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Short Title: Revenue Laws Technical Changes.

(Public)

Sponsors:

Referred to:

May 27, 1992

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL AND CLARIFYING CHANGES TO THE
REVENUE LAWS AND RELATED STATUTES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-102.6 reads as rewritten:

"§ 105-102.6. Producers of newsprint publications.

(a) Purpose. The purpose of this section is to provide an incentive for the use of recycled newsprint.

(b) Definitions. The following definitions apply in this section:

(1) Net tonnage of newsprint consumed. – The weight in metric tons of all newsprint ~~consumed~~ acquired by a producer, less the weight in metric tons of any acquired newsprint ~~consumed~~ diverted by the producer ~~diverted~~ diverts from solid waste ~~by the producer.~~ waste.

(2) Newsprint. – Uncoated paper, whether supercalendered or machine finished, made primarily from mechanical wood pulp combined with some chemical wood pulp, weighing between 24.5 and 35 pounds for 500 sheets of paper 2 feet by 3 feet in size, and having a brightness of less than 60.

(3) Postconsumer waste paper. – Paper products, generated by a business or consumer, that have served their intended end uses and have been separated or diverted from solid waste.

- 1 (4) Producer. – A person engaged in the business of producing
2 publications printed on newsprint who acquires and uses newsprint for
3 this business.
- 4 (5) Recycled content percentage. – The percentage by weight of the total
5 net tonnage of newsprint consumed by the producer that is
6 postconsumer waste paper.
- 7 (c) Minimum Recycled Content Percentage. The recycled content percentage of
8 ~~every person engaged in the business of publishing or printing publications printed on~~
9 newsprint consumed by a producer shall equal or exceed the following minimum
10 recycled content percentages:
- 11 During 1991 and 1992, twelve percent (12%).
12 During 1993, fifteen percent (15%).
13 During 1994, twenty percent (20%).
14 During 1995, twenty-five percent (25%).
15 During 1996, thirty percent (30%).
16 During 1997, thirty-five percent (35%).
17 After 1997, forty percent (40%).
- 18 (d) Tax. Every producer shall apply for and obtain from the Secretary of
19 Revenue a newsprint producer tax reporting number. In addition, each producer whose
20 recycled content percentage for a calendar quarter is less than the applicable minimum
21 recycled content percentage provided in subsection (c) for a calendar quarter shall,
22 within 10 days after the last day of the quarter, report to the Secretary the amount in
23 metric tons by which (i) the applicable minimum recycled content percentage multiplied
24 by the net tonnage of newsprint consumed by the producer in the preceding quarter
25 exceeds (ii) the actual tonnage of postconsumer waste paper consumed by the producer
26 during the preceding quarter, and shall pay a tax on the amount reported at the rate of
27 fifteen dollars (\$15.00) per ton. This tax is due when the report is filed. No county,
28 city, or town may impose a license tax on the business taxed under this section.
- 29 (e) Exemption. The tax levied in this section does not apply to an amount
30 calculated pursuant to subsection (d) to the extent the amount is attributable solely to the
31 producer's inability to obtain sufficient recycled content newsprint because (i) recycled
32 content newsprint was not available at a price comparable to the price of virgin
33 newsprint; (ii) recycled content newsprint of a quality comparable to virgin newsprint
34 was not available; or (iii) recycled content newsprint was not available within a
35 reasonable period of time during the reporting period. In order to claim the exemption
36 provided in this subsection, a producer must certify to the Secretary of Revenue:
- 37 (1) The amount of virgin newsprint consumed by the producer during the
38 reporting period solely for one of the reasons listed above.
- 39 (2) That the producer attempted to obtain recycled content newsprint from
40 every manufacturer of recycled content newsprint that offered to sell
41 recycled content newsprint to the producer within the preceding 12
42 months.

1 (3) The name, address, and telephone number of each manufacturer
2 contacted, including the company name and the name of the
3 company's individual representative or employee.

4 (f) Use of Proceeds. The Secretary of Revenue shall, on a quarterly basis, credit
5 the net proceeds of the tax imposed by this section to the Solid Waste Management
6 Trust Fund created in G.S. 130A-309.12."

7 Sec. 2. G.S. 105-116(e) reads as rewritten:

8 "(e) Local Tax. ~~—A municipality that imposed a license, franchise, or privilege tax~~
9 ~~on or before January 1, 1947, on a company taxed under this section may continue to~~
10 ~~impose the tax in an amount that does not exceed the amount imposed as of that date.~~
11 ~~Other municipalities and counties may not impose a license, franchise, or privilege tax~~
12 ~~on a company taxed under this section. So long as there is a distribution to~~
13 municipalities of the amount herein provided from the tax imposed by this section, no
14 municipality shall impose or collect any greater franchise, privilege or license taxes, in
15 the aggregate, on the businesses taxed under this section, than was imposed and
16 collected on or before January 1, 1947. If any municipality shall have collected any
17 privilege, license or franchise tax between January 1, 1947, and April 1, 1949, in excess
18 of the tax collected by it prior to January 1, 1947, then upon distribution of the taxes
19 imposed by this section to municipalities, the amount distributable to any municipality
20 shall be credited with such excess payment."

21 Sec. 3. G.S. 105-134.6 reads as rewritten:

22 "**§ 105-134.6. Adjustments to taxable income.**

23 (a) S Corporations. – The pro rata share of each shareholder in the income
24 attributable to the State of an S Corporation shall be adjusted as provided in G.S. 105-
25 130.5. The pro rata share of each resident shareholder in the income not attributable to
26 the State of an S Corporation shall be subject to the adjustments provided in subsections
27 (b) and (c) of this section.

28 (b) Deductions. – The following deductions from taxable income shall be
29 made in calculating North Carolina taxable income, to the extent each item is included
30 in gross income:

31 (1) Interest upon the obligations of (i) the United States or its possessions,
32 (ii) this State or a political subdivision of this State, or (iii) a nonprofit
33 educational institution organized or chartered under the laws of this
34 State.

35 (2) Interest upon obligations and gain from the disposition of obligations
36 to the extent the interest or gain is exempt from tax under the laws of
37 this State.

38 (3) Benefits received under Title II of the Social Security Act and amounts
39 received from retirement annuities or pensions paid under the
40 provisions of the Railroad Retirement Act of 1937.

41 (4) Repealed by Session Laws 1989 (Reg. Sess., 1990), c. 1002, s. 2.

42 (5) Refunds of ~~State,~~ state, local, and foreign income taxes included in the
43 taxpayer's gross income.

- 1 (6) a. An amount, not to exceed four thousand dollars (\$4,000), equal to
2 the sum of the amount calculated in subparagraph b. plus the amount
3 calculated in subparagraph c.
4 b. The amount calculated in this subparagraph is the amount
5 received during the taxable year from one or more state, local,
6 or federal government retirement plans.
7 c. The amount calculated in this subparagraph is the amount
8 received during the taxable year from one or more retirement
9 plans other than state, local, or federal government retirement
10 plans, not to exceed a total of two thousand dollars (\$2,000) in
11 any taxable year.
12 d. In the case of a married couple filing a joint return where both
13 spouses received retirement benefits during the taxable year, the
14 maximum dollar amounts provided in this subdivision for
15 various types of retirement benefits apply separately to each
16 spouse's benefits.

- 17 (7) The amount of inheritance tax attributable to an item of income in
18 respect of a decedent required to be included in gross income under the
19 Code, adjusted as provided in G.S. 105-134.5, 105-134.6, and 105-
20 134.7. The amount of inheritance tax attributable to an item of income
21 in respect of a decedent is (i) the amount by which the inheritance tax
22 paid under Article 1 of this Chapter on property transferred to a
23 beneficiary by a decedent exceeds the amount of inheritance tax that
24 would have been payable by the beneficiary if the item of income in
25 respect of a decedent had not been included in the property transferred
26 to the beneficiary by the decedent, (ii) multiplied by a fraction, the
27 numerator of which is the amount required to be included in gross
28 income for the taxable year under the Code, adjusted as provided in
29 G.S. 105-134.5, 105-134.6, and 105-134.7, and the denominator of
30 which is the total amount of income in respect of a decedent
31 transferred to the beneficiary by the decedent. For an estate or trust,
32 the deduction allowed by this subdivision shall be computed by
33 excluding from the gross income of the estate or trust the portion, if
34 any, of the items of income in respect of a decedent that are properly
35 paid, credited, or to be distributed to the beneficiaries during the
36 taxable year.

37 The Secretary of Revenue may provide to a beneficiary of an item
38 of income in respect of a decedent any information contained on an
39 inheritance tax return that the beneficiary needs to compute the
40 deduction allowed by this subdivision.

- 41 (8) The amount by which the taxpayer's deductions allowed under the
42 Code were reduced, and the amount of the taxpayer's deductions that
43 were not allowed, because the taxpayer elected a federal tax credit in

1 lieu of a deduction, to the extent that a similar credit is not allowed by
2 this Division for the amount.

