 10% to the North Carolina Agricultural Development and Farmland Preservation Trust Fund.

**EFFECTIVE DATE:** This act would become effective July 1, 2021.

*Chris Saunders, Staff Attorney, substantially contributed to this summary.*

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