

GENERAL ASSEMBLY OF NORTH CAROLINA  
1991 SESSION

CHAPTER 666  
HOUSE BILL 80

AN ACT TO AUTHORIZE A REGIONAL TRANSPORTATION AUTHORITY TO  
LEVY A VEHICLE REGISTRATION TAX.

The General Assembly of North Carolina enacts:

Section 1. G.S. 160A-613 reads as rewritten:

**"§ 160A-613. Funds.**

(a) The establishment and operation of an Authority are governmental functions and constitute a public purpose, and the State of North Carolina and any unit of local government may appropriate funds to support the establishment and operation of the Authority. The State of North Carolina and any unit of local government may also dedicate, sell, convey, donate or lease any of their interests in any property to the Authority.

(b) The Authority may levy an annual vehicle registration tax not to exceed five dollars (\$5.00) per vehicle in accordance with G.S. 160A-623."

Sec. 2. Chapter 160A of the General Statutes is amended by adding a new section to read:

**"§ 160A-623. Regional Transportation Authority registration tax.**

(a) Tax Authorized. In accordance with this section, an Authority organized under this Article may levy an annual license tax upon any motor vehicle with a tax situs within its territorial jurisdiction as defined by G.S. 160A-602.

(b) Purpose. The purpose of the tax levied under this section is to raise revenue for capital and operating expenses of an Authority in providing a public transportation system.

(c) Amount of Tax. The annual levy under this section must be a full dollar amount, but may not exceed five dollars (\$5.00) per year.

(d) Procedure for Levy. The Board of Trustees of an Authority may levy the tax provided by this section by passage of a resolution, after not less than 10 days' public notice and after a public hearing. Collection of the tax, and liability therefor, shall begin and continue only on and after the first day of a calendar month set by the Board of Trustees in the resolution levying the tax, which shall in no case be earlier than the first day of the third calendar month after the adoption of the resolution. The Board of Trustees, upon adoption of the resolution, shall cause a certified copy of the resolution to be delivered immediately to the Division of Motor Vehicles.

(e) Collection of Tax. Upon receipt of the resolutions under subsections (d) and (j), the Division of Motor Vehicles shall proceed to collect and administer the tax. The tax is due at the same time and subject to the same restrictions as in G.S. 20-87 (1), (2),

(4), (5), (6), and (7) and G.S. 20-88. The Commissioner of Motor Vehicles may adopt such rules as are necessary and proper to implement this section.

(f) Modification or Repeal of Tax. The Board of Trustees may, by resolution, terminate the levy of the tax under this section, or increase or decrease the amount of the tax, under the same procedures as provided in subsection (d) of this section, and subject to the limitations provided in subsections (c) and (j) of this section. Collection of the increased or decreased tax, and liability therefor, shall begin and continue only on and after the first day of a calendar month set by the Board of Trustees in the resolution increasing or reducing the tax, which shall in no case be earlier than the first day of the third calendar month after the adoption of the resolution. The effective date of the termination of the tax shall be only on and after the first day of a calendar month set by the Board of Trustees in the resolution terminating the tax, which shall in no case be earlier than the first day of the third calendar month after the adoption of the resolution. No liability for any tax levied under this section which shall have attached prior to the effective date on which a levy is terminated or reduced shall be discharged as a result of such termination or reduction, and no right to a refund of tax or otherwise, which shall have accrued prior to the effective date on which a levy is terminated or reduced shall be denied as a result of such termination.

(g) Vehicles Subject to Tax. Only vehicles required to pay a tax under G.S. 20-87(1), (2), (4), (5), (6), and (7) and G.S. 20-88 shall be subject to the tax provided by this section. Taxes shall be prorated in accordance with G.S. 20-66 or G.S. 20-95, as applicable.

(h) Tax Situs. The fact that the county listed by the owner under G.S. 105-314 as the county where the vehicle is subject to ad valorem taxation is within the territorial jurisdiction of the Authority shall be **prima facie** evidence that the vehicle has a tax situs within the territorial jurisdiction of the Authority.

