

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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BILL DRAFT 2007-LBx-401R [v.2] (1/22)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
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Short Title: Congestion Relief/Intermodal Transport Fund. (Public)

Sponsors: Representative.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A CONGESTION RELIEF AND INTERMODAL
TRANSPORTATION 21ST CENTURY FUND, TO PROVIDE FOR
ALLOCATION OF THOSE FUNDS TO: (1) LOCAL GOVERNMENTS AND
TRANSPORTATION AUTHORITIES FOR PUBLIC TRANSPORTATION
PURPOSES, (2) SHORT LINE RAILROADS, FOR ASSISTANCE IN
MAINTAINING AND EXPANDING FREIGHT SERVICE STATEWIDE (3)
RAILROADS FOR INTERMODAL FACILITIES, MULTIMODAL FACILITIES,
AND INLAND PORTS, (4) MAKE CAPITAL IMPROVEMENTS ON RAIL
LINES TO ALLOW IMPROVED FREIGHT SERVICE TO THE PORTS AND
MILITARY INSTALLATIONS, (5) EXPAND INTERCITY PASSENGER RAIL
SERVICE, AND TO EXTEND COMMON LEVELS OF LOCAL TRANSIT
FUNDING AUTHORIZATION TO THREE URBAN REGIONS, AND ALLOW
OTHER LOCAL GOVERNMENTS SIMILAR OPTIONS FOR LOCAL TRANSIT
FUNDING, AND TO EXTEND THE STATE PORTS TAX CREDIT

The General Assembly of North Carolina enacts:

DRAFT FOR FULL COMMITTEE 4/24/2008

CHAPTER I. Fund Created.

SECTION 1. Chapter 136 of the General Statutes is amended by adding a
new Article to read:

ARTICLE 19.

Congestion Relief and Intermodal 21st Century Transportation Fund

"§ 136-250. Congestion Relief and Intermodal Transportation 21st Century Fund.

There is established in the State Treasury the Congestion Relief and Intermodal
Transportation 21st Century Fund, hereinafter referred to as the fund. The fund shall

FULL COMMITTEE DRAFT

1 consist of all revenues appropriated and allocated to it. Interest on earnings of the fund
2 shall remain within the fund.

3 **"§ 136-251. Findings of fact.**

4 The General Assembly finds that:

- 5 (1) Most of North Carolina's growth is in its urban regions. According to
6 the State Data Center, during the first decade of the 21st Century, 66%
7 of the projected 1,270,000 growth in population is in 15 urban counties
8 surrounding Charlotte, Raleigh, and the Triad, while 40% is in just six
9 counties: Mecklenburg, Wake, Durham, Orange, Forsyth, and
10 Guilford.
- 11 (2) This large urban population growth greatly taxes resources. Despite
12 the visionary creation of the Highway Trust fund by the 1989 General
13 Assembly and the funding of urban loop highways, congestion
14 continues to grow at an exponential rate. Creation of a special fund to
15 help meet urban transportation needs with alternatives such as rail
16 transit and buses, coupled with land use planning, will spur and guide
17 economic development in a more economically and environmentally
18 sound manner. Charlotte's recent success in opening the first phase of
19 its light rail system, with ridership significantly over projections,
20 shows that North Carolinians are willing to use alternates.
- 21 (3) Accelerated use of rail for transport of freight will reduce highway
22 congestion as well as allow economic expansion in a way that lessens
23 the impact on the State highway system.
- 24 (4) Public transportation, in addition to a program of urban loops and toll
25 roads will enable North Carolina to have a balanced 21st Century
26 transportation system.
- 27 (5) As part of its initial program of internal improvements, the State
28 capitalized the North Carolina Railroad in the 1840s, and invested in
29 other railroads, and those internal improvements led to North
30 Carolina's rapid economic development. The North Carolina Railroad,
31 with a 317-mile corridor from Charlotte to Morehead City is still
32 owned by the State.
- 33 (6) Improved rail facilities and restoration of abandoned rail lines can
34 allow increased access to the North Carolina State Ports and military
35 installations located within the State.
- 36 (7) Session Law 2005-222 found that expanding and upgrading passenger,
37 freight, commuter, and short line rail service is important to the
38 economy of North Carolina; and provided that the State would seek to
39 provide matching funds so in part it can leverage the maximum federal
40 and private participation in funding needed rail initiatives, such as the
41 restoration of the rail corridor from Wallace to Castle Hayne, and a rail
42 connection between north-south and east-west routes in the vicinity of
43 Pembroke.