3 (c) Additions. – The following additions to taxable income shall be made in
4 calculating North Carolina taxable income, to the extent each item is not included in
5 gross income:

- 6 (1) Interest upon the obligations of states, other than this State, and their
7 political subdivisions.
- 8 (2) Any amount allowed as a deduction from gross income under the Code
9 that is taxed under the Code by a separate tax other than the tax
10 imposed in section 1 of the Code.
- 11 (3) Any amount deducted from gross income under section 164 of the
12 Code as ~~State,~~ ~~state,~~ local, or foreign income tax to the extent that the
13 taxpayer's total itemized deductions deducted under the Code for the
14 taxable year exceed the standard deduction allowable to the taxpayer
15 under the Code reduced by the amount by which the taxpayer's
16 allowable standard deduction has been increased under section
17 63(c)(4) of the Code.
- 18 (4) The amount by which the taxpayer's standard deduction has been
19 increased for inflation under section 63(c)(4) of the Code and the
20 amount by which the taxpayer's personal exemptions have been
21 increased for inflation under section 151(d)(4) of the Code. For the
22 purpose of this subdivision, if the taxpayer's personal exemptions have
23 been reduced by the applicable percentage under section 151(d)(3) of
24 the Code, the amount by which the personal exemptions have been
25 increased for inflation is also reduced by the applicable percentage.
- 26 (5) The fair market value, up to a maximum of one hundred thousand
27 dollars (\$100,000), of the donated property interest for which the
28 taxpayer claims a credit for the taxable year under G.S. 105-151.12
29 and the market price of the gleaned crop for which the taxpayer claims
30 a credit for the taxable year under G.S. 105-151.14."

31 Sec. 4. G.S. 105-164.11 reads as rewritten:

32 "**§ 105-164.11. Excessive and erroneous collections.**

33 When the tax collected for any period is in excess of the total amount ~~which that~~
34 should have been collected, the total amount collected must be paid over to the ~~Secretary~~
35 ~~less the compensation to be allowed the retailer as hereinafter set forth.~~ Secretary. When tax
36 is collected for any period on exempt or nontaxable sales the tax erroneously collected
37 shall be remitted to the Secretary and no refund ~~thereof~~ shall be made to a taxpayer
38 unless the purchaser has received credit for or has been refunded the amount of tax
39 erroneously charged. This provision shall be construed with other provisions of this
40 Article and given effect so as to result in the payment to the Secretary of the total
41 amount collected as tax if it is in excess of the amount ~~which that~~ should have been
42 collected."

43 Sec. 5. G.S. 105-188(g) reads as rewritten:

1 "(g) A donor ~~shall be~~ is entitled to a total exemption of one hundred thousand
2 dollars (\$100,000) to be deducted from gifts made to donees named in subdivision ~~(1)~~ of
3 ~~subsection (f), (f)(1),~~ less the sum of amounts claimed and allowed as an exemption in
4 prior calendar years. The exemption, at the option of the donor, may be taken in its
5 entirety in a single ~~year, year~~ or may be spread over a period of years. When this
6 exemption has been exhausted, no further exemption is allowable. When the exemption
7 or any ~~portion thereof~~ part of the exemption is applied to gifts to more than one donee in
8 any one calendar year, ~~said~~ the exemption shall be apportioned against ~~said~~ the gifts in
9 the same ratio as the gross value of the gifts to each donee is to the total value of ~~said~~ all
10 the gifts made in the calendar year ~~in which said gifts are made.~~ year. No exemption shall
11 be ~~is~~ allowed ~~to~~ a donor for gifts made to donees named in ~~subdivisions (2) and (3) of~~
12 ~~subsection (f),~~ subdivision (f)(2) or (f)(3)."

13 Sec. 6. G.S. 105-203 reads as rewritten:

14 **"§ 105-203. Shares of stock.**

15 All shares of stock (including shares and units of ownership of mutual funds,
16 investment trusts, and investment funds) owned by residents of this State or having a
17 business, commercial, or taxable situs in this State on December 31 of each year, with
18 the exception herein provided, shall be subject to an annual tax, which is hereby levied,
19 of twenty-five cents (25¢) on every one hundred dollars (\$100.00) of the total fair
20 market value of the stock on December 31 of each year less the proportion of the value
21 that is equal to:

- 22 (1) In the case of a taxpayer that is a corporation, the proportion of the
23 dividends upon the stock deductible by the taxpayer in computing its
24 income tax liability under G.S. 105-130.7 without regard to the fifteen
25 thousand dollar (\$15,000) limitation under G.S. 105-130.7; and
26 (2) In the case of a taxpayer that is not a corporation, the proportion of the
27 dividends upon the stock that would be deductible by the taxpayer, if
28 the taxpayer were a corporation, in computing its income tax liability
29 under the provisions of G.S. 105-130.7(1),(2),(3), ~~and (3a), (3a), and~~
30 (5), without regard to the fifteen thousand dollar (\$15,000) limitation
31 under G.S. 105-130.7.

32 ~~The tax herein levied shall~~ This tax does not apply to shares of stock in building and
33 loan associations or savings and loan associations ~~which pay a tax as levied~~ that pay a tax
34 under Article 8D of ~~Chapter 105 of the General Statutes,~~ this Chapter, nor to shares of
35 stock owned by any corporation ~~which~~ that has its commercial domicile in North
36 Carolina, where the corporation owns more than fifty percent (50%) of the outstanding
37 voting stock.

38 ~~The tax herein levied shall~~ This tax does not apply to units of ownership in an
39 investment trust, the corpus of which is composed (i) entirely of obligations of this
40 State or (ii) entirely of obligations of the United States and of this State, at least eighty
41 percent (80%) of the fair market value of which represents obligations of this State. For
42 the purpose of this paragraph, 'State' includes the State of North Carolina, political
43 subdivisions of this State, and agencies of ~~such~~ these governmental units; 'United States'
44 includes the United States and its possessions, and the District of Columbia;

1 'obligations' includes bonds, ~~notes~~notes, and other evidences of debt. In order for the
2 exemption provided ~~for~~ in this paragraph to apply, ~~it shall be the duty of the trustees of an~~
3 investment trust ~~to provide to~~ must provide the Secretary of Revenue, in ~~form satisfactory~~
4 ~~to him and the form required by the Secretary~~, not later than December 31 of the year
5 with respect to which the exemption applies, information sufficient to establish the
6 applicability of this exemption.

7 Indebtedness incurred directly for the purchase of shares of stock may be deducted
8 from the total value of those ~~shares; provided, shares~~ if the specific shares of stock so
9 purchased are pledged as collateral to secure the indebtedness; ~~provided further, that~~
10 however, only so much of the indebtedness may be deducted as is in the same
11 proportion as the taxable value of the shares of stock is to the total value of the shares of
12 stock."

13 Sec. 7. G.S. 105-213(a) reads as rewritten:

14 "(a) There is annually appropriated from the General Fund to counties and
15 municipalities the amount of revenue collected under this Article during the 1989-90
16 fiscal year, plus an amount equal to forty percent (40%) of the tax collected on accounts
17 receivable during the 1989-90 fiscal year and less an amount equal to the costs during
18 the preceding fiscal year of:

- 19 (1) Refunds made during the fiscal year of taxes levied under this Article.
- 20 (2) The Department of Revenue to collect and administer the taxes levied
21 under this Article.
- 22 (3) The Department of Revenue in performing the duties imposed by
23 Article 15 of this Chapter.
- 24 (4) The Property Tax Commission.
- 25 (5) The Institute of Government in operating a training program in
26 property tax appraisal and assessment.
- 27 (6) The personnel and operations provided by the Department of State
28 Treasurer for the Local Government Commission.

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

31 The appropriation shall be allocated among the counties in proportion to the amount
32 of taxes collected under this Article in each county during the preceding fiscal year.
33 The Secretary of Revenue shall keep a separate record by counties of the taxes collected
34 under this Article. The Secretary shall allocate the amount appropriated under this
35 section to the counties according to the county in which the taxes were collected. The
36 amounts so allocated to each county shall in turn be allocated between the county and
37 the municipalities in the county in proportion to the total amount of ad valorem taxes
38 levied by each during the fiscal year preceding the distribution. In dividing these
39 amounts between each county and its municipalities, the Secretary shall treat taxes
40 levied by a merged school administrative unit described in G.S. 115C-513 in a part of
41 the unit located in a county as taxes levied by the county in which that part is located.
42 After making these allocations, the Secretary of Revenue shall certify to the State
43 Controller and to the State Treasurer the amount to be distributed to each county and
44 municipality in the State. The State Controller shall then issue a warrant on the State

1 Treasurer to each county and municipality in the amount certified. The amount based
2 on forty percent (40%) of the tax collected on accounts receivable shall be drawn from
3 the Local Government Tax Reimbursement Reserve and the amount based on the net
4 amount of revenue collected under this Article shall be drawn from the Local
5 Government Tax Sharing Reserve.

