

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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BILL DRAFT 2007-LBx-401P [v.1] (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 INCREASED 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:

INTERMODAL COMMITTEE DRAFT ADOPTED 3/24/2008

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

SUBCOMMITTEE 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 trucking
3 companies, seaports, and others in the transportation logistics chain.
4 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.
- 24 (10) Intermodal facilities and inland ports can greatly reduce freight traffic
25 on North Carolina's highway system, reducing demand, congestion,
26 and damage.
- 27 (11) The proposed North Carolina International Port would need high
28 capacity Intermodal access.
- 29 (12) Significant local revenues are needed to match state funds so that a
30 major portion of the expenses are borne by the localities receiving the
31 majority of the benefits. A local option sales tax for public
32 transportation was approved by a 58% favorable vote in Mecklenburg
33 County in 1998, and reaffirmed by a 70% favorable vote in 2008.
34 Extending this authority to additional jurisdictions, along with other
35 revenue options will enable localities to demonstrate local support for
36 additional transit options.
- 37 (13) Surveys have indicated broad public support for both providing
38 additional public transportation options and allowing localities to
39 generate revenue to match State grants.

40 **"§ 136-252. Grants to local governments and transportation authorities.**

41 (a) Cities, counties, regional public transportation authorities under Article 26 of
42 Chapter 160A of the General Statutes, and regional transportation authorities under
43 Article 27 of Chapter 160A of the General Statutes may receive grants from the fund for
44 public transportation purposes.

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

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

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

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

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

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

19 **"§ 136-253. Grants to other units.**

20 Grants from the fund may also be made to state agencies and railroads for the
21 following purposes:

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

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

38 (3) Assistance to the state ports in terminal railroad facilities and
39 operations, and to improve access to military installations, and to the
40 North Carolina International Port. Grants under this subdivision shall
41 not exceed 50% of the nonfederal share, and must be matched by equal
42 or greater funding from the applicant.. Total grants under this
43 subdivision may not exceed ten million dollars (\$10,000,000) per
44 fiscal year.

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

4 **§ 105-506.1. Exemption of food.**

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

9
10 Part 2. Mecklenburg County.

11 **§ 105-507. Limitations.**

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

21 **§ 105-508. Local election on adoption of sales and use tax.**

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

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

31 **' [] FOR [] AGAINST**

32 **One-half percent (1/2%) local sales and use taxes, in addition to the current ~~two percent~~**
33 **(~~2%~~) local sales and use taxes, to be used only for public transportation systems.'**

34 **§ 105-509. Levy and collection of sales and use tax.**

35 If the majority of those voting in a referendum held pursuant to this ~~Article-Part~~ vote
36 for the levy of the tax, the board of commissioners of the county may, by resolution,
37 levy one-half percent (1/2%) local sales and use taxes in addition to any other State and
38 local sales and use taxes levied pursuant to law. Except as provided in this ~~Article-Part~~,
39 the adoption, levy, collection, administration, and repeal of these additional taxes shall
40 be in accordance with Article 39 of this Chapter. In applying the provisions of Article
41 39 of this Chapter to this ~~Article-Part~~, references to 'this Article' mean 'Part 1 of Article
42 43 of Chapter 105 of the General Statutes'.

43 ~~A tax levied under this Article does not apply to the sales price of food that is not~~
44 ~~otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the~~

1 ~~State sales and use tax pursuant to G.S. 105-164.13 if it were purchased with coupons~~
2 ~~issued under the Food Stamp Program, 7 U.S.C. § 51.~~

3
4 **"§ 105-510. Distribution and use of taxes.**

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

12 The Secretary shall distribute the net proceeds of the tax levied by a county on a per
13 capita basis among the county and the units of local government in the county that
14 operate public transportation systems. No proceeds shall be distributed to a county that
15 does not operate a public transportation system or to a unit of local government that
16 does not operate a public transportation system.

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-Part~~ only for financing, constructing, operating, and maintaining
22 local public transportation systems. Every unit of government shall use the net proceeds
23 to supplement and not to supplant or replace existing funds or other resources for public
24 transportation systems.

25 **"§ 105-510.1. Applicability.**

26 This ~~section-Part~~ applies only to Mecklenburg County.

27 Part 3. Transportation Authorities.

28 **"§ 105-510.5. Limitations.**

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

- 30 (1) It operates a public transportation system.
31 (2) It has developed a financial plan and distributed it to each unit of local
32 government located within its territorial jurisdiction. The financial plan
33 must provide for equitable use of the net proceeds within the special
34 district created under this Part. The plan may be revised from time to
35 time.
36 (3) The tax is approved by the voters.

37 **"§ 105-510.6. Local election on adoption of sales and use tax- regional public**
38 **transportation authority.**

39 (a) Special district. A transportation authority may create a special district that
40 consists of the entire area of one or more counties within its territorial jurisdiction and
41 may levy on behalf of the special district the tax authorized in this section. A special
42 district created pursuant to this subsection is a body corporate and politic and has the
43 power to carry out the purposes of this subsection. The board of trustees of the
44 transportation authority shall serve, ex officio, as the governing body of a special

1 district it creates pursuant to this subsection. The proceeds of a tax levied under this
2 section may be used only for the benefit of the special district and only for the purposes
3 provided in this Article. In the case of a regional transportation authority created
4 pursuant to Article 27 of Chapter 160A of the General Statutes, the special district may
5 not include counties other than Forsyth and Guilford Counties.