- 1 (8) Rail freight plays a vital role in economic development throughout the
2 State. Intermodal service depends on partnerships with railroads,
3 trucking companies, seaports, and others in the transportation logistics
4 chain. North Carolina has 3,250 main line miles of track, with Class I
5 railroads holding 79% of the trackage rights, the remainder controlled
6 by local railroads and switching and terminal railroads. The 2006
7 Mid-Cycle Update to the North Carolina Statewide Intermodal
8 Transportation Plan identified \$799 million in freight rail needs over
9 the next 25 years, including maintenance and preservation,
10 modernization, and expansion.
- 11 (9) North Carolina's short line railroads play a key role in the State's
12 economic development and transportation service and are needed to
13 provide essential services to other modes of transportation and the
14 North Carolina port system. North Carolina agriculture is dependent
15 upon essential service by short line railroads. North Carolina economic
16 development and commerce is dependent upon essential service by
17 short line railroads; and grant funds may be used to improve and
18 restore tracks and lines. State funds are needed to maintain short line
19 railroads as a viable contributor to economic development, agriculture,
20 and transportation in this State in order to prevent the loss of regional
21 rail service. The Department of Transportation reported that 44,992
22 rail cars handled by short lines kept 179,688 trucks off North Carolina
23 highways. Short line railroads are essential to preserve and develop
24 jobs in rural and small urban areas of North Carolina.
- 25 (10) Intermodal facilities and inland ports can greatly reduce freight traffic
26 on North Carolina's highway system, reducing demand, congestion,
27 and damage.
- 28 (11) The proposed North Carolina International Terminal would need high
29 capacity Intermodal access.
- 30 (12) Significant local revenues are needed to match state funds so that a
31 major portion of the expenses are borne by the localities receiving the
32 majority of the benefits. A local option sales tax for public
33 transportation was approved by a 58% favorable vote in Mecklenburg
34 County in 1998, and reaffirmed by a 70% favorable vote in 2008.
35 Extending this authority to additional jurisdictions, along with other
36 revenue options will enable localities to demonstrate local support for
37 additional transit options.
- 38 (13) Surveys have indicated broad public support for both providing
39 additional public transportation options and allowing localities to
40 generate revenue to match State grants.

41 **"§ 136-252. Grants to local governments and transportation authorities.**

42 (a) Cities, counties, regional public transportation authorities under Article 26 of
43 Chapter 160A of the General Statutes, and regional transportation authorities under

1 Article 27 of Chapter 160A of the General Statutes may receive grants from the fund for
2 public transportation purposes, including planning and engineering.

3 (b) No grant may be approved from the fund unless:

4 (1) The application is approved by all Metropolitan Planning
5 Organizations under Article 16 of this Chapter whose jurisdiction
6 includes any of the service area of the grant applicant.

7 (2) The applicant has approved a transit plan that includes local planning
8 policies and adopted plans that reasonably support transit ridership and
9 appropriate land use.

10 (3) The applicant has an adequate and sustainable source of funding
11 established for its share of project costs.

12 (c) Grants from the fund may be committed for a multi-year basis to stabilize the
13 phased implementation of a plan, including multi-year allotments. The Board of
14 Transportation shall approve, and amend from time to time, a rolling multi-year
15 projection of up to 15 years for allocation of funds under this section. No applicant is
16 eligible under the 15-year plan projection for more than one-third of the total funds to
17 be granted under this Article during that 15-year period.

