

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 134  
Committee Substitute Favorable 5/19/93

Short Title: Local Financial Security.

(Public)

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Sponsors:

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Referred to:

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February 11, 1993

A BILL TO BE ENTITLED

AN ACT TO GIVE LOCAL GOVERNMENT UNITS MORE FINANCIAL SECURITY AND RESTORE GROWTH TO STATE-COLLECTED LOCAL REVENUES AND TAX-SHARING FUNDS.

The General Assembly of North Carolina enacts:

Section 1. Effective July 1, 1993, and expiring on July 1, 1994, G.S. 105-213 reads as rewritten:

"§ 105-213. ~~Appropriation to counties and municipalities; use of appropriation.~~  
Distribution of taxes collected.

(a) Amount to be Distributed. – On or before June 25, 1994, the Secretary shall distribute to counties and municipalities ~~There is annually appropriated from the General Fund to counties and municipalities one hundred three percent (103%) of the amount of revenue collected under this Article from July 1, 1993, through April 30, 1994, during the 1989-90 fiscal year, less an amount equal to the costs during the preceding fiscal year of:~~ less all of the following:

- (1) An amount equal to the costs during the preceding fiscal year of:
  - a. Refunds made during the fiscal year of taxes levied under this Article.
  - ~~(2)~~ b. The Department of Revenue to collect and administer the taxes levied under this Article.
  - ~~(3)~~ c. The Department of Revenue in performing the duties imposed by Article 15 of this Chapter.
  - ~~(4)~~ d. The Property Tax Commission.

1           (5) ~~e.~~ e. The Institute of Government in operating a training program in  
2           property tax appraisal and assessment.

3           (6) ~~f.~~ f. The personnel and operations provided by the Department of State  
4           Treasurer for the Local Government Commission.

5           (2) Thirteen million four hundred thousand dollars (\$13,400,000).

6 ~~The appropriation shall be distributed by August 30 of each year. The appropriation~~  
7 ~~shall be included in the Current Operations Appropriations Act.~~

8           (b) Allocation of Distribution. – ~~The appropriation amount of revenue to be~~  
9 ~~distributed under subsection (a) shall be allocated among the counties in proportion to~~  
10 ~~the net amount of taxes collected under this Article in each county during the preceding~~  
11 ~~fiscal year. The net amount of taxes collected in a county is the amount collected less~~  
12 ~~the amount of refunds made of taxes previously collected. The Secretary of Revenue~~  
13 ~~shall keep a separate record by counties of the taxes collected under this Article. The~~  
14 ~~Secretary shall allocate the amount appropriated of revenue to be distributed under this~~  
15 ~~section subsection (a) to the counties according to the county in which the taxes were~~  
16 ~~collected in accordance with the tax records. The amounts so allocated to each county~~  
17 ~~shall in turn be allocated between the county and the municipalities in the county in~~  
18 ~~proportion to the total amount of ad valorem taxes levied by each during the fiscal year~~  
19 ~~preceding the distribution. In dividing these amounts between each county and its~~  
20 ~~municipalities, the Secretary shall treat taxes levied by a merged school administrative~~  
21 ~~unit described in G.S. 115C-513 in a part of the unit located in a county as taxes levied~~  
22 ~~by the county in which that part is located. After making these allocations, the~~  
23 ~~Secretary of Revenue shall certify to the State Controller and to the State Treasurer the~~  
24 ~~amount to be distributed to each county and municipality in the State. The State~~  
25 ~~Controller shall then issue a warrant on the State Treasurer to each county and~~  
26 ~~municipality in the amount certified. The funds shall be drawn from the Local Government~~  
27 ~~Tax Sharing Reserve.~~

28           For the purpose of computing the distribution of the tax under this subsection to any  
29 county and the municipalities located ~~therein in the county~~ therein in the county for any quarter with respect  
30 to which the property valuation of a public service company is the subject of an appeal  
31 ~~pursuant to the provisions of the Machinery Act, or to applicable provisions of federal law, and~~  
32 ~~the Department of Revenue is restrained by operation of law or by a court of competent~~  
33 ~~jurisdiction from certifying such the valuation to the county and the municipalities~~  
34 ~~therein, in the county, the Department shall use the last property valuation of such the~~  
35 ~~public service company which that has been so certified in order to determine the ad~~  
36 ~~valorem tax levies applicable to such public service company in the county and the~~  
37 ~~municipalities therein certified.~~

38           The chair of each board of county commissioners and the mayor of each  
39 municipality shall report to the Secretary of Revenue information requested by the  
40 Secretary to enable the Secretary to allocate the amount ~~appropriated by this section.~~  
41 distributed by this subsection. If a county or municipality fails to make a requested  
42 report within the time allowed, the Secretary may disregard the county or municipality  
43 in allocating the amount ~~appropriated by this section.~~ distributed by this subsection.