6 (b) Resolution. –The board of trustees of the authority, with the concurrent vote
7 of:

8 (1) In the case of a single-county special district, a majority of the county
9 board of commissioners within the special district

10 (2) In the case of a multi-county special district, a majority vote of all the
11 county boards of commissioners within the special district

12 may direct the respective county board or boards of elections to conduct an advisory
13 referendum within the special tax district on the question of whether a local sales and
14 use tax at the rate of one-half percent (1/2%) may be levied within the district in
15 accordance with this Part. The election shall be held on a date jointly agreed upon by
16 the authority and the county board or boards of elections and shall be held in accordance
17 with the procedures of G.S. 163-287. The board or boards of commissioners shall hold a
18 public hearing on the question at least 30 days before the date the election is to be held.

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

21 **[] FOR [] AGAINST**

22 One-half percent (1/2%) local sales and use taxes, to be used only for public
23 transportation systems.'

24 **"§ 105-510.7. Levy and collection of sales and use tax – regional public**
25 **transportation authority.**

26 If the majority of those voting in a referendum held pursuant to G.S. 105-510.6 vote
27 for the levy of the tax, the transportation authority may, by resolution, levy one-half
28 percent (1/2%) local sales and use taxes within the special district, in addition to any
29 other State and local sales and use taxes levied pursuant to law. In determining the
30 results of the election in a multi-county district, all the counties of the district shall be
31 considered to be one unit. Except as provided in this Part, the adoption, levy, collection,
32 administration, and repeal of these additional taxes shall be in accordance with Article
33 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this
34 Article, references to 'this Article' mean 'Part 2 of Article 43 of Chapter 105 of the
35 General Statutes'. Any repeal of the tax shall be done by the same procedure as its
36 enactment under section, and a petition for repeal under G.S. 105-473 shall be judged
37 by the total votes in all three counties.

38 **"§ 105-510.8. Expansion of district.**

39 If a special district established under this Part does not include all the counties in the
40 territorial jurisdiction of a transportation authority, it may be expanded to include an
41 additional whole county or counties by joint action of the board of trustees of the
42 transportation authority and the board of commissioners of the county or boards of
43 commissioners of the counties to be added, with the approval of the voters in the county
44 or counties to be added. The procedure for addition of a county or counties shall be the

1 same as for the initial creation of the district, but the referendum shall be held separately
2 within each of the counties to be added.

3 **"§ 105-510.9. Distribution and use of taxes.**

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

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

13 Part 4. Other Counties.

14 **"§ 105-510.12. Limitations.**

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

24 **"§ 105-510.13 Local election on adoption of sales and use tax.**

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

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

34 **'[] FOR [] AGAINST**

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

37 **"§ 105-510.14. Levy and collection of sales and use tax.**

38 If the majority of those voting in a referendum held pursuant to this Part vote for the
39 levy of the tax, the board of commissioners of the county may, by resolution, levy
40 one-quarter percent (1/4%) local sales and use taxes in addition to any other State and
41 local sales and use taxes levied pursuant to law. Except as provided in this Part, the
42 adoption, levy, collection, administration, and repeal of these additional taxes shall be in
43 accordance with Article 39 of this Chapter. In applying the provisions of Article 39 of

1 this Chapter to this Part, references to 'this Article' mean 'Part 1 of Article 43 of Chapter
2 105 of the General Statutes'.

3 **"§ 105-510.15. Distribution and use of taxes.**

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

10 The Secretary shall distribute the net proceeds of the tax levied by a county on a per
11 capita basis among the county and the units of local government in the county that
12 operate public transportation systems. No proceeds shall be distributed to a county that
13 does not operate a public transportation system or to a unit of local government that
14 does not operate a public transportation system.

15 (b) Use. – A county must allocate the net proceeds distributed to it in accordance
16 with its financial plan adopted pursuant to G.S. 105-507 and use the net proceeds only
17 for financing, constructing, operating, and maintaining local public transportation
18 systems. Any other unit of local government may use the net proceeds distributed to it
19 under this Part only for financing, constructing, operating, and maintaining local public
20 transportation systems. Every unit of government shall use the net proceeds to
21 supplement and not to supplant or replace existing funds or other resources for public
22 transportation systems.

23 **"§ 105-510.16. Applicability.**

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

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

32 (b) This part does not apply to Durham, Forsyth, Guilford, Mecklenburg, Orange,
33 or Wake Counties."

34
35 CHAPTER III. Extension of Vehicle Registration Charge to Mecklenburg County.