18 (d) No grant under this section may exceed twenty-five percent (25%) of the cost
19 of the project, and must be matched by an equal or greater amount of funds by the
20 applicant. In evaluating projects, qualification for federal funding shall be considered.

21 **"§ 136-253. Grants to other units.**

22 (a) Grants from the fund may also be made to state agencies and railroads for the
23 following purposes:

24 (1) Assistance to short line railroads to continue and enhance rail service
25 in the State so as to assist in economic development and access to ports
26 and military installations. This may involve both the Rail Industrial
27 Access program and the Short Line Infrastructure Access Program, as
28 well as other innovative programs. Grants under this subdivision shall
29 not exceed 50% of the nonfederal share, and must be matched by equal
30 or greater funding from the applicant. Total grants under this
31 subdivision may not exceed five million dollars (\$5,000,000) per fiscal
32 year.

33 (2) Assistance to any railroad in construction of (i) rail improvements and
34 restorations and intermodal or multimodal facilities to serve ports and
35 military installations; and (ii) inland ports to reduce truck traffic on
36 the highway system. Grants under this subdivision shall not exceed
37 50% of the nonfederal share, and must be matched by equal or greater
38 funding from the applicant. Total grants under this subdivision may
39 not exceed ten million dollars (\$10,000,000) per fiscal year.

40 (3) Assistance to the state ports in terminal railroad facilities and
41 operations, and to improve access to military installations, and to the
42 North Carolina International Terminal. Grants under this subdivision
43 shall not exceed 50% of the nonfederal share, and must be matched by
44 equal or greater funding from the applicant.. Total grants under this

subdivision may not exceed ten million dollars (\$10,000,000) per fiscal year.

(4) Expansion of intercity passenger rail service, including increased frequency and additional cities serviced. Routes under this section must either connect urban regions or extend beyond the territorial jurisdiction of a transportation authority.

(b) Grants under subsection (a) of this section may serve more than one of the four listed purposes.

"§ 136-254. Grant approval.

All grants made under this Article are subject to approval of the Board of Transportation. The fund may be administered in conjunction with G.S. 136-44.20 and G.S. 136-44.36, but any funds allocated under those sections shall continue to be available as provided therein.

"§ 136-255. Funds remain available until expended.

Appropriations to the fund remain available until expended."

CHAPTER II. Public Transportation Sales Tax: Mecklenburg, Triangle, Triad.

SECTION 2.(a) Section 1(a) of S.L. 1997-417 is recodified as G.S. 105-510.1.

SECTION 2.(b) Article 43 of Chapter 105 of the General Statutes, as enacted by S.L. 1997-417 and amended by subsection (a) of this section, reads as rewritten:

"ARTICLE 43.

"Local Government Sales and Use Taxes for Public Transportation.

Part 1. General

"§ 105-505. Short title; purpose.

This Article is the Local Government Public Transportation Sales Tax Act and may be cited by that name. This Article gives the ~~counties~~ counties and transportation authorities of this State an opportunity to obtain an additional source of revenue with which to meet their needs for financing local public transportation systems. It provides ~~counties~~ them with authority to levy one-half percent (1/2%) sales and use taxes. All such taxes must be approved in a referendum.

"§ 105-506. Definitions.

The definitions in G.S. 105-164.3 and the following definitions apply in this Article:

(1) Board of trustees. – The governing body of an Authority.

~~(1)~~(2) Net proceeds. – Gross proceeds less the cost of administering and collecting the tax.