6 For the purpose of computing the distribution of the intangibles tax to any county
7 and the municipalities located in the county for any year with respect to which the
8 property valuation of a public service company is the subject of an appeal pursuant to
9 the provisions of the Machinery Act, or to applicable provisions of federal law, and the
10 Department of Revenue is restrained by operation of law or by a court of competent
11 jurisdiction from certifying such valuation to the county and municipalities therein, the
12 Department shall use the last property valuation of such public service company which
13 has been so certified in order to determine the ad valorem tax levies applicable to such
14 public service company in the county and the municipalities therein.

15 The chairman of each board of county commissioners and the mayor of each
16 municipality shall report to the Secretary of Revenue information requested by the
17 Secretary to enable the Secretary to allocate the amount appropriated by this section. If
18 a county or municipality fails to make a requested report within the time allowed, the
19 Secretary may disregard the county or municipality in allocating the amount
20 appropriated by this section. The amount distributed to each county and municipality
21 shall be used by the county or municipality in proportion to property tax levies made by
22 it for the various funds and activities of the county or municipality, unless the county or
23 municipality has pledged the amount to be distributed to it under this section in payment
24 of a loan agreement with the North Carolina Solid Waste Management Capital Projects
25 Financing Agency. A county or municipality that has pledged amounts distributed
26 under this section in payment of a loan agreement with the Agency may apply the
27 amount the loan agreement requires."

28 Sec. 8. G.S. 105-228.5A reads as rewritten:

29 "**§ 105-228.5A. Credit against gross premium tax for assessments paid to the**
30 **Insurance Guaranty Association and the Life and Accident and Health**
31 **Insurance Guaranty Association.**

32 (a) The following definitions apply in this section:

- 33 (1) Assessment. – An assessment as described in G.S. 58-48-35 or an
34 assessment as described in ~~G.S. 58-62-40~~ G.S. 58-62-41.
- 35 (2) Association. – The North Carolina Insurance Guaranty Association
36 created under G.S. 58-48-25 or the North Carolina Life and Accident
37 ~~and Health Insurance Guaranty Association~~ created under ~~G.S. 58-62-~~
38 ~~25~~ G.S. 58-62-26.
- 39 (3) Commissioner. – Commissioner of Insurance.
- 40 (4) Member insurer. – A member insurer as defined in G.S. 58-48-20 or a
41 member insurer as defined in ~~G.S. 58-62-20~~ G.S. 58-62-16.

42 (b) A member insurer who pays an assessment is allowed as a credit against the
43 tax imposed under G.S. 105-228.5 an amount equal to twenty percent (20%) of the
44 amount of the assessment in each of the five taxable years following the year in which

1 the assessment was paid. In the event a member insurer ceases doing business, all
 2 assessments for which it has not taken a credit under this section may be credited
 3 against its premium tax liability for the year in which it ceases doing business. The
 4 amount of the credit allowed by this section may not exceed the member insurer's
 5 premium tax liability for the taxable year.

6 (c) Any sums that are acquired by refund, under either G.S. 58-48-35 or ~~G.S. 58-~~
 7 ~~62-40, G.S. 58-62-41,~~ from the Association by member insurers, and that have
 8 previously been offset against premium taxes as provided in subsection (b) of this
 9 section, shall be paid by the member insurers to this State in the manner required by the
 10 Commissioner. The Association shall notify the Commissioner that the refunds have
 11 been made."

12 Sec. 9. G.S. 105-228.24 reads as rewritten:

13 **"§ 105-228.24. Tax limitations.**

14 (a) The taxes levied in this Article are in lieu of all other taxes except:

- 15 (1) Ad valorem taxes imposed upon real property and tangible personal
 16 ~~property; property.~~
- 17 (2) Ad valorem taxes imposed upon intangible personal property under
 18 G.S. ~~105-199, 105-200, 105-204 and 105-205; and 105-204.~~
- 19 (3) Sales and use taxes levied by the State or any of its taxing units.

20 (b) Counties, ~~cities-cities,~~ and towns may not levy a license tax on a savings and
 21 loan association subject to taxation under this Article."

22 Sec. 10. G.S. 105-236(11) reads as rewritten:

23 "(11) Any violation of ~~the provisions of this Subchapter, Subchapter V of~~
 24 ~~Chapter 105 or Chapter 18B of the General Statutes shall be deemed~~
 25 Subchapter I, V, or VIII of this Chapter or of Article 3 of Chapter
 26 119 of the General Statutes is considered an act committed in part at
 27 the office of the Secretary of Revenue in Raleigh. The certificate of
 28 the Secretary of Revenue to the effect that a tax has not been paid, that
 29 a return has not been filed, or that information has not been supplied,
 30 as required by or under the provisions of this Subchapter, or by
 31 Subchapter V of Chapter 105 or Chapter 18B of the General Statutes, shall
 32 be law, is prima facie evidence that such the tax has not been paid,
 33 that such the return has not been filed or that such filed, or the
 34 information has not been supplied.

35 The term 'person' as used in this section includes an officer or
 36 employee of a corporation, or a member or employee of a partnership
 37 who as ~~such~~ officer, employee, or member is under a duty to perform
 38 the act in respect to which the violation occurs."

39 Sec. 11. G.S. 105-237.1(a) reads as rewritten:

40 "(a) The Secretary of Revenue, with the approval of the Attorney General, is
 41 authorized to compromise the amount of liability of any taxpayer for taxes due under
 42 ~~Subchapters I or V of this Chapter or under Chapter 18B of the General Statutes~~ Subchapter I,
 43 V, or VIII of this Chapter or under Article 3 of Chapter 119 of the General Statutes and
 44 to accept in full settlement of ~~such the~~ liability a lesser amount than that asserted to be

1 due when in the opinion of the Secretary and the Attorney General ~~such~~ the compromise
2 settlement is in the best interest of the State. When made other than in the course of
3 litigation in the courts of the State on an appeal from an administrative determination or
4 in a civil action brought to recover from the Secretary, the basis for ~~such~~ the
5 compromise must also conform to the conditions set out in this section. ~~Such~~ The
6 compromise settlement may be made only after a final administrative or judicial
7 determination of the liability of the taxpayer.

8 ~~Such a~~ A compromise settlement may be made only ~~upon a finding that~~ if one or
9 more of the following findings is made:

- 10 (1) There is a reasonable doubt as to the amount of the liability of the
11 taxpayer under the law and the ~~facts~~ or facts.
- 12 (2) The taxpayer is insolvent and the Secretary probably could not
13 otherwise collect an amount equal to or in excess of the amount
14 offered in ~~compromise~~ or compromise.
- 15 (3) Collection of a greater amount than that offered in compromise
16 ~~settlement~~ is improbable, and the funds or a substantial portion of the
17 funds offered in the settlement settlement, or a substantial portion thereof,
18 come from sources from which the Secretary could not otherwise
19 collect ~~or collect~~.
- 20 (4) A federal tax assessment arising out of the same facts has been
21 compromised with the federal government on the same or a similar
22 basis as that proposed to the State and the Secretary could probably not
23 collect an amount equal to or in excess of that offered in compromise.

24 For the purposes of this section a taxpayer may be considered insolvent only if (i)
25 there is an established status of insolvency by either a judicial declaration of a
26 status necessarily or ordinarily involving insolvency or by a legal proceeding in which
27 the insolvency of the taxpayer would ordinarily be determined or ~~thereby be made~~
28 evident or ~~if (ii)~~ it is plain and indisputable that the taxpayer is clearly insolvent and will
29 remain so in the reasonable future. Whenever a compromise is made by the Secretary
30 pursuant to this ~~section~~ section and the unpaid amount of the tax assessed is one
31 hundred dollars (\$100.00) or more, the Secretary shall place there shall be placed on file
32 in the office of the Secretary a written opinion, signed by the Secretary and the Attorney
33 General, setting forth the amount of tax or additional tax assessed, the amount actually
34 paid in accordance with the terms of the compromise, and a summary of the facts and
35 reasons upon which acceptance of the compromise is based. ~~based, provided, however,~~
36 ~~that such opinion shall not be required with respect to the compromise of any taxpayer's~~
37 ~~liability where the unpaid amount of tax assessed (including interest, penalty and additional~~
38 ~~tax) is less than one hundred dollars (\$100.00)."~~

39 Sec. 12. G.S. 105-242(a)(1) reads as rewritten:

- 40 "(1) The Secretary may issue a warrant or an order under the Secretary's
41 hand and official seal, directed to the sheriff of any county of the State,
42 commanding him to levy upon and sell the real and personal property
43 of the taxpayer found within the county for the payment of the tax,
44 including penalties and interest, and the cost of executing the warrant

1 and to return to the Secretary the money collected, within a time to be
2 specified in the warrant, not less than 60 days from the date of the
3 warrant; the sheriff upon receipt of the warrant shall proceed in all
4 respects with like effect and in the same manner prescribed by law in
5 respect to executions issued against property upon judgments of a
6 court of record, and shall be entitled to the same fees for his services in
7 executing the warrant, to be collected in the same manner."