36 SECTION 3. Section 6.2 of S.L. 1997-417, as added by Section 30 of S.L.
37 2006-162 reads as rewritten:

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

- 41 (1) Article 50 of Chapter 105 of the General Statutes, as enacted by
42 Section 3 of this act, and the board of commissioners of that county is
43 considered the board of trustees of the authority under Article 50.
44 G.S. 105-554 of Article 50 does not apply to the proceeds of a tax

1 imposed by a county considered an authority under this section. The
2 proceeds of a tax imposed by a county considered an authority under
3 this section must be transferred to the largest city in that county
4 operating a public transportation system and used only for financing,
5 constructing, operating, and maintaining a public transportation
6 system. The proceeds may supplant existing funds allocated for a
7 public transportation system. The term 'public transportation system'
8 has the same meaning as defined in ~~G.S. 105-506~~ of Article 43.
9 G.S. 105-506.

10 (2) Article 51 of Chapter 105 of the General Statutes, as enacted by
11 Section 4 of this act, and the board of commissioners of that county is
12 considered the board of trustees of the authority under Article 51. The
13 proceeds of a tax imposed by a county considered an authority under
14 this section must be transferred to the largest city in that county
15 operating a public transportation system and used only for financing,
16 constructing, operating, and maintaining a public transportation
17 system. The term 'public transportation system' has the same meaning
18 as defined in G.S. 105-506."

19
20 CHAPTER IV. Local Vehicle Registration Charge Adjusted for Inflation.

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

22 "(a) Tax Authorized. – The board of trustees of an Authority may, by resolution,
23 levy an annual license tax in accordance with this Article upon any motor vehicle with a
24 tax situs within its territorial jurisdiction. The purpose of the tax levied under this

25 Article is to raise revenue for capital and operating expenses of an Authority in
26 providing public transportation systems. The rate of tax levied under this Article must
27 be a full dollar amount, but may not exceed ~~five dollars (\$5.00)~~ seven dollars (\$7.00) a

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

29 "(d) Special Tax District. – If a regional transportation authority created under
30 Article 27 of Chapter 160A of the General Statutes has not levied the tax under this
31 section or has levied the tax at a rate of less than ~~five dollars (\$5.00)~~ seven dollars
32 (\$7.00) it may create a special district that consists of the entire area of one or more
33 counties within its territorial jurisdiction and may levy on behalf of the special district
34 the tax authorized in this section. The rate of tax levied within the special district may
35 not, when combined with the rate levied within the entire territorial jurisdiction of the
36 authority, exceed ~~five dollars (\$5.00)~~ seven dollars (\$7.00). The regional transportation
37 authority may not levy or increase a tax within the special district unless the board of
38 commissioners of each county in the special district has adopted a resolution approving
39 the levy or increase.

40 A special district created pursuant to this subsection is a body corporate and politic
41 and has the power to carry out the purposes of this subsection. The board of trustees of
42 the regional transportation authority created under Article 27 of Chapter 160A of the
43 General Statutes shall serve, ex officio, as the governing body of a special district it
44 creates pursuant to this subsection. The proceeds of a tax levied under this subsection

1 may be used only for the benefit of the special district and only for the purposes
2 provided in G.S. 105-564. Except as provided in this subsection, a tax levied under this
3 subsection is governed by the provisions of this Article.

4
5 CHAPTER V. Extension of Vehicle Registration Charge and Motor Vehicle Rental
6 Charge to Counties Contiguous to the Triangle and Mecklenburg County and to Other
7 Urban Counties
8

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

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

12 **"§ 105-557. Urban County Vehicle Rental Tax.**

13 (a) A county authorized to impose a tax under Part 4 of Article 43 of
14 Chapter 105 of the General Statutes is considered an authority under Article 50 of this
15 Chapter, and the board of commissioners of that county is considered the board of
16 trustees of the authority under Article 50.

17 (b) To the extent that any county does not levy the full percentage
18 authorized by Article 50 of this Chapter, any city located wholly within that county is
19 considered an authority under Article 50 of this Chapter, and may levy a percentage
20 under that Article as if it were an authority, such that the total gross levy of the county
21 and city does not exceed the maximum permitted by law. For that purpose, the
22 governing board of that city is considered the board of trustees of the authority under
23 Article 50.

24 If thereafter the county levies a tax at a rate that, combined with the city rate,
25 would exceed the maximum, then the new county rate shall become effective on the
26 first day of the next fiscal year beginning at least 60 days after adoption, and that levy
27 automatically reduces the city rate on that date so the combined rate does not exceed the
28 maximum.

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

34 **"§ 105-558; Urban County Vehicle Registration Tax.**

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

39 (b) To the extent that any county does not levy the full amount authorized
40 by Article 51 of this Chapter, any city located wholly within that county is considered
41 an authority under Article 51 of this Chapter may levy an amount under that Article (in
42 whole dollars) as if it were an authority, such that the total gross levy of the county and
43 city does not exceed the maximum permitted by law. For that purpose, the governing
44 board of that city is considered the board of trustees of the authority under Article 51.

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

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

13
14 CHAPTER V. Extension of State Ports Tax Credit.

15
16 **SECTION 6.(a)** G.S. 105-130.41(d) reads as rewritten:

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

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

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

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