~~(2)~~(3) Public transportation system. – Any combination of real and personal property established for purposes of public transportation. The systems may include one or more of the following: structures, improvements, buildings, equipment, vehicle parking or passenger transfer facilities, railroads and railroad rights-of-way, rights-of-way, bus services, shared-ride services, high-occupancy vehicle facilities, car-pool and vanpool programs, voucher programs, telecommunications and

1 information systems, integrated fare systems, bus lanes, and busways.
2 The term does not include, however, streets, roads, or highways except
3 to the extent they are dedicated to public transportation vehicles or to
4 the extent they are necessary for access to vehicle parking or passenger
5 transfer facilities.

6 (4) Transportation authority. A regional public transportation authority or
7 a regional transportation authority created pursuant to Article 26 or
8 Article 27 of Chapter 160A of the General Statutes.

9 **§ 105-506.1. Exemption of food.**

10 A tax levied under this Article does not apply to the sales price of food that is not
11 otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the
12 State sales and use tax pursuant to G.S. 105-164.13 if it were purchased with coupons
13 issued under the Food Stamp Program, 7 U.S.C. § 2011.

14
15 Part 2. Mecklenburg County.

16 **§ 105-507. Limitations.**

17 A county may not levy a tax under this ~~Article-Part~~ unless the county or at least one
18 unit of local government in the county operates a public transportation system. In
19 addition, a county may not levy a tax under this ~~Article-Part~~ unless it has developed a
20 financial plan and distributed it to each unit of local government in the county that
21 operates a local public transportation system. The financial plan must provide for
22 equitable allocation of the net proceeds distributed to the county in consideration of the
23 identified needs of local public transportation systems in the county, countywide human
24 service transportation systems, and expansion of public transportation service to
25 unserved areas in the county.

26 **§ 105-508. Local election on adoption of sales and use tax.**

27 (a) Resolution. – The board of commissioners of a county may direct the county
28 board of elections to conduct an advisory referendum within the county on the question
29 of whether a local sales and use tax at the rate of one-half percent (1/2%) may be levied
30 in accordance with this ~~Article-Part~~. The election shall be held on a date jointly agreed
31 upon by the boards and shall be held in accordance with the procedures of
32 G.S. 163-287. The board of commissioners shall hold a public hearing on the question
33 at least 30 days before the date the election is to be held.

34 (b) Ballot Question. – The form of the question to be presented on a ballot for a
35 special election concerning the levy of a tax authorized by this Article shall be:

36 **[] FOR [] AGAINST**

37 One-half percent (1/2%) local sales and use taxes, in addition to the current ~~two percent~~
38 ~~(2%)~~ local sales and use taxes, to be used only for public transportation systems.'

39 **§ 105-509. Levy and collection of sales and use tax.**

40 If the majority of those voting in a referendum held pursuant to this ~~Article-Part~~ vote
41 for the levy of the tax, the board of commissioners of the county may, by resolution,
42 levy one-half percent (1/2%) local sales and use taxes in addition to any other State and
43 local sales and use taxes levied pursuant to law. Except as provided in this ~~Article-Part~~,
44 the adoption, levy, collection, administration, and repeal of these additional taxes shall

1 be in accordance with Article 39 of this Chapter. In applying the provisions of Article
2 39 of this Chapter to this ~~Article~~Part, references to 'this Article' mean 'Part 1 of Article
3 43 of Chapter 105 of the General Statutes'.

4 ~~A tax levied under this Article does not apply to the sales price of food that is not~~
5 ~~otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the~~
6 ~~State sales and use tax pursuant to G.S. 105-164.13 if it were purchased with coupons~~
7 ~~issued under the Food Stamp Program, 7 U.S.C. § 51.~~

8
9 **"§ 105-510. Distribution and use of taxes.**

10 (a) Distribution. – The Secretary shall, on a quarterly basis, allocate to each
11 taxing county the net proceeds of the tax levied under this ~~Article~~Part by that county. If
12 the Secretary collects taxes under this ~~Article~~Part in a month and the taxes cannot be
13 identified as being attributable to a particular taxing county, the Secretary shall allocate
14 these taxes among the taxing counties, in proportion to the amount of taxes collected in
15 each county under this ~~Article~~Part in that month and shall include them in the quarterly
16 distribution.