8 Sec. 13. G.S. 105-242(b) reads as rewritten:

9 "(b) Bank deposits, rents, salaries, wages, and all other choses in action or
10 property incapable of manual levy or delivery, including property held in the Escheat
11 Fund, hereinafter called the intangible, belonging, owing, or to become due to any
12 taxpayer subject to any of the provisions of this Subchapter, or which has been
13 transferred by such taxpayer under circumstances which would permit it to be levied
14 upon if it were tangible, shall be subject to attachment or garnishment as herein
15 provided, and the person owing said intangible, matured or unmatured, or having same
16 in his possession or control, hereinafter called the garnishee, shall become liable for all
17 sums due by the taxpayer under this Subchapter to the extent of the amount of the
18 intangible belonging, owing, or to become due to the taxpayer subject to the setoff of
19 any matured or unmatured indebtedness of the taxpayer to the garnishee; provided,
20 however, the garnishee shall not become liable for any sums represented by or held
21 pursuant to any negotiable instrument issued and delivered by the garnishee to the
22 taxpayer and negotiated by the taxpayer to a bona fide holder in due course, and
23 whenever any sums due by the taxpayer and subject to garnishment are so held or
24 represented, the garnishee shall hold such sums for payment to the Secretary of Revenue
25 upon the garnishee's receipt of such negotiable instrument, unless such instrument is
26 presented to the garnishee for payment by a bona fide holder in due course in which
27 event such sums may be paid in accordance with such instrument to such holder in due
28 course. To effect such attachment or garnishment the Secretary of Revenue shall serve
29 or cause to be served upon the taxpayer and the garnishee a notice as hereinafter
30 provided, which notice may be served by any deputy or employee of the Secretary of
31 Revenue or by any officer having authority to serve summonses or may be served in any
32 manner provided in Rule 4 of the North Carolina Rules of Civil Procedure. The notice
33 shall:

- 34 (1) Show the name of the taxpayer, and if known his Social Security
35 number or federal tax identification number and his address;
36 (2) Show the nature and amount of the tax, and the interest and penalties
37 thereon, and the year or years for which the same were levied or
38 assessed, and
39 (3) Be accompanied by a copy of this subsection, and thereupon the
40 procedure shall be as follows:

41 If the garnishee has no defense to offer or no setoff against the taxpayer, he shall
42 within 10 days after service of said notice, answer the same by sending to the Secretary
43 of Revenue by registered or certified mail a statement to that effect, and if the amount
44 due or belonging to the taxpayer is then due or subject to his demand, it shall be

1 remitted to the Secretary with said statement, but if said amount is to mature in the
2 future, the statement shall set forth that fact and the same shall be paid to the Secretary
3 upon maturity, and any payment by the garnishee hereunder shall be a complete
4 extinguishment of any liability therefor on his part to the taxpayer. If the garnishee has
5 any defense or setoff, he shall state the same in writing under oath, and, within 10 days
6 after service of said notice, shall send two copies of said statement to the Secretary by
7 registered or certified mail; if the Secretary admits such defense or setoff, he shall so
8 advise the garnishee in writing within 10 days after receipt of such statement and the
9 attachment or garnishment shall thereupon be discharged to the amount required by
10 such defense or setoff, and any amount attached or garnished hereunder which is not
11 affected by such defense or setoff shall be remitted to the Secretary as above provided
12 in cases where the garnishee has no defense or setoff, and with like effect. If the
13 Secretary shall not admit the defense or setoff, he shall set forth in writing his objections
14 thereto and shall send a copy thereof to the garnishee within 10 days after receipt of the
15 garnishee's statement, or within such further time as may be agreed on by the garnishee,
16 and at the same time he shall file a copy of said notice, a copy of the garnishee's
17 statement, and a copy of his objections thereto in the superior court of the county where
18 the garnishee resides or does business where the issues made shall be tried as in civil
19 actions.

20 If judgment is entered in favor of the Secretary of Revenue by default or after
21 hearing, the garnishee shall become liable for the taxes, interest and penalties due by the
22 taxpayer to the extent of the amount over and above any defense or setoff of the
23 garnishee belonging, owing, or to become due to the taxpayer, but payments shall not be
24 required from amounts which are to become due to the taxpayer until the maturity
25 thereof, nor shall more than ~~10 percent~~ ten percent (10%) of any taxpayer's salary or
26 wages be required to be paid hereunder in any one month. The garnishee may satisfy
27 said judgment upon paying said amount, and if he fails to do so, execution may issue as
28 provided by law. From any judgment or order entered upon such hearing either the
29 Secretary of Revenue or the garnishee may appeal as provided by law. If, before or
30 after judgment, adequate security is filed for the payment of said taxes, interest,
31 penalties, and costs, the attachment or garnishment may be released or execution stayed
32 pending appeal, but the final judgment shall be paid or enforced as above provided. The
33 taxpayer's sole remedies to question his liability for said taxes, interest, and penalties
34 shall be those provided in this Subchapter, as now or hereafter amended or
35 supplemented. If any third person claims any intangible attached or garnished
36 hereunder and his lawful right thereto, or to any part thereof, is shown to the Secretary,
37 he shall discharge the attachment or garnishment to the extent necessary to protect such
38 right, and if such right is asserted after the filing of said copies as aforesaid, it may be
39 established by interpleader as now or hereafter provided by law in cases of attachment
40 and garnishment. In case such third party has no notice of proceedings hereunder, he
41 shall have the right to file his petition under oath with the Secretary at any time within
42 12 months after said intangible is paid to him and if the Secretary finds that such party
43 is lawfully entitled thereto or to any part thereof, he shall pay the same to such party as
44 provided for refunds by ~~G.S. 105-267.1~~, G.S. 105-266.1, and if such payment is denied,

1 said party may appeal from the determination of the Secretary under the provisions of
2 G.S. 105-241.4; provided, that in taking an appeal to the superior court, said party may
3 appeal either to the Superior Court of Wake County or to the superior court of the
4 county wherein he resides or does business. The intangibles of a taxpayer shall be paid
5 or collected hereunder only to the extent necessary to satisfy said taxes, interest,
6 penalties, and costs. Except as hereinafter set forth, the remedy provided in this section
7 shall not be resorted to unless a warrant for collection or execution against the taxpayer
8 has been returned unsatisfied: Provided, however, if the Secretary is of opinion that the
9 only effective remedy is that herein provided, it shall not be necessary that a warrant for
10 collection or execution shall be first returned unsatisfied, and in no case shall it be a
11 defense to the remedy herein provided that a warrant for collection or execution has not
12 been first returned unsatisfied.

13 This subsection shall be applicable with respect to the wages, salary or other
14 compensation of officials and employees of this State and its agencies and
15 instrumentalities, officials and employees of political subdivisions of this State and their
16 agencies and instrumentalities, and also officials and employees of the United States
17 and its agencies and instrumentalities insofar as the same is permitted by the
18 Constitution and laws of the United States. In the case of State or federal employees,
19 the notice shall be served upon such employee and upon the head or chief fiscal officer
20 of the department, agency, instrumentality or institution by which the taxpayer is
21 employed. In case the taxpayer is an employee of a political subdivision of the State,
22 the notice shall be served upon such employee and upon the chief fiscal officer, or any
23 officer or person charged with making up the payrolls, or disbursing funds, of the
24 political subdivision by which the taxpayer is employed. Such head or chief officer or
25 fiscal officer or other person as specified above shall thereafter, subject to the
26 limitations herein provided, make deductions from the salary or wages due or to become
27 due the taxpayer and remit same to the Secretary until the tax, penalty, interest and costs
28 allowed by law are fully paid. Such deductions and remittances shall, **pro tanto**,
29 constitute a satisfaction of the salary or wages due the taxpayer."

30 Sec. 14. G.S. 105-251.1 is repealed.

31 Sec. 15. G.S. 105-253(c) is repealed.

32 Sec. 16. G.S. 105-256(c)(3) reads as rewritten:

33 "(3) Upon request, one copy to each entity and official to which a copy of
34 the reports of the Appellate Division of the General Court of Justice
35 ~~are~~ is furnished under G.S. 7A-343.1."

36 Sec. 17. G.S. 105-269.3 reads as rewritten:

37 **"§ 105-269.3. Administration and enforcement of Subchapter V and fuel**
38 **inspection fee.**

39 This Article applies to taxes levied under Subchapter V of this Chapter ~~and to~~
40 ~~inspection fees levied under Chapter 119 of the General Statutes~~ and to inspection fees
41 levied under Chapter 119 of the General Statutes. The State Highway Patrol and law
42 enforcement officers and other appropriate personnel in the Division of Motor Vehicles
43 of the Department of Transportation may assist the Department of Revenue in enforcing
44 Subchapter V of this Chapter and Article 3 of Chapter 119 of the General Statutes. The

1 State Highway Patrol and law enforcement officers of the Division of Motor Vehicles
2 have the power of peace officers in matters concerning the enforcement of Subchapter
3 V of this Chapter and Article 3 of Chapter 119 of the General Statutes."