1 (c) Use of Revenue. – The amount distributed to each county and municipality  
 2 shall be used by the county or municipality in proportion to property tax levies made by  
 3 it for the various funds and activities of the county or municipality, unless the county or  
 4 municipality has pledged the amount to be distributed to it under this section in payment  
 5 of a loan agreement with the North Carolina Solid Waste Management Capital Projects  
 6 Financing Agency. A county or municipality that has pledged amounts distributed  
 7 under this section in payment of a loan agreement with the Agency may apply the  
 8 amount the loan agreement requires.

9 ~~(b)~~ (d) Definition. – For purposes of this section, the term 'municipality' includes  
 10 any urban service district defined by the governing board of a consolidated city-county,  
 11 and the amounts due thereby shall be distributed to the government of the consolidated  
 12 city-county."

13 Sec. 2. Effective July 1, 1994, G.S. 105-213 reads as rewritten:

14 "**§ 105-213. ~~Appropriation to counties and municipalities; use of appropriation.~~**  
 15 **Distribution of taxes collected.**

16 (a) Amount to be Distributed. – On or before June 25 of each year, the Secretary  
 17 shall distribute to counties and municipalities ~~There is annually appropriated from the~~  
 18 ~~General Fund to counties and municipalities~~ the amount of revenue collected under this  
 19 Article ~~during the 1989-90 fiscal year, less an amount equal to the costs during the preceding~~  
 20 ~~fiscal year of:~~ during the 12 months ending the preceding April 30, less all of the  
 21 following:

- 22 (1) An amount equal to the costs during the preceding fiscal year of:  
 23 a. Refunds made during the fiscal year of taxes levied under this  
 24 Article.  
 25 ~~(2)~~ b. The Department of Revenue to collect and administer the taxes  
 26 levied under this Article.  
 27 ~~(3)~~ c. The Department of Revenue in performing the duties imposed by  
 28 Article 15 of this Chapter.  
 29 ~~(4)~~ d. The Property Tax Commission.  
 30 ~~(5)~~ e. The Institute of Government in operating a training program in  
 31 property tax appraisal and assessment.  
 32 ~~(6)~~ f. The personnel and operations provided by the Department of State  
 33 Treasurer for the Local Government Commission.

34 (2) Thirteen million four hundred thousand dollars (\$13,400,000).

35 ~~The appropriation shall be distributed by August 30 of each year. The appropriation~~  
 36 ~~shall be included in the Current Operations Appropriations Act.~~

37 (b) Allocation of Distribution. – ~~The appropriation~~ amount of revenue to be  
 38 distributed under subsection (a) shall be allocated among the counties in proportion to  
 39 the net amount of taxes collected under this Article in each county during the preceding  
 40 fiscal year. The net amount of taxes collected in a county is the amount collected less  
 41 the amount of refunds made of taxes previously collected. The Secretary of Revenue  
 42 shall keep a separate record by counties of the taxes collected under this Article. The  
 43 Secretary shall allocate the amount ~~appropriated~~ of revenue to be distributed under this  
 44 ~~section~~ subsection (a) to the counties ~~according to the county in which the taxes were~~

1 ~~collected in accordance with the tax records.~~ The amounts so allocated to each county  
2 shall in turn be allocated between the county and the municipalities in the county in  
3 proportion to the total amount of ad valorem taxes levied by each during the fiscal year  
4 preceding the distribution. In dividing these amounts between each county and its  
5 municipalities, the Secretary shall treat taxes levied by a merged school administrative  
6 unit described in G.S. 115C-513 in a part of the unit located in a county as taxes levied  
7 by the county in which that part is located. After making these allocations, the  
8 Secretary of Revenue shall certify to the State Controller and to the State Treasurer the  
9 amount to be distributed to each county and municipality in the State. The State  
10 Controller shall then issue a warrant on the State Treasurer to each county and  
11 municipality in the amount certified. ~~The funds shall be drawn from the Local Government  
12 Tax Sharing Reserve.~~

