

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

**SESSION LAW 2007-109
HOUSE BILL 1112**

AN ACT TO AUTHORIZE THE TOWN OF MATTHEWS TO USE PROCEEDS FROM THE MOTOR VEHICLE TAX, ASSESSED PURSUANT TO G.S. 20-97, FOR ROAD CONSTRUCTION, MAINTENANCE, AND REPAIR, INCLUDING SIDEWALKS, OR FOR PUBLIC MASS TRANSIT SYSTEMS AND MASS TRANSIT-RELATED ACTIVITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-97(a), as applicable to the Town of Matthews under S.L. 1985-1009, S.L. 1991- 209, and S.L. 1993-345, reads as rewritten:

"(a) All taxes levied under the provisions of this Article are intended as compensatory taxes for the use and privileges of the public highways of this State, and shall be paid by the Commissioner to the State Treasurer, to be credited by him to the State Highway Fund; and no county or municipality shall levy any license or privilege tax upon any motor vehicle licensed by the State of North Carolina, except that cities and towns other than the City of Durham may levy not more than thirty dollars (\$30.00) per year upon any vehicle resident therein, and except that the City of Durham may levy not more than one dollar (\$1.00) per year upon any vehicle resident therein. Provided, further, that cities and towns may levy, in addition to the amounts hereinabove provided for, a sum not to exceed fifteen dollars (\$15.00) per year upon each vehicle operated in such city or town as a taxicab. Provided, further that any tax levied in excess of twenty dollars (\$20.00) per year per vehicle by the City of Charlotte ~~and any tax levied in excess of five dollars (\$5.00) per year per vehicle by the Town of Matthews~~ shall be dedicated to and may be expended only for public mass transit systems and mass transit-related activities."

SECTION 2. G.S. 20-97(b) reads as rewritten:

"(b) General Municipal Vehicle Tax. – Cities and towns may levy a tax of not more than ~~five dollars (\$5.00)~~ thirty dollars (\$30.00) per year upon any vehicle resident in the city or town. The proceeds of the tax may be used for any lawful purpose, road construction, maintenance, and repair, including sidewalks, or for public mass transit systems and mass transit-related activities."

SECTION 3. This act applies to the Town of Matthews only.

SECTION 4. This act is effective for taxes imposed for taxable years beginning on or after July 1, 2007.

In the General Assembly read three times and ratified this the 26th day of June, 2007.

s/ Beverly E. Perdue
President of the Senate

s/ Joe Hackney
Speaker of the House of Representatives