17 The Secretary shall distribute the net proceeds of the tax levied by a county on a per
18 capita basis among the county and the units of local government in the county that
19 operate public transportation systems. No proceeds shall be distributed to a county that
20 does not operate a public transportation system or to a unit of local government that
21 does not operate a public transportation system.

22 (b) Use. – A county must allocate the net proceeds distributed to it in accordance
23 with its financial plan adopted pursuant to G.S. 105-507 and use the net proceeds only
24 for financing, constructing, operating, and maintaining local public transportation
25 systems. Any other unit of local government may use the net proceeds distributed to it
26 under this ~~Article~~Part only for financing, constructing, operating, and maintaining
27 local public transportation systems. Every unit of government shall use the net proceeds
28 to supplement and not to supplant or replace existing funds or other resources for public
29 transportation systems.

30 **"§ 105-510.1. Applicability.**

31 This ~~section~~Part applies only to Mecklenburg County.

32 Part 3. Transportation Authorities.

33 **"§ 105-510.5. Limitations.**

34 A transportation authority may not levy a tax under this Part unless:

35 (1) It operates a public transportation system.

36 (2) It has developed a financial plan and distributed it to each unit of local
37 government located within its territorial jurisdiction. The plan must be
38 approved by the board of commissioners of each county in the district
39 prior to the levy of the tax. If the board of commissioners of a county
40 in a multi-county district does not adopt the plan, the transportation
41 authority may remove that county from the district and no tax may be
42 levied in that county under this Part. The financial plan must provide
43 for equitable use of the net proceeds within the special district created
44 under this Part, and consider (i) the identified needs of local public

1 administration, and repeal of these additional taxes shall be in accordance with Article
2 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this
3 Article, references to 'this Article' mean 'Part 2 of Article 43 of Chapter 105 of the
4 General Statutes'. Any repeal of the tax shall be done by the same procedure as its
5 enactment under section, and a petition for repeal under G.S. 105-473 shall be judged
6 by the total votes in all three counties.

7 **"§ 105-510.8. Expansion of district.**

8 If a special district established under this Part does not include all the counties in the
9 territorial jurisdiction of a transportation authority, it may be expanded to include an
10 additional whole county or counties by joint action of the board of trustees of the
11 transportation authority and the board of commissioners of the county or boards of
12 commissioners of the counties to be added, with the approval of the voters in the county
13 or counties to be added. The procedure for addition of a county or counties shall be the
14 same as for the initial creation of the district, but the referendum shall be held separately
15 within each of the counties to be added.

16 **"§ 105-510.9. Distribution and use of taxes.**

17 (a) Distribution. – The Secretary shall, on a quarterly basis, allocate to each
18 transportation authority the net proceeds of the tax levied under this Part within the
19 special tax district, to be used for the benefit of that district.

20 (b) Use. – A transportation authority must expend the net proceeds distributed to
21 it in accordance with its financial plan adopted pursuant to G.S. 105-510.5 and use the
22 net proceeds only for financing, constructing, operating, and maintaining local public
23 transportation systems. The transportation authority shall use the net proceeds to
24 supplement and not to supplant or replace existing funds or other resources for public
25 transportation systems.

26 Part 4. Other Counties.

27 **"§ 105-510.12. Limitations.**

28 A county may not levy a tax under this Part unless the county or at least one unit of
29 local government in the county operates a public transportation system, or contracts
30 with a transportation authority to provide a public transportation system. In addition, a
31 county may not levy a tax under this Part unless it has developed a financial plan and
32 distributed it to each unit of local government in the county that operates a local public
33 transportation system. The financial plan must provide for equitable allocation of the net
34 proceeds distributed to the county in consideration of the identified needs of local public
35 transportation systems in the county, countywide human service transportation systems,
36 and expansion of public transportation service to unserved areas in the county.

