

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

1

HOUSE BILL 155

Short Title: Wine Tax Up/Homeless Shelters.

(Public)

Sponsors: Representatives Privette; Wood, Brown, and Warner.

Referred to: Human Resources.

February 6, 1989

A BILL TO BE ENTITLED

AN ACT TO INCREASE EXCISE TAXES ON WINE AND USE THE PROCEEDS
OF THE TAX INCREASE TO PROVIDE SHELTERS FOR THE HOMELESS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-113.80(b) reads as rewritten:

"(b) Wine. – An excise tax of ~~twenty-one cents (21¢)~~ twenty-five cents (25¢) per liter is levied on the sale of unfortified wine, and an excise tax of ~~twenty-four cents (24¢)~~ fifty cents (50¢) per liter is levied on the sale of fortified wine."

Sec. 2. G.S. 105-113.81A reads as rewritten:

"§ 105-113.81A. Distribution of part of wine taxes attributable to North Carolina wine.

The Secretary shall on a quarterly basis credit to the Department of Agriculture ~~ninety-four percent (94%)~~ seventy-nine percent (79%) of the net proceeds of the excise tax collected on unfortified wine bottled in North Carolina during the previous quarter and ~~ninety-five percent (95%)~~ forty-six percent (46%) of the net proceeds of the excise tax collected on fortified wine bottled in North Carolina during the previous quarter, provided that the amount credited to the Department of Agriculture under this section shall not exceed ninety thousand dollars (\$90,000) per fiscal year. The Department of Agriculture shall allocate the funds received under this section to the North Carolina Grape Growers Council to be used to promote the North Carolina grape and wine industry and to contract for research and development services to improve viticultural and enological practices in North Carolina. Any funds credited to the Department of Agriculture under this section that are not expended by June 30 of any fiscal year may

1 not revert to the General Fund, but shall remain available to the Department for the uses
2 set forth in this section."

3 Sec. 3. Article 2C of Chapter 105 of the General Statutes is amended by
4 adding after G.S. 105-113.81A a new section to read:

5 **"§ 105-113.81B. Distribution of part of wine taxes for homeless shelters.**

6 The Secretary shall on a quarterly basis credit to the Department of Natural
7 Resources and Community Development, Division of Community Assistance, sixteen
8 percent (16%) of the net proceeds of the excise tax collected on unfortified wine during
9 the previous quarter and fifty-two percent (52%) of the net proceeds of the excise tax
10 collected on fortified wine during the previous quarter. The Department of Natural
11 Resources and Community Development shall use the funds received under this section
12 to support shelters and rehabilitation centers for the homeless throughout the State."

13 Sec. 4. G.S. 105-113.82 reads as rewritten:

14 **"§ 105-113.82. Distribution of part of beer and wine taxes. ~~taxes to counties and~~**
15 **cities.**

16 (a) Amount, Method. – The Secretary shall annually distribute the following
17 percentages of the net amount of excise taxes collected on the sale of malt beverages
18 and wine, less the ~~amount~~ amounts of the net proceeds distributed under ~~G.S. 105-~~
19 ~~113.81A, G.S. 105-113.81A and G.S. 105-113.81B,~~ to the counties and cities in which
20 the retail sale of these beverages is authorized:

- 21 (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), twenty-
22 three and three-fourths percent (23 3/4%);
23 (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-
24 two percent (62%); and
25 (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-
26 two percent (22%).

27 If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at
28 retail in both a county and a city located in the county, both the county and city shall
29 receive a portion of the amount of excise tax to be distributed, that portion to be
30 determined on the basis of population. If one of these beverages may be licensed to be
31 sold at retail in a city located in a county in which the sale of the beverage is otherwise
32 prohibited, only the city shall receive a portion of the amount of excise tax to be
33 distributed, that portion to be determined on the basis of population. The amounts to be
34 distributed under subdivisions (1), (2), and (3) shall be computed separately.

35 (b) Reduction in Amount Distributed. – Where the sale of malt beverages,
36 unfortified wine, or fortified wine is prohibited in a defined area of a city or county in
37 which the sale of the beverage is authorized, the amount otherwise distributable to the
38 city or county on the basis of population under subsection (a) shall be reduced in the
39 same ratio that the area of the defined area bears to the total area of the city or county,
40 unless the defined area is a city. If the defined area in a county is a city, the reduction in
41 the amount otherwise distributable to the county under subsection (a) shall be based on
42 population instead of area. All reductions shall be retained by the State.

43 (c) Exception. – Notwithstanding subsection (a), in a county in which ABC
44 stores have been established by petition, revenue shall be distributed as though the

1 entire county had approved the retail sale of a beverage whose retail sale is authorized
2 in part of the county.

3 (d) Time. – The distribution shall be made within 60 days after September 30 of
4 each year and shall be based on collections during the preceding 12-month period
5 ending September 30.

6 (e) Population Estimates. – To determine the population of a city or county for
7 purposes of the distribution required by this section, the Secretary shall use the most
8 recent annual estimate of population certified by the State Budget Officer.

9 (f) City Defined. – As used in this section, the term 'city' means a city as defined
10 in G.S. 153A-1(1) or an urban service district defined by the governing body of a
11 consolidated city-county.

12 (g) Use of Funds. – Funds distributed to a county or city under this section may
13 be used for any public purpose."

14 Sec. 5. This act shall become effective October 1, 1989.