

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

S

1

SENATE BILL 1385*

Short Title: Transit Authority Registration 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 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.

(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 annual levy under this section must be a full dollar
2 amount, but may not exceed five dollars (\$5.00) per year.

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

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

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

32 (g) Vehicles Subject to Tax. Only vehicles required to pay a tax under G.S. 20-
33 87(1), (2), (4), (5), (6), and (7) and G.S. 20-88 shall be subject to the tax provided by
34 this section. Taxes shall be prorated in accordance with G.S. 20-66 or G.S. 20-95, as
35 applicable.

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

40 (i) Distribution of Proceeds. Taxes paid under this section shall be credited to a
41 special fund, and the net proceeds disbursed quarterly to the appropriate Authority.
42 Interest credited to the fund shall be disbursed quarterly to the Highway Fund to
43 reimburse the Division of Motor Vehicles for the cost of collecting and administering
44 the tax.

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

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

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

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

22 **"§ 160A-624. Recommendation of Additional Revenue Sources.**

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

- 25 (1) Annual vehicle registration fees;
- 26 (2) Ad valorem taxes;
- 27 (3) Local land transfer taxes;
- 28 (4) Drivers license fees;
- 29 (5) Sales taxes on automobile parts and accessories; and
- 30 (6) Motor fuels taxes.

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

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

34 **"§ 160A-617. Bonds and notes authorized.**

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

1 Sec. 6. G.S. 159-51 reads as rewritten:

2 "**§ 159-51. Application to Commission for approval of bond issue; preliminary**
3 **conference; acceptance of application.**

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

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

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

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