37 **"§ 105-510.13 Local election on adoption of sales and use tax.**

38 (a) Resolution. – The board of commissioners of a county may direct the county
39 board of elections to conduct an advisory referendum within the county on the question
40 of whether a local sales and use tax at the rate of one-quarter percent (1/4%) may be
41 levied in accordance with this Part. The election shall be held on a date jointly agreed
42 upon by the boards and shall be held in accordance with the procedures of
43 G.S. 163-287. The board of commissioners shall hold a public hearing on the question
44 at least 30 days before the date the election is to be held.

1 (b) Ballot Question. – The form of the question to be presented on a ballot for a
2 special election concerning the levy of a tax authorized by this Article shall be:

3 **'[] FOR [] AGAINST**

4 One-quarter percent (1/4%) local sales and use taxes, in addition to the current local
5 sales and use taxes, to be used only for public transportation systems.'

6 **"§ 105-510.14. Levy and collection of sales and use tax.**

7 If the majority of those voting in a referendum held pursuant to this Part vote for the
8 levy of the tax, the board of commissioners of the county may, by resolution, levy
9 one-quarter percent (1/4%) local sales and use taxes in addition to any other State and
10 local sales and use taxes levied pursuant to law. Except as provided in this Part, the
11 adoption, levy, collection, administration, and repeal of these additional taxes shall be in
12 accordance with Article 39 of this Chapter. In applying the provisions of Article 39 of
13 this Chapter to this Part, references to 'this Article' mean 'Part 1 of Article 43 of Chapter
14 105 of the General Statutes'.

15 **"§ 105-510.15. Distribution and use of taxes.**

16 (a) Distribution. – The Secretary shall, on a quarterly basis, allocate to each
17 taxing county the net proceeds of the tax levied under this Part by that county. If the
18 Secretary collects taxes under this Part in a month and the taxes cannot be identified as
19 being attributable to a particular taxing county, the Secretary shall allocate these taxes
20 among the taxing counties, in proportion to the amount of taxes collected in each county
21 under this Part in that month and shall include them in the quarterly distribution.

22 The Secretary shall distribute the net proceeds of the tax levied by a county on a per
23 capita basis among the county and the units of local government in the county that
24 operate public transportation systems. No proceeds shall be distributed to a county that
25 does not operate a public transportation system or to a unit of local government that
26 does not operate a public transportation system.

27 (b) Use. – A county must allocate the net proceeds distributed to it in accordance
28 with its financial plan adopted pursuant to G.S. 105-507 and use the net proceeds only
29 for financing, constructing, operating, and maintaining local public transportation
30 systems. Any other unit of local government may use the net proceeds distributed to it
31 under this Part only for financing, constructing, operating, and maintaining local public
32 transportation systems. Every unit of government shall use the net proceeds to
33 supplement and not to supplant or replace existing funds or other resources for public
34 transportation systems.

35 **"§ 105-510.16. Applicability.**

36 (a) This Part only applies in counties that meet one or more of the following
37 criteria:

- 38 (1) Have a population of 160,000 or over according to the most recent
39 decennial federal census.
- 40 (2) Are members of a regional transportation authority created pursuant to
41 Article 27 of Chapter 160A of the General Statutes.
- 42 (3) Are contiguous to Mecklenburg County.
- 43 (4) Are contiguous to Wake, Durham, or Orange County.

1 (b) This part does not apply to Durham, Forsyth, Guilford, Mecklenburg, Orange,
2 or Wake Counties.

3
4 CHAPTER III. Extension of Vehicle Registration Charge to Mecklenburg County.

