

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 83*
Committee Substitute Favorable 3/25/93
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Short Title: Increase Scrap Tire Disposal Tax.

(Public)

Sponsors:

Referred to:

February 9, 1993

A BILL TO BE ENTITLED

AN ACT TO TEMPORARILY INCREASE THE SCRAP TIRE DISPOSAL TAX, TO PROVIDE FOR THE DISTRIBUTION OF THE ADDITIONAL TAX PROCEEDS, AND TO REVOKE THE GENERAL AUTHORITY OF A UNIT OF LOCAL GOVERNMENT OR A CONTRACTING PARTY TO IMPOSE A SEPARATE SCRAP TIRE DISPOSAL FEE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-187.16 reads as rewritten:

"§ 105-187.16. Tax imposed.

(a) Levy. — A privilege tax is imposed on a tire retailer at ~~the a percentage rate of one percent (1%)~~ of the sales price of each new tire sold at retail by the retailer. A privilege tax is imposed on a tire retailer and on a tire wholesale merchant at ~~the a percentage rate of one percent (1%)~~ of the sales price of each new tire sold by the retailer or wholesale merchant to a wholesale merchant or retailer for placement on a vehicle offered for sale, lease, or rental by the retailer or wholesale merchant. An excise tax is imposed on a new tire purchased for storage, use, or consumption in this State or for placement in this State on a vehicle offered for sale, lease, or rental. This excise tax is ~~at the a percentage rate of one percent (1%)~~ of the cost price of the tire. These taxes are in addition to all other taxes.

(b) Rate. — The percentage rate of the taxes imposed by subsection (a) is set by the following table; the rate is based on the bead diameter of the new tire sold or purchased:

<u>Bead Diameter of Tire</u>	<u>Percentage Rate</u>
<u>Less than 20 inches</u>	<u>2%</u>
<u>At least 20 inches</u>	<u>1%."</u>

4 Sec. 2. G.S. 105-187.19 reads as rewritten:

5 **"§ 105-187.19. Use of tax proceeds.**

6 The Secretary shall distribute the taxes collected under this Article, less the ~~cost of~~
7 ~~collecting the taxes,~~ Department of Revenue's allowance for administrative expenses, in
8 accordance with this section. The Secretary ~~shall~~ may retain the Department's cost of
9 ~~collection~~ collection, not to exceed two hundred twenty-five thousand dollars (\$225,000)
10 a year, as reimbursement to the ~~Department of Revenue.~~ Department.

11 Each quarter, the Secretary shall credit ~~ten percent (10%)~~ five percent (5%) of the net
12 tax proceeds to the Solid Waste Management Trust Fund and shall credit twenty-seven
13 percent (27%) of the net tax proceeds to the Scrap Tire Disposal Account. The
14 Secretary shall distribute ninety percent (90%) ~~the remaining sixty-eight percent (68%)~~ of
15 the net tax proceeds among the counties on a per capita basis according to the most
16 recent annual population estimates certified to the Secretary by the ~~Office of State Budget~~
17 ~~and Management.~~ A State Planning Officer.

18 A county may use funds distributed to it under this section only as provided in G.S.
19 130A-309.54. A county that receives funds under this section and that has an interlocal
20 agreement with another unit of local government under which the other unit provides
21 for the disposal of solid waste for the county must transfer the amount received under
22 this section to that other unit. A unit to which funds are transferred is subject to the
23 same restrictions on use of the funds as the county."

24 Sec. 3. G.S. 130A-309.12(b) reads as rewritten:

25 "(b) The Solid Waste Management Trust Fund shall consist of:

- 26 (1) Funds appropriated by the General ~~Assembly;~~ Assembly.
27 (2) Contributions and grants from public or private ~~sources;~~ and sources.
28 (3) ~~Ten percent (10%)~~ Five percent (5%) of the proceeds of the scrap tire
29 disposal tax imposed under Article 5B of Chapter 105 of the General
30 Statutes."