13 For the purpose of computing the distribution of the tax under this subsection to any  
14 county and the municipalities located ~~therein~~ in the county for any quarter with respect  
15 to which the property valuation of a public service company is the subject of an appeal  
16 ~~pursuant to the provisions of the Machinery Act, or to applicable provisions of federal law, and~~  
17 the Department of Revenue is restrained by ~~operation of law or by a court of competent~~  
18 ~~jurisdiction~~ from certifying such the valuation to the county and the municipalities  
19 ~~therein, in the county,~~ the Department shall use the last property valuation of ~~such the~~  
20 public service company ~~which that~~ has been so certified in order to determine the ad  
21 ~~valorem tax levies applicable to such public service company in the county and the~~  
22 ~~municipalities therein certified.~~

23 The chair of each board of county commissioners and the mayor of each  
24 municipality shall report to the Secretary of Revenue information requested by the  
25 Secretary to enable the Secretary to allocate the amount ~~appropriated by this section.~~  
26 distributed by this subsection. If a county or municipality fails to make a requested  
27 report within the time allowed, the Secretary may disregard the county or municipality  
28 in allocating the amount ~~appropriated by this section.~~ distributed by this subsection.

29 (c) Use of Revenue. – The amount distributed to each county and municipality  
30 shall be used by the county or municipality in proportion to property tax levies made by  
31 it for the various funds and activities of the county or municipality, unless the county or  
32 municipality has pledged the amount to be distributed to it under this section in payment  
33 of a loan agreement with the North Carolina Solid Waste Management Capital Projects  
34 Financing Agency. A county or municipality that has pledged amounts distributed  
35 under this section in payment of a loan agreement with the Agency may apply the  
36 amount the loan agreement requires.

37 (b) (d) Definition. – For purposes of this section, the term 'municipality' includes  
38 any urban service district defined by the governing board of a consolidated city-county,  
39 and the amounts due thereby shall be distributed to the government of the consolidated  
40 city-county."

41 Sec. 3. Effective July 1, 1993, G.S. 105-275.1(b) reads as rewritten:

42 "(b) Subsequent Distributions. – As soon as practicable after January 1, 1990, the  
43 Secretary shall pay to each county and city the amount it received under subsection (a)  
44 in 1989 plus an amount equal to the county or city average rate multiplied by the value

1 of the items described in subdivisions (ii) and (iii) of subsection (a) that were required  
2 to be listed and assessed as of January 1, 1987, and were listed on or before September  
3 1, 1987, in the county or city, plus or minus the percentage of this product that equals  
4 the percentage by which State personal income has increased or decreased during the  
5 most recent 12-month period for which State personal income data has been compiled  
6 by the Bureau of Economic Analysis of the United States Department of Commerce.  
7 As soon as practicable after January 1, 1990, the Secretary shall also pay to each county  
8 and city an amount equal to the average rate for each special district for which the  
9 county or city collected taxes in 1987, but whose tax rates were not included in the  
10 county or city's rates, multiplied by the value of the items described in subdivisions (ii)  
11 and (iii) of subsection (a) that were required to be listed and assessed as of January 1,  
12 1987, and were listed on or before September 1, 1987, in the district, plus or minus the  
13 percentage of this product that equals the percentage by which State personal income  
14 has increased or decreased during the most recent 12-month period for which State  
15 personal income data has been compiled by the Bureau of Economic Analysis of the  
16 United States Department of Commerce. As soon as practicable after January 1, 1991,  
17 except as provided in subsection (f), the Secretary shall pay to each county and city the  
18 amount it received under this section the preceding year plus an amount equal to the  
19 county or city average rate multiplied by the value of the items described in subdivision  
20 (v) of subsection (a) contained in the list submitted by the county or city, plus or minus  
21 the percentage of this product that equals the percentage by which State personal  
22 income has increased or decreased during the most recent 12-month period for which  
23 State personal income data has been compiled by the Bureau of Economic Analysis of  
24 the United States Department of Commerce. As soon as practical after January 1, 1992,  
25 except as provided in subsection (f), the Secretary shall distribute to each county and  
26 city the amount it received under this section the preceding year. On or before April 30,  
27 1993, except as provided in subsection (f), the Secretary shall distribute to each county  
28 and city ninety-nine and eighty-one one-hundredths percent (99.81%) of the amount it  
29 received under this section the preceding year. Thereafter, beginning in August 1993,  
30 except as provided in subsection (f), on or before April-August 30 of each year, the  
31 Secretary shall distribute to each county and city sixty percent (60%) of the amount it  
32 received under this section the preceding year. in April 1993, and the Secretary shall  
33 distribute to each county and city on or before April 30 of each year forty percent (40%)  
34 of the amount it received under this section in April 1993.