5 SECTION 3. Section 6.2 of S.L. 1997-417, as added by Section 30 of S.L.
6 2006-162 reads as rewritten:

7 "SECTION 3.1. (a) A county authorized to impose a tax under Part 2 of Article 43
8 of Chapter 105 of the General Statutes, ~~as enacted by Part 1 of this act,~~ Statutes is
9 considered an authority ~~under~~ under:

10 (1) Article 50 of Chapter 105 of the General Statutes, as enacted by
11 Section 3 of this act, and the board of commissioners of that county is
12 considered the board of trustees of the authority under Article 50.
13 G.S. 105-554 of Article 50 does not apply to the proceeds of a tax
14 imposed by a county considered an authority under this section. The
15 proceeds of a tax imposed by a county considered an authority under
16 this section must be transferred to the largest city in that county
17 operating a public transportation system and used only for financing,
18 constructing, operating, and maintaining a public transportation
19 system. The proceeds may supplant existing funds allocated for a
20 public transportation system. The term 'public transportation system'
21 has the same meaning as defined in ~~G.S. 105-506~~ of Article 43.
22 G.S. 105-506.

23 (2) Article 51 of Chapter 105 of the General Statutes, as enacted by
24 Section 4 of this act, and the board of commissioners of that county is
25 considered the board of trustees of the authority under Article 51. The
26 proceeds of a tax imposed by a county considered an authority under
27 this section must be transferred to the largest city in that county
28 operating a public transportation system and used only for financing,
29 constructing, operating, and maintaining a public transportation
30 system. The term 'public transportation system' has the same meaning
31 as defined in G.S. 105-506."

32
33 CHAPTER IV. Local Vehicle Registration Charge Adjusted for Inflation.

34 SECTION 4.(a) Effective July 1, 2008, G.S. 105-561(a) reads as rewritten:

35 "(a) Tax Authorized. – The board of trustees of an Authority may, by resolution,
36 levy an annual license tax in accordance with this Article upon any motor vehicle with a
37 tax situs within its territorial jurisdiction. The purpose of the tax levied under this
38 Article is to raise revenue for capital and operating expenses of an Authority in
39 providing public transportation systems. The rate of tax levied under this Article must
40 be a full dollar amount, but may not exceed ~~five dollars (\$5.00)~~ seven dollars (\$7.00) a

41 SECTION 4.(b) Effective July 1, 2008, G.S. 105-561(d) reads as rewritten:

42 "(d) Special Tax District. – If a regional transportation authority created under
43 Article 27 of Chapter 160A of the General Statutes has not levied the tax under this
44 section or has levied the tax at a rate of less than ~~five dollars (\$5.00)~~ seven dollars

1 (\$7.00) it may create a special district that consists of the entire area of one or more
2 counties within its territorial jurisdiction and may levy on behalf of the special district
3 the tax authorized in this section. The rate of tax levied within the special district may
4 not, when combined with the rate levied within the entire territorial jurisdiction of the
5 authority, exceed ~~five dollars (\$5.00)~~ seven dollars (\$7.00). The regional transportation
6 authority may not levy or increase a tax within the special district unless the board of
7 commissioners of each county in the special district has adopted a resolution approving
8 the levy or increase.

9 A special district created pursuant to this subsection is a body corporate and politic
10 and has the power to carry out the purposes of this subsection. The board of trustees of
11 the regional transportation authority created under Article 27 of Chapter 160A of the
12 General Statutes shall serve, ex officio, as the governing body of a special district it
13 creates pursuant to this subsection. The proceeds of a tax levied under this subsection
14 may be used only for the benefit of the special district and only for the purposes
15 provided in G.S. 105-564. Except as provided in this subsection, a tax levied under this
16 subsection is governed by the provisions of this Article.

17
18 CHAPTER V. Extension of Vehicle Registration Charge and Motor Vehicle Rental
19 Charge to Counties Contiguous to the Triangle and Mecklenburg County and to Other
20 Urban Counties
21

22 **SECTION 5.** Subchapter IX of Chapter 105 of the General Statutes is
23 amended by adding a new Article to read:

24 "Article 52. Urban County Vehicle Rental Tax and Registration Tax.