(i) Distribution of Proceeds. Taxes paid under this section shall be credited to a special fund, and the net proceeds disbursed quarterly to the appropriate Authority. Interest credited to the fund shall be disbursed quarterly to the Highway Fund to reimburse the Division of Motor Vehicles for the cost of collecting and administering the tax.

(i1) Limitation on Expenditures. Of the proceeds of the tax, the Authority may not expend more than two percent (2%) on administrative expenses.

(j) When Special Tax Board and Board of County Commissioners Authorization Necessary. No Authority may adopt a resolution to levy any tax under this section, or to increase the amount of the levy, unless the special tax board of that Authority and the board of county commissioners of each county organizing the Authority have first passed a resolution approving the levy or increase, except where the levy or increase in tax is necessary for debt service on bonds or notes that special tax board and each of the boards of county commissioners had previously approved under G.S. 159-51. The Special Tax Board and Board of County Commissioners, upon adoption of the resolution, shall cause a certified copy of the resolution to be delivered immediately to the Authority and to the Division of Motor Vehicles."

Sec. 3. G.S. 105-314(a) reads as rewritten:

"(a) Every motor vehicle owner applying to the State Division of Motor Vehicles for motor vehicle license tags, or for renewal of such, shall specify in the application the county in which each such motor vehicle is subject to ad valorem taxation. If any such vehicle is not subject to ad valorem taxation in this State, that fact, with the reason therefor, shall be stated in the application. No State license tags shall be issued to any applicant, or renewed for such applicant until the requirements of this subsection have been met. It shall be a misdemeanor to knowingly make a false statement in the application as to the information required to be supplied by this section."

Sec. 4. Chapter 160A of the General Statutes is amended by adding a new section to read:

**"§ 160A-624. Recommendation of additional revenue sources.**

The Authority may make recommendations to the General Assembly concerning additional revenue sources, including, but not limited to:

- (1) Annual vehicle registration fees;
- (2) Ad valorem taxes;
- (3) Local land transfer taxes;
- (4) Drivers license fees;
- (5) Sales taxes on automobile parts and accessories; and
- (6) Motor fuels taxes.

Any additional revenue sources for an Authority must be approved by the General Assembly."

Sec. 5. G.S. 160A-617 is rewritten to read:

**"§ 160A-617. Bonds and notes authorized.**

In addition ~~of~~to the powers granted by this Article, the authority may issue bonds and notes pursuant to the provisions of the Local Government Bond Act and the Local Government Revenue Bond Act for the purpose of financing public transportation systems or any part thereof and to refund such bonds and notes, whether or not in advance of their maturity or earliest redemption date. Any bond order must be approved by resolution adopted by the special tax board of the Authority and in the case of a bond order under the Local Government Bond Act also by the board of county commissioners of each county organizing the authority. To pay any bond or note issued under the Local Government Bond Act, the Authority may not pledge the levy of any ad valorem tax, but only a tax or taxes it is authorized to levy."

Sec. 6. G.S. 159-51 as amended by Chapter 325, Session Laws of 1991, reads as rewritten:

**"§ 159-51. Application to Commission for approval of bond issue; preliminary conference; acceptance of application.**

No bonds may be issued under this Article unless the issue is approved by the Local Government Commission. The governing board of the issuing unit shall file an application for Commission approval of the issue with the secretary of the Commission. If the issuing unit is a regional public transportation authority, the application must be accompanied by ~~a resolution~~ resolutions of the special tax board of that authority and of each of the boards of county commissioners of the counties organizing the authority approving of the application. The application shall state such facts and have attached to

it such documents concerning the proposed bonds and the financial condition of the issuing unit as the secretary may require. The Commission may prescribe the form of the application.

Before he accepts the application, the secretary may require the governing board or its representatives to attend a preliminary conference to consider the proposed bond issue. If the issuing unit is a merged school administrative unit described in G.S. 115C-513, each county in which the merged unit is located may attend the preliminary conference.

After an application in proper form has been filed, and after a preliminary conference if one is required, the secretary shall notify the unit in writing that the application has been filed and accepted for submission to the Commission. The secretary's statement shall be conclusive evidence that the unit has complied with this section."

Sec. 7. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 13th day of July, 1991.

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James C. Gardner  
President of the Senate

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Daniel Blue, Jr.  
Speaker of the House of Representatives