35 Of the funds received by each county and city pursuant to this subsection in 1990,  
36 the portion that was received because the county or city was collecting taxes for a  
37 special district (either because the district's tax rate was included in the city or county's  
38 rate or because the Secretary paid the county or city the product of the district's average  
39 rate and the value of the inventories and other items in the district) shall be distributed  
40 among the districts in the county or city as soon as practicable after the city or county  
41 receives the funds. The county or city shall distribute to each special district in the  
42 county or city the amount it distributed to the district in 1989 plus an amount equal to  
43 the average rate for the district multiplied by the value of the items, other than  
44 inventory, described in subdivisions (ii) and (iii) of subsection (a) that were required to

1 be listed and assessed as of January 1, 1987, and were listed on or before September 1,  
2 1987, in the district, plus or minus the percentage of this product that equals the  
3 percentage by which State personal income has increased or decreased during the most  
4 recent 12-month period for which State personal income data has been compiled by the  
5 Bureau of Economic Analysis of the United States Department of Commerce.

6 Each year thereafter, until August 1993, as soon as practicable after receiving funds  
7 under this subsection, every county and city shall distribute among the special districts  
8 for which the county or city collects tax an amount equal to the amount it distributed  
9 among such districts the previous year. Each year thereafter, beginning in August 1993,  
10 as soon as practical after receiving funds under this subsection in August, every county  
11 and city shall distribute among the special districts for which the county or city collects  
12 tax an amount equal to sixty percent (60%) of the amount it distributed among such  
13 districts in April 1993, and as soon as practicable after receiving funds under this  
14 subsection in April, every county and city shall distribute among the special districts for  
15 which the county or city collects tax an amount equal to forty percent (40%) of the  
16 amount it distributed among such districts in April 1993. The

17 The Local Government Commission may adopt rules for the resolution of disputes  
18 and correction of errors in the distribution among special districts provided in this  
19 subsection. In addition, the Local Government Commission may adopt rules for the  
20 reallocation of funds when a special district is dissolved, merged, or consolidated, or  
21 when a special district ceases to levy tax, either temporarily or permanently."

22 Sec. 4. Effective July 1, 1993, G.S. 105-277A(b) reads as rewritten:

23 "(b) First Per Capita Distribution. – As soon as practicable after January 1 of  
24 1989, the Secretary shall distribute to each taxing unit the unit's per capita share of the  
25 sum of fifteen million seven hundred forty-five thousand dollars (\$15,745,000).  
26 Thereafter, as soon as practicable after January 1 of 1990 and 1991, the Secretary shall  
27 distribute to each taxing unit the unit's per capita share of an amount equal to the sum  
28 distributed to all taxing units the previous year under this subsection plus or minus the  
29 product of the sum distributed the previous year and the percentage by which State  
30 personal income has increased or decreased during the most recent 12-month period for  
31 which State personal income data has been compiled by the Bureau of Economic  
32 Analysis of the United States Department of Commerce.

33 ~~Thereafter, on~~ On or before April 30 of each year April 30, 1992, and April 30, 1993,  
34 the Secretary shall distribute to each taxing unit the unit's per capita share of the sum  
35 that this subsection provided was to be distributed to all taxing units in 1991.  
36 Thereafter, the Secretary shall determine for each taxing unit the unit's per capita share  
37 of the sum that was distributed to all taxing units in 1993. The Secretary shall distribute  
38 sixty percent (60%) of this amount to each taxing unit on or before August 30 of each  
39 year. The Secretary shall distribute the remaining forty percent (40%) of this amount to  
40 each taxing unit on or before April 30 of each year.