25 **"§ 105-557. Urban County Vehicle Rental Tax**

26 (a) This section only applies in counties that meet all of the following criteria:

- 27 (1) Has a population of 160,000 or over according to the most recent
28 decennial federal census.
29 (2) Is not a member of a regional transportation authority created pursuant
30 to Article 27 of Chapter 160A of the General Statutes.
31 (3) Is not contiguous to Mecklenburg County.
32 (4) Is not contiguous to Wake, Durham, or Orange County.

33 (b) This section does not apply to Durham, Forsyth, Mecklenburg, Orange, or
34 Wake Counties.

35 (c) A county is considered an authority under Article 50 of this Chapter, and the
36 board of commissioners of that county is considered the board of trustees of the
37 authority under Article 50.

38 (d) To the extent that any county does not levy the full percentage authorized by
39 Article 50 of this Chapter, any city located wholly within that county is considered an
40 authority under Article 50 of this Chapter, and may levy a percentage under that Article
41 as if it were an authority, such that the total gross levy of the county and city does not
42 exceed the maximum permitted by law. For that purpose, the governing board of that
43 city is considered the board of trustees of the authority under Article 50. If thereafter the
44 county levies a tax at a rate that, combined with the city rate, would exceed the

1 maximum, then the new county rate shall become effective on the first day of the next
2 fiscal year beginning at least 60 days after adoption, and that levy automatically reduces
3 the city rate on that date so the combined rate does not exceed the maximum.

4 (e) The proceeds of a tax imposed by a county or city considered an authority
5 under this section may be used by that county or city to operate or contract for the
6 operation of a public transportation system and used only for financing, constructing,
7 operating, and maintaining a public transportation system. The term 'public
8 transportation system' has the same meaning as defined in G.S. 105-506.

9 **"§ 105-558; Urban County Vehicle Registration Tax.**

10 (a) A county authorized to impose a tax under Part 4 of Article 43 of Chapter 105
11 of the General Statutes is considered an authority under Article 51 of this Chapter, and
12 the board of commissioners of that county is considered the board of trustees of the
13 authority under Article 51.

14 (b) To the extent that any county does not levy the full amount authorized by
15 Article 51 of this Chapter, any city located wholly within that county is considered an
16 authority under Article 51 of this Chapter may levy an amount under that Article (in
17 whole dollars) as if it were an authority, such that the total gross levy of the county and
18 city does not exceed the maximum permitted by law. For that purpose, the governing
19 board of that city is considered the board of trustees of the authority under Article 51. If
20 thereafter the county levies a tax at a rate that, combined with the city rate, would
21 exceed the maximum, then the new county rate shall become effective on the first day
22 of the next fiscal year beginning at least 60 days after adoption, and that levy
23 automatically reduces the city rate on that date so the combined rate does not exceed the
24 maximum.

25 (c) The proceeds of a tax imposed by a county or city considered an authority
26 under this section may be used by that county or city to operate or contract for the
27 operation of a public transportation system and used only for financing, constructing,
28 operating, and maintaining a public transportation system. The term 'public
29 transportation system' has the same meaning as defined in G.S. 105-506. Any levy by a
30 city under this section is in addition to any authority granted by G.S. 20-97 or any other
31 local act.

32
33 **CHAPTER V. Extension of State Ports Tax Credit.**

34
35 **SECTION 6.(a)** G.S. 105-130.41(d) reads as rewritten:

36 "(d) Sunset. – This section is repealed effective for taxable years beginning on or
37 after January 1, ~~2009~~ 2014."

38 **SECTION 6.(b)** G.S. 105-151.22(d) reads as rewritten:

39 "(d) Sunset. – This section is repealed effective for taxable years beginning on or
40 after January 1, ~~2009~~ 2014."

41 **SECTION 7.** This act is effective when it becomes law.