4 Sec. 18. G.S. 105-277A(c2) reads as rewritten:

5 "(c2) Supplemental Distribution. – On or before March 20, 1989, the Secretary
6 shall determine, with respect to each county and city, whether the sum of (i) the amount
7 the county or city received under subsection (c), plus (ii) the amount the county or city
8 received under subsection (c1), plus (iii) three and four-tenths percent (3.4%) of the
9 total distribution received by the county or city under G.S. 105-472, 105-486, ~~105-493,~~
10 105-501, and Chapter 1096 of the 1967 Session Laws between January 1, 1988, and
11 December 31, 1988, is less than ninety percent (90%) of the amount of taxes the county
12 or city actually levied on inventories owned by retailers and wholesalers for the 1987-88
13 tax year. If that sum is less than ninety percent (90%) of the amount of taxes the county
14 or city actually levied on those inventories for the 1987-88 tax year, the Secretary shall
15 distribute to that county or city a supplemental amount equal to the amount by which
16 ninety percent (90%) of the taxes it actually levied on inventories owned by retailers
17 and wholesalers for the 1987-88 tax year exceeds the total of subdivisions (i), (ii), and
18 (iii).

19 Except as provided in subsection (g) of this section, each year thereafter, as soon as
20 practicable after January 1, the Secretary shall distribute to each county and city the
21 amount it received the previous year under this subsection."

22 Sec. 19. G.S. 105-277A(d) reads as rewritten:

23 "(d) Definitions. ~~—As used in this section, the term~~ The following definitions apply
24 in this section:

25 (1) 'City' has the same meaning as in ~~G.S. 153A-1(1);~~ G.S. 153A-1(1).

26 (2) 'City's inventory loss' means the city's average rate multiplied by
27 eighty percent (80%) of the value of the inventories reported to the
28 Secretary under subsection (a) of this section by the city, plus the
29 average rate for each special district for which the city collected taxes
30 in 1987, but whose tax rates were not included in the city's rates,
31 multiplied by eighty percent (80%) of the value of the inventories
32 reported to the Secretary under subsection (a) of this section in behalf
33 of the district, plus or minus the percentage of this amount that equals
34 the lesser of five percent (5%) or the percentage by which State
35 personal income has increased or decreased during the most recent 12-
36 month period for which State personal income data has been compiled
37 by the Bureau of Economic Analysis of the United States Department
38 of Commerce, minus three and four-tenths percent (3.4%) of the total
39 distribution received by the city under G.S. 105-472, 105-486, ~~105-493,~~
40 105-501, and Chapter 1096 of the 1967 Session Laws between January
41 1, 1988, and December 31, ~~1988;~~ 1988.

42 (3) 'County's inventory loss' means the county's average rate multiplied by
43 eighty percent (80%) of the value of the inventories reported to the
44 Secretary under subsection (a) of this section by the county, plus the

1 average rate for each special district for which the county collected
 2 taxes in 1987, but whose tax rates were not included in the county's
 3 rates, multiplied by eighty percent (80%) of the value of the
 4 inventories reported to the Secretary under subsection (a) of this
 5 section in behalf of the district, plus or minus the percentage of this
 6 amount that equals the lesser of five percent (5%) or the percentage by
 7 which State personal income has increased or decreased during the
 8 most recent 12-month period for which State personal income data has
 9 been compiled by the Bureau of Economic Analysis of the United
 10 States Department of Commerce, minus three and four-tenths percent
 11 (3.4%) of the total distribution received by the county under G.S. 105-
 12 472, 105-486, ~~105-493~~, 105-501, and Chapter 1096 of the 1967 Session
 13 Laws between January 1, 1988, and December 31, ~~1988~~, 1988.

14 (4) 'Special district's inventory levy' means the special district's average
 15 rate multiplied by eighty percent (80%) of the value of the inventories
 16 reported to the Secretary under subsection (a) of this section in behalf
 17 of the ~~district~~, district.

18 (5) 'Taxing unit' means a unit that levied a property tax or for which
 19 another unit collected a property tax for the fiscal year beginning July
 20 1 of the year preceding the date a distribution is made under this
 21 section."

22 Sec. 20. G.S. 105-288(c) reads as rewritten:

23 "(c) Oath. – Each member of the Property Tax Commission, as the appointed
 24 holder of an office, shall take the oath required by Article VI, § 7 of the North Carolina
 25 Constitution with the following ~~sentence phrase~~ added to it: '~~That~~ that I will not allow
 26 my actions as a member of the Property Tax Commission to be influenced by personal
 27 or political friendships or ~~obligations~~, obligations.'"

28 Sec. 21. G.S. 105-295 reads as rewritten:

29 **"§ 105-295. Oath of office for assessor.**

30 The assessor, as the holder of an appointed office, shall take the oath required by
 31 Article VI, § 7 of the North Carolina Constitution with the following ~~sentence phrase~~
 32 added to it: '~~That~~ that I will not allow my actions as assessor to be influenced by
 33 personal or political friendships or ~~obligations~~, obligations.' The oath must be filed with
 34 the clerk of the board of county commissioners."

35 Sec. 22. G.S. 105-322(c) reads as rewritten:

36 "(c) Oath. – Each member of the ~~Board of Equalization and Review~~ board
 37 of equalization and review shall take the oath required by Article VI, § 7 of the North
 38 Carolina Constitution with the following ~~sentence phrase~~ added to it: '~~That~~ that I will
 39 not allow my actions as a member of the ~~Board of Equalization and Review~~ board of
 40 equalization and review to be influenced by personal or political friendships or
 41 ~~obligations~~, obligations.' The oath must be filed with the clerk of the board of county
 42 commissioners."

43 Sec. 23. G.S. 105-349(g) reads as rewritten:

1 "(g) Oath. – Every tax collector and deputy tax collector, as the holder of an
2 office, shall take the oath required by Article VI, § 7 of the North Carolina Constitution
3 with the following ~~sentene~~phrase added to it: ~~'That~~that I will not allow my actions as
4 tax collector to be influenced by personal or political friendships or ~~obligations~~
5 obligations.' The oath must be filed with the clerk of the governing body of the taxing
6 unit."

7 Sec. 24. The first line of Section 1 of Chapter 267 of the 1991 Session Laws
8 is amended by deleting the phrase "18B-1114.1(a)" and substituting the phrase "18B-
9 1114.1".

10 Sec. 25. Section 15 of Chapter 441 of the 1991 Session Laws is repealed.

11 Sec. 26. Section 6 of Chapter 652 of the 1991 Session Laws reads as
12 rewritten:

13 "Sec. 6. Chapters 591, 905, 938, 940, 974, 1007, and 1017 of the 1989 Session
14 Laws are ~~repealed~~repealed to clarify that G.S. 153A-293, as amended by this act, is a
15 statewide statute and not a local statute. An ordinance adopted under a local act that is
16 repealed by this act is considered to have been adopted under G.S. 153A-293, as
17 amended by this act."

18 Sec. 27. G.S. 20-7(a)(3)b. reads as rewritten:

19 "b. When operated by a volunteer member of a fire department, a
20 rescue ~~squad~~squad, or ~~Emergency Medical Services~~an
21 emergency medical service (EMS) in the performance of duty, a
22 Class A or Class B fire-fighting, rescue, or EMS motor ~~vehicle~~
23 vehicle or a combination of these vehicles."

24 Sec. 28. G.S. 20-14 reads as rewritten:

25 **"§ 20-14. Duplicate licenses.**

26 A ~~licensee~~person may obtain a duplicate of a license issued by the Division by
27 paying a fee of ten dollars (\$10.00) and giving the Division satisfactory proof that any
28 of the following has occurred:

29 (1) The person's license has been lost or destroyed.

30 (2) It is necessary to change the name or address on the license.

31 (3) Because of ~~the licensee's~~ age, the ~~licensee~~person is entitled to a license
32 with a different color photographic ~~background~~or background.

33 (4) ~~He has become eligible for reinstatement of his North Carolina driving~~
34 ~~privilege following a period of suspension or revocation and the last~~
35 ~~license issued has not yet expired.~~ The Division revoked the person's
36 license, the revocation period has expired, and the period for which the
37 license was issued has not expired."

38 Sec. 29. G.S. 20-30(8) reads as rewritten:

39 "(8) To possess more than one commercial drivers license or to possess a
40 commercial drivers license and a regular drivers license. Any
41 commercial drivers license other than the ~~[one]~~one most recently
42 issued is subject to immediate seizure by any law enforcement officer
43 or judicial official. Any regular drivers license possessed at the same

1 time as a commercial drivers license is subject to immediate seizure by
2 any law enforcement officer or judicial official."

3 Sec. 30. G.S. 20-37.6 reads as rewritten:

4 "**§ 20-37.6. ~~Handicapped;~~ Parking privileges for handicapped drivers and**
5 **passengers; parking privileges. ~~passengers.~~**

6 (a) General Parking. – Any vehicle that is driven by or is transporting a person
7 who is handicapped as defined by G.S. 20-37.5 displaying and that displays
8 distinguishing license plate, a removable windshield placard, or a temporary removal
9 removable windshield placard may be parked for unlimited periods in parking zones
10 restricted as to the length of time parking is permitted. This provision has no
11 application to those zones or during times in which the stopping, parking, or standing of
12 all vehicles is prohibited or which are reserved for special types of vehicles. Any
13 qualifying vehicle may park in spaces designated by aboveground markings as restricted
14 to vehicles distinguished as being driven by or as transporting the handicapped.