41 To make the per capita distributions required by this subsection, the Secretary shall  
42 first allocate the sum to be distributed among the counties on a per capita basis. The  
43 Secretary shall then compute a per capita distributable amount for each county by  
44 dividing the amount allocated to a county by the total population of the county, plus the

1 population of any incorporated towns and cities located in the county. Each taxing unit  
2 in a county, including the county itself, shall receive the product of the population of the  
3 taxing unit and the per capita distributable amount for that county.

4 A city or county that receives funds under this subsection and that collects taxes for  
5 another taxing unit shall distribute part of the taxes received by it to the taxing unit for  
6 which it collects tax. The distribution shall be made on the basis of the proportionate  
7 amount of ad valorem taxes levied, for the most recent fiscal year beginning July 1, by  
8 the city or county and by all the taxing units for which the city or county collects tax.  
9 This distribution shall be made as soon as practicable after a city or county receives  
10 funds from the State under this section."

11 Sec. 5. Effective July 1, 1993, G.S. 105-277A(c) reads as rewritten:

12 "(c) Second Per Capita Distribution. – On or before March 20, 1989, the Secretary  
13 shall allocate to each county the county's per capita share of the sum of thirty-nine  
14 million dollars (\$39,000,000).

15 Each year ~~thereafter, thereafter~~ through April 1993, on or before April 30, the  
16 Secretary of Revenue shall allocate to each county the amount it received the previous  
17 year under this subsection. On or before August 30, 1993, the Secretary shall determine  
18 for each county the amount it received in April 1993 under this subsection. Beginning  
19 in August 1993 and each year thereafter, the Secretary shall distribute sixty percent  
20 (60%) of this amount to each county on or before August 30 and the remaining forty  
21 percent (40%) to each county on or before April 30.

22 Amounts allocated to a county under this subsection shall in turn be divided and  
23 distributed between the county and the cities located in the county in proportion to the  
24 total amount of ad valorem taxes levied by each during the fiscal year preceding the  
25 distribution. For the purposes of this section, the amount of the ad valorem taxes levied  
26 by a county or city shall include any ad valorem taxes collected by the county or city in  
27 behalf of a special district. For the purpose of computing the distribution for any year  
28 with respect to which the property valuation of a public service company is the subject  
29 of an appeal and the Department of Revenue is restrained by law from certifying the  
30 valuation to the appropriate counties and cities, the Department shall use the latest  
31 property valuation of that public service company that has been certified.

32 The governing body of each county and city shall report to the Secretary of Revenue  
33 such information as he may request in order to make the distribution under this  
34 subsection. If a county or city fails to make a requested report within the time  
35 prescribed, the Secretary may disregard that county or city and the other taxing units in  
36 the county or city in making the distribution."

37 Sec. 6. Effective July 1, 1993, G.S. 105-277A(c1) reads as rewritten:

38 "(c1) Claims-based Distribution. – On or before March 20, 1989, the Secretary shall  
39 distribute to each county and city an amount equal to the amount by which the county or  
40 city's inventory loss, as defined in subsection (d) of this section, exceeds the amount of  
41 the reimbursement received by the county or city under subsection (c) of this ~~subsection.~~  
42 section.

43 Except as provided in subsection (g) of this section, each year ~~thereafter, thereafter~~  
44 through April 1993, on or before April 30, the Secretary shall distribute to each county

1 and city the amount it received the previous year under this subsection. On or before  
2 August 30, 1993, the Secretary shall determine for each county and city the amount it  
3 received in April 1993 under this subsection. Beginning in August 1993 and each year  
4 thereafter, the Secretary shall distribute sixty percent (60%) of this amount to each  
5 county and city on or before August 30 and the remaining forty percent (40%) of this  
6 amount to each county and city on or before April 30."

