

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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**SENATE BILL 343
Finance Committee Substitute Adopted 5/26/05**

Short Title: Electricity Franchise Tax Distribution.

(Public)

Sponsors:

Referred to:

March 3, 2005

A BILL TO BE ENTITLED

1
2 AN ACT TO DIRECT THE LEAGUE OF MUNICIPALITIES TO DETERMINE A
3 DIFFERENT METHOD FOR DISTRIBUTING THE FRANCHISE TAX ON
4 ELECTRIC POWER COMPANIES IN ORDER TO SIMPLIFY THE
5 DISTRIBUTION, REDUCE THE ADMINISTRATIVE BURDEN ASSOCIATED
6 WITH THE DISTRIBUTION, AND PREVENT ERRORS IN THE
7 DISTRIBUTION.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** The General Assembly finds that the current distribution to
10 cities under G.S. 105-116.1 of part of the franchise tax on electric power companies
11 imposes unnecessary administrative burdens on the cities, the power companies, and the
12 Department of Revenue and results in numerous errors in the distribution. The League
13 of Municipalities is directed to recommend a method of distributing this revenue to the
14 cities on the basis of a formula that uses factors such as population and percentage share
15 of prior distributions rather than service inside constantly changing city boundaries.
16 The League must make its recommendation to the Chairs of the House of
17 Representatives and Senate Finance Committees by June 24, 2005.

18 **SECTION 2.** This act is effective when it becomes law.