15 (b) Handicapped Car Owners; Distinguishing License Plates. – If the
16 handicapped person is a registered owner of a vehicle, the owner may apply for and
17 display a distinguishing license plate. This license plate shall be issued for the normal
18 fee applicable to standard license plates. Any vehicle owner who qualifies for a
19 distinguishing license plate may also receive one removable windshield placard.

20 (c) Handicapped Drivers and Passengers; Distinguishing Placards. – A
21 handicapped person may apply for the issuance of a removable windshield placard or a
22 temporary removable windshield placard. Upon request, one additional placard may be
23 issued to applicants who do not have a distinguishing license plate. Any organization
24 which, as determined and certified by the State Vocational Rehabilitation Agency,
25 regularly transports handicapped persons may also apply. These organizations may
26 receive one removable windshield placard for each transporting vehicle. When the
27 removable windshield or temporary removable windshield placard is properly
28 displayed, all parking rights and privileges extended to vehicles displaying a
29 distinguishing license plate issued pursuant to subsection (b) shall apply. The
30 removable windshield placard or the temporary removable windshield placard shall be
31 displayed so that it may be viewed from the front and rear of the vehicle by hanging it
32 from the front windshield rearview mirror of a vehicle using a parking space allowed for
33 handicapped persons. When there is no inside rearview mirror, or when the placard
34 cannot reasonably be hung from the rearview mirror by the handicapped person, the
35 placard shall be displayed on the driver's side of the dashboard. A removable
36 windshield placard placed on a motorized wheelchair or similar vehicle shall be
37 displayed in a clearly visible location. The Division of ~~Motor Vehicles~~ shall establish
38 procedures for the issuance of the placards and may charge a fee sufficient to pay the
39 actual cost of issuance, but in no event less than five dollars (\$5.00) per placard.

40 (c1) ~~Application for Placard;~~ Application and Renewal; Physician's Certification. –
41 The initial application for a distinguishing license plate, removable windshield placard,
42 or temporary removable windshield placard shall be accompanied by a certification of a
43 licensed physician, ophthalmologist, ~~optometrist,~~ or optometrist or of the Division of
44 Services for the Blind that the applicant ~~meets the definition of a person being handicapped~~

1 ~~in G.S. 20-37.5 is handicapped.~~ The application for a temporary removable windshield
2 placard shall contain additional certification to include the period of time the certifying
3 authority determines the applicant will have the disability. Distinguishing license plates
4 shall be renewed annually, but subsequent applications shall not require a medical
5 certification that the applicant ~~meets the definition of being handicapped in G.S. 20-37.5 is~~
6 handicapped. Removable windshield placards shall be renewed every five years, and
7 the renewal shall require a medical recertification that the person is ~~handicapped as~~
8 ~~defined in G.S. 20-37.5.~~ handicapped. Temporary removable windshield placards shall
9 expire no later than six months after issuance.

10 (c2) Existing Placards; Expiration; Exchange for New Placards. – All existing
11 placards shall expire on January 1, 1992. No person shall be convicted of parking in
12 violation of this Article by reason of an expired placard if the defendant produces in
13 court, at the time of trial on the illegal parking charge, an expired placard and a renewed
14 placard issued within 30 days of the expiration date of the expired placard and which
15 would have been a defense to the charge had it been issued prior to the time of the
16 alleged offense. Existing placards issued on or after July 1, 1989, may be exchanged
17 without charge for the new placards.

18 (d) Designation of Parking ~~Places~~ Spaces. – Designation of parking spaces for
19 handicapped persons on streets and public vehicular areas shall comply with G.S. 136-
20 30. A sign designating a parking space for handicapped persons shall state the
21 maximum penalty for parking in the space in violation of the law.

22 (d1) Repealed by Session Laws 1991, c. 530, s. 4.

23 (e) Enforcement of Handicapped Parking Privileges. – It shall be unlawful:

- 24 (1) To park or leave standing any vehicle in a space designated with a sign
25 pursuant to subsection (d) of this section for handicapped persons
26 when the vehicle does not display the distinguishing license plate,
27 removable windshield ~~placard~~ placard, or temporary removable
28 windshield placard ~~or identification card~~ as provided in this section
29 section, or a disabled veteran registration plate issued under G.S. 20-
30 79.4;
- 31 (2) For any person not qualifying for the rights and privileges extended to
32 handicapped persons under this section to exercise or attempt to
33 exercise such rights or privileges by the unauthorized use of a
34 distinguishing license plate, removable windshield placard, or
35 temporary removable windshield placard issued pursuant to the
36 provisions of this section;
- 37 (3) To park or leave standing any vehicle so as to obstruct a curb ramp or
38 curb cut for handicapped persons as provided for by the North
39 Carolina Building Code or as designated in G.S. 136-44.14;
- 40 (4) For those responsible for designating parking spaces for the
41 handicapped to erect or otherwise use signs not conforming to G.S. 20-
42 37.6(d) for this purpose.

43 This section is enforceable in all public vehicular ~~areas specified in G.S. 20-4.01(32).~~
44 areas.

1 (f) Penalties for Violation. –

2 (1) A violation of G.S. 20-37.6(e)(1), (2) or (3) is an infraction which
3 carries a penalty of at least fifty dollars (\$50.00) but not more than one
4 hundred dollars (\$100.00) and whenever evidence shall be presented in
5 any court of the fact that any automobile, truck, or other vehicle was
6 found to be parked in a properly designated handicapped parking space
7 in violation of the provisions of this section, it shall be **prima facie**
8 evidence in any court in the State of North Carolina that the vehicle
9 was parked and left in the space by the person, firm, or corporation in
10 whose name the vehicle is registered and licensed according to the
11 records of the ~~Division of Motor Vehicles.~~ Division. No evidence
12 tendered or presented under this authorization shall be admissible or
13 competent in any respect in any court or tribunal except in cases
14 concerned solely with a violation of this section.

15 (2) A violation of G.S. 20-37.6(e)(4) is an infraction which carries a
16 penalty of at least fifty dollars (\$50.00) but not more than one hundred
17 dollars (\$100.00) and whenever evidence shall be presented in any
18 court of the fact that ~~any such a nonconforming sign or markings are~~ is
19 being used it shall be **prima facie** evidence in any court in the State of
20 North Carolina that the person, firm, or corporation with ownership of
21 the property where ~~said the nonconforming signs or markings are~~ sign is
22 located is responsible for violation of this section. Building inspectors
23 and others responsible for North Carolina State Building Code
24 violations specified in G.S. 143-138(h) where such signs are required
25 by the Handicapped Section of the North Carolina State Building
26 Code, may cause a citation to be issued for this violation and may also
27 initiate any appropriate action or proceeding to correct such violation.

28 (3) A law-enforcement officer, including a security officer who has
29 authority to enforce laws on the property of his employer as specified
30 in Chapter 74A, may cause a vehicle parked in violation of this section
31 to be towed; and such officer shall be a legal possessor as provided in
32 G.S. 20-161(d)(2). This law-enforcement officer, or security officer,
33 shall not be held to answer in any civil or criminal action to any owner,
34 lienholder or other person legally entitled to the possession of any
35 motor vehicle removed from such space pursuant to this section,
36 except where such motor vehicle is willfully, maliciously, or
37 negligently damaged in the removal from aforesaid space to place of
38 storage.

39 (4) Notwithstanding any other provision of the General Statutes, the
40 provisions of this section relative to handicapped parking shall be
41 enforced by State, county, city and other municipal authorities in their
42 respective jurisdictions whether on public or private property in the
43 same manner as is used to enforce other parking laws and ordinances
44 by said agencies."

1 Sec. 31. G.S. 20-37.6A reads as rewritten:

2 "**§ 20-37.6A. ~~Vehicles designated~~ Parking privileges for out-of-state handicapped;**
3 **parking privileges. handicapped drivers and passengers.**

4 Any vehicle displaying an out-of-State handicapped license plate, ~~placard~~ placard, or
5 other evidence of handicap ~~or visual impairment~~ issued by the appropriate authority of the
6 appropriate jurisdiction may park in any space reserved for the handicapped pursuant to
7 G.S. 20-37.6."

8 Sec. 32. G.S. 20-63(b) reads as rewritten:

9 "(b) Every license plate shall have displayed upon it the registration number
10 assigned to the vehicle for which it is issued, ~~also~~ the name of the State of North
11 Carolina, which may be abbreviated, the year number for which it is issued or the date
12 of expiration, and, if the plate is issued for a commercial vehicle, as defined in G.S. 20-
13 4.2(1), the word 'commercial,' designating 'commercial vehicle.' ~~Provided that plates~~ The
14 Division may not issue a plate bearing the word 'commercial' shall not be issued for
15 trailers, for vehicles a trailer, a vehicle licensed for less than 5,000 pounds, and for
16 property carrying vehicles a property-hauling vehicle, or for any a commercial vehicle
17 bearing a personalized plate issued pursuant to G.S. 20-81.3. Subject to the provisions hereof,
18 every plate.