7 Sec. 7. Effective July 1, 1993, G.S. 105-277A(c2) reads as rewritten:

8 "(c2) Supplemental Distribution. – On or before March 20, 1989, the Secretary  
9 shall determine, with respect to each county and city, whether the sum of (i) the amount  
10 the county or city received under subsection (c), plus (ii) the amount the county or city  
11 received under subsection (c1), plus (iii) three and four-tenths percent (3.4%) of the  
12 total distribution received by the county or city under G.S. 105-472, 105-486, 105-501,  
13 and Chapter 1096 of the 1967 Session Laws between January 1, 1988, and December  
14 31, 1988, is less than ninety percent (90%) of the amount of taxes the county or city  
15 actually levied on inventories owned by retailers and wholesalers for the 1987-88 tax  
16 year. If that sum is less than ninety percent (90%) of the amount of taxes the county or  
17 city actually levied on those inventories for the 1987-88 tax year, the Secretary shall  
18 distribute to that county or city a supplemental amount equal to the amount by which  
19 ninety percent (90%) of the taxes it actually levied on inventories owned by retailers  
20 and wholesalers for the 1987-88 tax year exceeds the total of subdivisions (i), (ii), and  
21 (iii).

22 Except as provided in subsection (g) of this section, each year ~~thereafter~~, thereafter  
23 through April 1993, on or before April 30, the Secretary shall distribute to each county  
24 and city the amount it received the previous year under this subsection. On or before  
25 August 30, 1993, the Secretary shall determine for each county and city the amount it  
26 received in April 1993 under this subsection. Beginning in August 1993 and each year  
27 thereafter, the Secretary shall distribute sixty percent (60%) of this amount to each  
28 county and city on or before August 30 and the remaining forty percent (40%) of this  
29 amount to each county and city on or before April 30."

30 Sec. 8. Effective July 1, 1993, and applicable to taxes collected during the  
31 calendar quarter ending June 30, 1993, G.S. 105-113.82 reads as rewritten:

32 "**§ 105-113.82. Appropriation of amount equal to Distribution of part of beer and**  
33 **wine taxes.**

34 (a) Amount, Method. —~~An amount equal to the following percentages of the net~~  
35 ~~amount of excise taxes collected, during the period that began October 1, 1989, and~~  
36 ~~ended September 30, 1990, The Secretary shall distribute annually the following~~  
37 percentages of the net amount of excise taxes collected on the sale of malt beverages  
38 and wine, wine during the preceding 12-month period ending September 30, less the  
39 amount of the net proceeds credited to the Department of Agriculture under G.S 105-  
40 113.81A, is annually appropriated from the General Fund to the counties and cities in  
41 which the retail sale of these beverages is authorized:

- 42 (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), twenty-  
43 three and three-fourths percent (23 3/4%);



- 1 (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-  
2 two percent (62%); and  
3 (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-  
4 two percent (22%).

5 If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at  
6 retail in both a county and a city located in the county, both the county and city shall  
7 receive a portion of the amount ~~appropriated, distributed,~~ that portion to be determined  
8 on the basis of population. If one of these beverages may be licensed to be sold at retail  
9 in a city located in a county in which the sale of the beverage is otherwise prohibited,  
10 only the city shall receive a portion of the amount ~~appropriated, distributed,~~ that portion  
11 to be determined on the basis of population. The amount of the ~~appropriation to be~~  
12 amounts distributed under subdivisions (1), (2), and (3) shall be computed separately.

13 (b) ~~Reduction in Appropriation Amount Distributed.~~ – Where the sale of malt  
14 beverages, unfortified wine, or fortified wine is prohibited in a defined area of a city or  
15 county in which the sale of the beverage is authorized, the amount that would otherwise  
16 be ~~appropriated distributed~~ to the city or county on the basis of population under  
17 subsection (a) shall be reduced in the same ratio that the area of the defined area bears  
18 to the total area of the city or county, unless the defined area is a city. If the defined  
19 area in a county is a city, the reduction in the amount that would otherwise be  
20 ~~appropriated distributed~~ to the county under subsection (a) shall be based on population  
21 instead of area.

22 (c) Exception. – Notwithstanding subsection (a), in a county in which ABC  
23 stores have been established by petition, the ~~amount appropriated revenue~~ shall be  
24 distributed as though the entire county had approved the retail sale of a beverage whose  
25 retail sale is authorized in part of the county.

26 (d) Time. – The ~~appropriation revenue~~ shall be distributed to cities and counties  
27 within 60 days after September 30 of each year.