31 Sec. 4. G.S. 130A-309.58(e) reads as rewritten:

32 "(e) A county shall provide, directly or by contract with another unit of local
33 government or private entity, at least one site for scrap tire disposal for that county. The
34 unit of local government or contracting party may not charge a disposal fee for the
35 disposal of scrap ~~tires only to the extent that the cost per tire of disposal exceeds the amount~~
36 ~~received by the county under G.S. 105-187.19 during the preceding 12-month period, divided~~
37 ~~by the number of tires disposed of within the county according to the tire disposal procedures~~
38 ~~during that period. The unit of local government or contracting party may charge a disposal fee~~
39 ~~for the disposal of scrap tires regardless of whether a tax has been paid on the tire under Article~~
40 ~~5B of Chapter 105 and regardless of the tire's place of origin.~~ tires unless the tires are new
41 tires that are being disposed of by their manufacturer because they do not meet the
42 manufacturer's standards for salable tires. In this circumstance, the unit of local
43 government or contracting party may charge a disposal fee that does not exceed the cost
44 of disposing of the scrap tires."

1 Sec. 5. G.S. 130A-309.61 reads as rewritten:

2 "**§ 130A-309.61. Preemption-Effect on local ordinances.**

3 This Part preempts any local ordinance regarding the disposal of scrap tires to the
4 extent ~~that any~~ the local ordinance is inconsistent with this Part or the rules adopted
5 pursuant to this Part. ~~A unit of local government may not charge any fees for the disposal of~~
6 ~~scrap tires except as authorized by this Part."~~

7 Sec. 6. Part 2B of Article 9 of Chapter 130A of the General Statutes is
8 amended by adding a new section to read:

9 "**§ 130A-309.63. Scrap Tire Disposal Account.**

10 (a) Creation. – The Scrap Tire Disposal Account is established within the
11 Department. The Account consists of revenue credited to the Account from the
12 proceeds of the scrap tire disposal tax imposed by Article 5B of Chapter 105 of the
13 General Statutes. Interest and other investment income earned by the Account accrues
14 to the General Fund as nontax revenue.

15 (b) Use. – The Department may use revenue in the Account only as authorized by
16 this subsection. The Department may use up to twenty-five percent (25%) of the
17 revenue in the Account to make grants to units of local government to assist them in
18 disposing of scrap tires. To administer the grants, the Department shall establish
19 procedures for applying for a grant and the criteria for selecting among grant applicants.
20 The criteria shall include the financial ability of a unit to provide for scrap tire disposal,
21 the severity of a unit's scrap tire disposal problem, and the effort made by a unit to
22 provide for scrap tire disposal within the resources available to it.

23 A unit of local government is not eligible for a grant unless its costs for disposing of
24 scrap tires for a six-month period preceding the date the unit files an application for a
25 grant exceeded the amount the unit received during that period from the proceeds of the
26 scrap tire tax under G.S. 105-187.19. The Department shall determine the six-month
27 period to be used in determining who is eligible for a grant. A grant to a unit may not
28 exceed the unit's unreimbursed cost for the six-month period.

29 The Department may use the remaining revenue in the Account only to clean up a
30 tire collection site that the Department has determined is a nuisance. The Department
31 may use funds in the Account to clean up a nuisance tire collection site only if no other
32 funds are available for that purpose.

33 (c) Reports. – The Department shall make quarterly reports on the Scrap Tire
34 Disposal Account to the Environmental Review Commission. The report must show the
35 beginning and ending balances in the Account for the reporting period, the amount
36 credited to the Account during the quarter, and the amount of revenue used for grants
37 and to clean up nuisance tire collection sites. A quarterly report must be filed within 60
38 days after the end of a calendar quarter."

39 Sec. 7. This act becomes effective July 1, 1993. Sections 1 through 5 of this
40 act expire July 1, 1995. Section 6 of this act expires July 1, 1996. The repeal of the
41 additional tax imposed by Section 1 of this act does not affect the rights or liabilities of
42 the State, a taxpayer, or another person that arose during the time the additional tax was
43 in effect. The first quarterly report required by G.S. 130A-309.63, as enacted by this
44 act, is due within 60 days after the quarter that ends on September 30, 1993.