19 A registration plate issued by the Division for a private passenger vehicle and all or
20 for a private hauler ~~vehicles~~ vehicle licensed for 4,000 pounds ~~gross weight~~ registration
21 plate manufactured for use after January 1, 1982, shall be a 'First in Flight' plate. A 'First in
22 Flight' plate shall have the words 'First in Flight' printed at the top of the plate above all
23 other letters and numerals. The background of the plate shall depict the Wright Brothers
24 biplane flying over Kitty Hawk Beach, with the plane flying slightly upward and to the
25 right. The Department shall deplete the license plates in stock, on order, or for which a contract
26 has been signed at the time of the ratification of this bill. Until all of the license plates
27 previously referred to have been depleted, all plates issued to replace faded, worn-out or
28 damaged plates shall be regular plates. Any person desiring to trade in a regular plate and
29 thereby secure a First in Flight plate may do so by paying the fee provided in G.S. 20-85(5). As
30 soon as feasible, but not later than July 1, 1983, all newly issued plates shall be issued as First
31 in Flight plates; and as soon as feasible, all special issue, official and personalized plates shall
32 be issued as First in Flight plates. Beginning July 1, 1983, the Department shall, as the same
33 comes up for replacement, begin systematically replacing all regular license plates with First in
34 Flight license plates beginning with the oldest series of existing plates and continuing thereafter
35 on a staggered basis."

36 Sec. 33. G.S. 20-81.12(d) reads as rewritten:

37 "(d) Ten dollars (\$10.00) of the additional fee imposed by subsection (b) of this
38 section shall be credited to the ~~Personalized-Special Registration Plate~~ Registration Plate Fund established
39 under G.S. ~~20-81.3 [20-79.7]~~ 20-79.7. The remaining revenue derived from the
40 additional fee imposed by subsection (b) of this section shall be credited to the
41 Collegiate Plate Fund, a separate fund established in the State Treasurer's office. The
42 revenue in the Collegiate Plate Fund shall be transferred quarterly to the Board of
43 Governors of The University of North Carolina for public colleges and universities and
44 to the respective board of trustees for private colleges and universities in proportion to

1 the number of collegiate plates sold representing that institution for use for academic
2 enhancement."

3 Sec. 34. G.S. 20-127(h) reads as rewritten:

4 "(h) Subsections (d) through (g) of this section ~~shall apply only to darkened,~~
5 ~~smoked or tinted film installed on motor vehicle windows after factory delivery and~~
6 ~~after the effective date of this act and shall do~~ not apply to vehicles that are registered in
7 another state and state, are not required to be registered in this State, and were in
8 compliance with the standards required in that state at [the] time. the state of registration
9 at the time of registration."

10 Sec. 35. G.S. 65-64(c) is repealed.

11 Sec. 36. G.S. 75-81(3) reads as rewritten:

12 "(3) 'Motor Fuel' shall mean a refined or blended petroleum product used
13 for the propulsion of self-propelled motor vehicles; the term includes
14 'motor fuel' shall also include the same meaning as defined by G.S. 105-
15 430(1) in G.S. 105-430 and fuel 'fuel' as defined by G.S. 105-449.2(3)-
16 in G.S. 105-449.2."

17 Sec. 37. G.S. 120-123(27) reads as rewritten:

18 "(27) The Property Tax Commission, as established by G.S. ~~143B-223-~~
19 105-288."

20 Sec. 38. G.S. 130A-62 reads as rewritten:

21 **"§ 130A-62. Annual budget; tax levy.**

22 (a) A sanitary district shall operate under an annual balanced budget adopted in
23 accordance with the Local Government Budget and Fiscal Control Act.

24 (b) A sanitary district has the option of either collecting its own taxes or having
25 its taxes collected by the county or counties in which it is located. Unless a district takes
26 affirmative action to collect its own taxes, taxes shall be collected by the county.

27 (c) For sanitary districts whose taxes are collected by the county, before May 1
28 of each year, the assessor of each county in which the district is located shall certify to
29 the district board the total assessed value of property in the county subject to taxation by
30 ~~the district, and the county's assessment ratio. district.~~ By July 1 or upon adoption of its
31 annual budget ordinance, the district board shall certify to the county board of
32 commissioners the rate of ad valorem tax levied by the district on property in that
33 county. ~~If the assessment ratios are not identical in all counties, the district budget ordinance~~
34 ~~shall levy separate rates of ad valorem taxes for each county. These rates shall be adjusted so~~
35 ~~that the effective rate is the same for all property located in the district. The "effective rate" is~~
36 ~~the rate of tax which will produce the same tax liability on property of equal appraised value.~~
37 Upon receiving the district's certification of its tax levy, the county commissioners shall
38 compute the district tax for each taxpayer and shall separately state the district tax on
39 the county tax receipts for the fiscal year. The county shall collect the district tax in the
40 same manner that county taxes are collected and shall remit these collections to the
41 district at least monthly. Partial payments shall be proportionately divided between the
42 county and the district. The district budget ordinance may include an appropriation to
43 the county for the cost to the county of computing, ~~billing~~ billing, and collecting the
44 district tax. The amount of the appropriation shall be agreed upon by the county and the

1 district, but may not exceed five percent (5%) of the district levy. Any agreement shall
2 remain effective until modified by mutual agreement. The amount due the county for
3 collecting the district tax may be deducted by the county from its monthly remittances
4 to the district or may be paid to the county by the district.

5 (d) Sanitary districts electing to collect their own taxes shall be deemed cities for
6 the purposes of the Machinery Act. ~~Act, Subchapter II of Chapter 105 of the General~~
7 Statutes. ~~If a district is located in more than one county, the district board may adopt the~~
8 ~~assessments placed upon property located in the district by the counties in which the district is~~
9 ~~located if, in the opinion of the board, the same appraisal and assessment standards will apply~~
10 ~~uniformly throughout the district. If the board determines that adoption of the assessments fixed~~
11 ~~by the counties will not result in uniform appraisals and assessments throughout the district, the~~
12 ~~board may, by horizontal adjustments, equalize the appraisal values fixed by the counties and in~~
13 ~~accordance with the procedure prescribed in the Machinery Act, select and adopt an assessment~~
14 ~~ratio to be applied to the appraised values of property subject to district taxation as equalized by~~
15 ~~the board. Taxes levied by the district shall be levied uniformly on the assessments."~~

16 Sec. 39. G.S. 143B-472.3, Articles 11 and 12, read as rewritten:

17 "Article 11. Assessments shall be made as provided in ~~G.S. 143-472.18~~ [~~G.S. 143B-~~
18 ~~472.18~~], G.S. 143B-472.18. Whenever possible, assessments will be made at definitely
19 stated intervals so as to reduce the cost of collection and to prevent lapse.

20 "Article 12. In the event the proceeds of the annual assessments imposed on the
21 entire membership for one year, as provided in ~~G.S. 143-472.18~~ [~~G.S. 143B-472.18~~], G.S.
22 143B-472.18, do not prove sufficient at any time to yield the benefit provided for in
23 these bylaws, then the secretary-treasurer shall notify the North Carolina Burial
24 Association Administrator who shall be authorized, unless the membership is increased
25 to that point where such assessments are sufficient, to cause liquidation of said
26 association, and may transfer all members in good standing to a like organization or
27 association."

28 Sec. 40. G.S. 159-30(b) reads as rewritten:

29 "(b) Moneys may be deposited at interest in any bank, savings and loan
30 association, or trust company in this State in the form of certificates of deposit or such
31 other forms of time deposit as the Commission may approve. Investment deposits,
32 including investment deposits of ~~the a~~ mutual fund for local government investment
33 ~~created by G.S. 159-30(e)(6a), established under subdivision (c)(8) of this section,~~ shall be
34 secured as provided in G.S. 159-31(b)."

35 Sec. 41. G.S. 159-55(a)(5) reads as rewritten:

36 "(5) The percentage that the net debt bears to the ~~appraised~~ assessed value
37 of property subject to taxation by the issuing unit."

38 Sec. 42. G.S. 159G-8(a) reads as rewritten:

39 "(a) Application. – All applications for revolving loans and grants for water
40 supply systems shall be filed with the Division of Environmental Health and all
41 applications for revolving loans and grants for wastewater treatment works or
42 wastewater collection systems shall be filed with the Environmental Management
43 Commission. Any application may be filed in as many categories as it is eligible for
44 consideration under this Chapter. Applications for revolving construction loans or
45 grants for wastewater treatment works and wastewater collection systems, except

1 applications for emergency wastewater loans, shall first be submitted for a loan or grant
2 from the Water Pollution Control Revolving Fund established by G.S. 159G-5(c). If the
3 application is denied, the application shall then be considered for a revolving loan or a
4 grant from the General Wastewater Revolving Loan and Grant account established
5 under G.S. ~~159-6(b)(1)~~ ~~[159G-6(b)(1)]~~ 159G-6(b)(1).