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

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

34 (g) Use of Funds. – Funds ~~appropriated distributed~~ to a county or city under this  
35 section may be used for any public purpose.

36 (h) ~~Act.~~ – ~~The appropriation made by this section shall be included in the Current~~  
37 ~~Operations Appropriations Act."~~

38 Sec. 9. Effective July 1, 1993, and applicable to taxes collected during the  
39 calendar quarter ending June 30, 1993, G.S. 105-116(d) reads as rewritten:

40 "~~(d) Appropriation. There is annually appropriated from the General Fund Distribution.~~  
41 ~~– The Secretary of Revenue shall distribute quarterly to each municipality an amount~~  
42 ~~that equals three and nine hundredths percent (3.09%) of the taxable gross receipts~~  
43 ~~derived, from April 1, 1990, to March 31, 1991, derived during the preceding calendar~~  
44 ~~quarter~~ by an electric power company and a natural gas company from sales within the

1 municipality of the commodities and services described in ~~subsection (a).~~ subsection (a),  
2 less four million ninety thousand dollars (\$4,090,000). The Secretary of Revenue shall  
3 ~~transfer the amount appropriated to a municipality in quarterly installments on or before~~  
4 ~~September 15, December 15, March 15, and June 15 in proportion to the taxable gross receipts~~  
5 ~~derived within the municipality during the preceding calendar quarter.~~ distribute the revenue  
6 within 75 days after the end of each quarter. If a company's report does not state the  
7 company's taxable gross receipts derived within a municipality, the Secretary of  
8 Revenue shall determine a practical method of allocating part of the company's taxable  
9 gross receipts to the municipality. ~~Before transferring the amount appropriated by this~~  
10 ~~subsection, the Secretary of Revenue shall certify the amount to be transferred to the State~~  
11 ~~Controller. The appropriation made by this subsection shall be included in the Current~~  
12 ~~Operations Appropriations Act.~~

13 As used in this subsection, the term 'municipality' includes an urban service district  
14 defined by the governing board of a consolidated city-county. The amount due an urban  
15 service district shall be distributed to the governing board of the consolidated city-  
16 county."

17 Sec. 10. Effective July 1, 1993, and applicable to taxes collected during the  
18 calendar quarter ending June 30, 1993, G.S. 105-120(c) reads as rewritten:

19 "(c) ~~Appropriation.~~ ~~There is annually appropriated from the General Fund~~  
20 Distribution. ~~— The Secretary of Revenue shall distribute to each municipality an~~  
21 ~~amount that equals three and nine hundredths percent (3.09%) of the taxable gross~~  
22 ~~receipts derived, from April 1, 1990, to March 31, 1991, derived during the preceding~~  
23 calendar quarter from local telecommunications service provided within the  
24 municipality. municipality, less six hundred ten thousand dollars (\$610,000). The  
25 Secretary of Revenue shall ~~transfer the amount appropriated to a municipality in quarterly~~  
26 ~~installments on or before September 15, December 15, March 15, and June 15 in proportion to~~  
27 ~~the taxable gross receipts derived within the municipality during the preceding calendar~~  
28 ~~quarter.~~ distribute the revenue within 75 days after the end of each quarter. If a  
29 company's report does not state the company's taxable gross receipts derived within a  
30 municipality, the Secretary of Revenue shall determine a practical method of allocating  
31 part of the company's taxable gross receipts to the municipality. ~~Before transferring the~~  
32 ~~amount appropriated by this subsection, the Secretary of Revenue shall certify the amount to be~~  
33 ~~transferred to the State Controller. The appropriation made by this subsection shall be included~~  
34 ~~in the Current Operations Appropriations Act.~~

35 As used in this subsection, the term 'municipality' includes an urban service district  
36 defined by the governing board of a consolidated city-county. The amount due an urban  
37 service district shall be distributed to the governing board of the consolidated city-  
38 county."

39 Sec. 11. Section 1 of this act becomes effective July 1, 1993, and expires on  
40 July 1, 1994. Section 2 of this act becomes effective July 1, 1994. Sections 8, 9, and 10  
41 become effective July 1, 1993, and apply beginning with taxes collected during the  
42 calendar quarter ending June 30, 1993. The remaining sections of this act become  
43 effective July 1, 1993.