

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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**SENATE BILL 1458*
Finance Committee Substitute Adopted 6/28/06**

Short Title: Rental Car Tax for Transit Changes.

(Public)

Sponsors:

Referred to:

May 17, 2006

A BILL TO BE ENTITLED

1
2 AN ACT TO AMEND THE PROVISIONS OF G.S. 105-550 TO PERMIT THE USE
3 OF THE VEHICLE RENTAL TAX BY CERTAIN REGIONAL PUBLIC
4 TRANSPORTATION ENTITIES THAT OPERATE BY INTERLOCAL
5 AGREEMENT AMONG THE MUNICIPALITIES IN A SINGLE COUNTY.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** S.L. 1997-417 is amended by adding a new section to read:

8 "SECTION 3.1. Any county where Section 1 of this act applies shall be considered
9 to be an authority for the purpose of Section 3 of this act. Any reference to the board of
10 trustees of an authority under Section 3 of that act means the board of commissioners as
11 that section applies to a county under this section. Funds may be used only for
12 financing, constructing, operating, and maintaining local public transportation systems,
13 and the county shall appropriate and transfer the proceeds of the tax to the largest city in
14 that county operating a public transportation system."

15 **SECTION 2.** G.S. 105-510(b), as enacted by Section 1 of S.L. 1997-417,
16 reads as rewritten:

17 "(b) Use. – A county must allocate the net proceeds distributed to it in accordance
18 with its financial plan adopted pursuant to G.S. 105-507 and use the net proceeds only
19 for financing, constructing, operating, and maintaining local public transportation
20 systems. Any other unit of local government may use the net proceeds distributed to it
21 under this Article only for financing, constructing, operating, and maintaining local
22 public transportation systems. Every unit of government shall use the net proceeds to
23 supplement and not to supplant or replace existing funds or other resources for public
24 transportation systems. systems, except that if a unit receives the proceeds from an
25 additional tax dedicated to public transportation, such proceeds may be used to supplant
26 or replace existing funds or other resources."

27 **SECTION 3.** This act is effective when it becomes law.