6 The Department of Environment, Health, and Natural Resources, the Commission
7 for Health Services, and the Environmental Management Commission may develop
8 jointly and adopt a standard form of application under this Chapter. Any application for
9 construction grants under the Federal Water Pollution Control Act may be considered as
10 an application for revolving construction loans or grants under G.S. 159G-5(c) and
11 G.S. 159G-6(b)(1). The information required to be set forth in the application shall be
12 sufficient to permit the respective agencies to determine the eligibility of the applicant
13 and to establish the priority of the application, as set forth in this Chapter.

14 Any applicant shall furnish information in addition or supplemental to the
15 information contained in its application upon request by the receiving agency."

16 Sec. 43. G.S. 159-123(c) reads as rewritten:

17 "(c) When the issuing unit wishes to have a private sale of bonds, the governing
18 board of the issuing unit shall adopt and file with the Commission a resolution
19 requesting that the bonds be sold at private sale without advertisement to any purchaser
20 or purchasers thereof, at such prices as the Commission determines to be in the best
21 interest of the issuing unit, subject to the approval of the governing board of the issuing
22 unit or one or more persons designated by resolution of the governing board of the
23 issuing unit to approve such prices. Upon receipt of a resolution requesting a private
24 sale of bonds, the Commission may offer them to any purchaser or purchasers without
25 advertisement, and may sell them at any price the Commission deems in the best
26 interest of the issuing unit, subject to the approval of the governing board of the issuing
27 unit or the person or persons designated by resolution of the governing board of the
28 issuing unit to approve such prices. For purposes of this subsection, any resolution of
29 the governing board of the issuing unit which designates a person or persons to approve
30 any price or prices shall also establish a minimum purchase price and a maximum
31 interest rate or maximum interest cost and such other provisions relating to approval as
32 it may determine. Notwithstanding any provisions of this Chapter ~~159-~~to the contrary,
33 ~~the general obligation bonds issued pursuant to Article 4 of this Chapter~~ may be sold at
34 private sale at not less than ninety-eight percent (98%) of the face value of the bonds
35 plus one hundred percent (100%) of accrued interest."

36 Sec. 44. G.S. 105-164.13(12) reads as rewritten:

37 "(12) Therapeutic, prosthetic, or artificial devices, such as pulmonary
38 respirators or medical beds, that are designed for individual personal
39 use to correct or alleviate physical illness, disease, or incapacity and
40 that are sold on the written prescription of a physician, dentist, or other
41 professional person licensed to prescribe, and crutches, artificial limbs,
42 artificial eyes, hearing aids, false teeth, eyeglasses ground on
43 prescription of a physician or an optometrist, and orthopedic

1 appliances designed to be worn by the purchaser or user. This
2 subdivision does not apply to a motor vehicle."

3 Sec. 45. G.S. 153A-277(a1) reads as rewritten:

4 "(a1) Before it establishes or revises a schedule of rates, fees, charges, or penalties
5 for structural and natural stormwater and drainage systems under this section, the board
6 of commissioners shall hold a public hearing on the matter. A notice of the hearing
7 shall be given at least once in a newspaper having general circulation in the area, not
8 less than seven days before the public hearing. The hearing may be held concurrently
9 with the public hearing on the proposed budget ordinance.

10 ~~Fees~~ The fees established as provided in this subsection shall under this subsection
11 must be made applicable throughout the area of the county outside municipalities.
12 Schedules of rates, fees, charges, and penalties for providing structural and natural
13 stormwater and drainage system service may vary according to whether the property
14 served is residential, commercial, or industrial property, the property's use, the size of
15 the property, the area of impervious surfaces on the property, the quantity and quality of
16 the runoff from the property, the characteristics of the watershed into which stormwater
17 from the property drains, and other factors that affect the stormwater drainage system.
18 Rates, fees, and charges imposed under this ~~section~~ subsection may not exceed the
19 county's cost of providing a stormwater and drainage system.

20 No stormwater utility fee may be levied under this subsection whenever two or more
21 units of local government operate separate structural and natural stormwater and
22 drainage system services in the same area within a county. However, two or more units
23 of local government may allocate among themselves the functions, duties, powers, and
24 responsibilities for jointly operating a single structural and natural stormwater and
25 drainage system service in the same area within a county, provided that only one unit
26 may levy a fee ~~pursuant to this act~~ for the service within the joint service area. For
27 purposes of this subsection, a unit of local government shall include a regional authority
28 providing structural and natural stormwater and drainage system services."

29 Sec. 46. G.S. 160A-314(a1) reads as rewritten:

30 "(a1) Before it establishes or revises a schedule of rates, fees, charges, or penalties
31 for structural and natural stormwater and drainage systems under this section, the city
32 council shall hold a public hearing on the matter. A notice of the hearing shall be given
33 at least once in a newspaper having general circulation in the area, not less than seven
34 days before the public hearing. The hearing may be held concurrently with the public
35 hearing on the proposed budget ordinance.

36 ~~Fees~~ The fees established as provided in this subsection shall under this subsection
37 must be made applicable throughout the area of the city. Schedules of rates, fees,
38 charges, and penalties for providing structural and natural stormwater and drainage
39 system service may vary according to whether the property served is residential,
40 commercial, or industrial property, the property's use, the size of the property, the area
41 of impervious surfaces on the property, the quantity and quality of the runoff from the
42 property, the characteristics of the watershed into which stormwater from the property
43 drains, and other factors that affect the stormwater drainage system. Rates, fees, and

1 charges imposed under this ~~section~~ subsection may not exceed the city's cost of
2 providing a stormwater and drainage system.

3 No stormwater utility fee may be levied under this subsection whenever two or more
4 units of local government operate separate structural and natural stormwater and
5 drainage system services in the same area within a county. However, two or more units
6 of local government may allocate among themselves the functions, duties, powers, and
7 responsibilities for jointly operating a single structural and natural stormwater and
8 drainage system service in the same area within a county, provided that only one unit
9 may levy a fee ~~pursuant to this act~~ for the service within the joint service area. For
10 purposes of this subsection, a unit of local government shall include a regional authority
11 providing structural and natural stormwater and drainage system services."

12 Sec. 47. G.S. 162A-9(a) reads as rewritten:

13 "(a) ~~Each~~ An authority shall ~~fix, and may revise from time to time, reasonable~~ may
14 establish and revise a schedule of rates, fees ~~fees,~~ and other charges for the use of and
15 for the services furnished or to be furnished by any water system or sewer system or
16 parts thereof owned or operated by ~~such~~ the authority. ~~Such~~ The rates, ~~fees~~ fees, and
17 charges ~~shall~~ established under this subsection are ~~not~~ be subject to supervision or
18 regulation by any bureau, board, ~~commission~~ commission, or other agency of the State or
19 of any political subdivision.

20 Before an authority sets or revises rates, fees, or other charges for structural or
21 natural stormwater and drainage system service, the authority shall hold a public
22 hearing on the matter. At least seven days before the hearing, the authority shall publish
23 notice of the public hearing in a newspaper having general circulation in the area. An
24 authority may impose rates, fees, or other charges for stormwater and drainage system
25 service on a person even though the person has not entered into a contract to receive the
26 service.

27 Rates, fees, and charges shall be fixed and revised so that the revenues of the
28 authority, together with any other available funds, will be sufficient at all times:

- 29 (1) To pay the cost of maintaining, ~~repairing~~ repairing, and operating the
30 systems or parts thereof owned or operated by the authority, including
31 reserves for such purposes, and including provision for the payment of
32 principal of and interest on indebtedness of a political subdivision or of
33 political subdivisions which payment shall have been assumed by the
34 authority, and
35 (2) To pay the principal of and the interest on all bonds issued by the
36 authority under the provisions of this Article as the same shall become
37 due and payable and to provide reserves therefor.

38 ~~Fees~~ The fees established as ~~provided in this subsection~~ shall under this subsection
39 must be made applicable throughout the service area. Schedules of rates, fees, charges,
40 and penalties for providing structural and natural stormwater and drainage system
41 service may vary according to whether the property served is residential, commercial, or
42 industrial property, the property's use, the size of the property, the area of impervious
43 surfaces on the property, the quantity and quality of the runoff from the property, the
44 characteristics of the watershed into which stormwater from the property drains, and

1 other factors that affect the stormwater drainage system. Rates, fees, and charges
2 imposed under this ~~section~~subsection for stormwater and drainage system service may
3 not exceed the authority's cost of providing a stormwater and drainage system.

4 No stormwater utility fee may be levied under this subsection whenever two or more
5 units of local government operate separate structural and natural stormwater and
6 drainage system services in the same area within a county. However, two or more units
7 of local government may allocate among themselves the functions, duties, powers, and
8 responsibilities for jointly operating a single structural and natural stormwater and
9 drainage system service in the same area within a county, provided that only one unit
10 may levy a fee ~~pursuant to this act~~for the service within the joint service area. For
11 purposes of this subsection, a unit of local government shall include a regional authority
12 providing structural and natural stormwater and drainage system services."

13 Sec. 48. This act is effective upon ratification. Section 2 of this act applies
14 retroactively to June 21, 1990. Section 3 of this act applies retroactively to taxable
15 years beginning on or after January 1, 1989.