

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2013

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HOUSE BILL 107

Short Title: Eastern Region Econ. Dev. Region/Withdrawal. (Public)

Sponsors: Representative Speciale (Primary Sponsor).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Government, if favorable, Finance.

February 18, 2013

A BILL TO BE ENTITLED

AN ACT TO ALLOW A COUNTY WITHDRAWING FROM THE EASTERN REGION TO RECEIVE A DISTRIBUTION OF ITS SHARE OF THE MOTOR VEHICLE REGISTRATION TAX PROCEEDS AS WELL AS PAYMENTS MADE BY THE COUNTY IN LIEU OF TAXES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 158-41 reads as rewritten:

§ 158-41. Withdrawal; termination.

(a) Withdrawal. - A county participating in the Region may, by resolution, withdraw from the Region. A resolution withdrawing from the Region may not become effective before the end of the fiscal year in which it is adopted. Upon adoption of a resolution withdrawing from the Region, the board of commissioners of the county shall provide a copy of the resolution to the Secretary of State, the Commission, the Authority, and every other county participating in the Region. ~~Withdrawal does not entitle a county to early distribution of its beneficial interest in Region assets, but a county that has withdrawn retains its right to any distributions that may be made to participating counties pursuant to subsection (b) of this section on the same basis as if it had not withdrawn. For all other purposes, a county that has withdrawn from the Region no longer participates in the Region.~~ Withdrawal shall entitle a county to a distribution of its beneficial interest in Region assets in proportion to the amount of tax collected in that county pursuant to G.S. 158-42. The distribution to a county shall not include any amounts attributable to an appropriation made to the Region by the General Assembly. The withdrawing county shall use the funds distributed to it by this subsection for economic development purposes. For purposes of this subsection, "economic development purposes" includes the provision of land, buildings, facilities, programs, information and data systems, or infrastructure required to promote business or industry in the county.

(b) Termination. - The Commission may dissolve the Region and terminate its existence at any time. If the Region is dissolved and terminated or is otherwise unable to expend the tax proceeds received pursuant to G.S. 158-42, the Commission shall liquidate the assets of the Region to the extent possible and distribute all Region assets to the counties of the Region in proportion to the amount of tax collected in each county. The assets of the Region that exceed the amount of tax collected by the counties and are attributable to an appropriation made to the Region by the General Assembly shall revert to the General Fund and may not be distributed to the counties. A county may use funds distributed to it pursuant to this subsection only for economic development projects and infrastructure construction projects. In calculating



1 the amount to be refunded to each county, the Region shall first allocate amounts loaned and
2 not yet repaid as follows:

3 (1) Amounts loaned for a project in a county will be allocated to that county to
4 the extent of its beneficial ownership of the principal of the trust account
5 created under G.S. 158-42 and the county will become the owner of the right
6 to repayment of the amount loaned to the extent of its beneficial ownership
7 of the principal of the trust account created under G.S. 158-42.

8 (2) Amounts not allocated pursuant to subdivision (1) shall be allocated among
9 the remaining counties in proportion to the amount of tax collected in each
10 county under G.S. 158-42, and the remaining counties shall become the
11 owners of the right to repayment of the amounts loaned in proportion to the
12 amount of tax collected in each county under G.S. 158-42.

13 Notes and other instruments representing the right to repayment shall, upon dissolution of
14 the Region, be held and collected by the State Treasurer, who shall disburse the collections to
15 the counties as provided in this subsection.

16 The Commission shall distribute those assets that it is unable to liquidate among the Region
17 counties insofar as practical on an equitable basis, as determined by the Commission. Upon
18 termination, the State of North Carolina shall succeed to any remaining rights, obligations, and
19 liabilities of the Region not assigned to the Region counties."

20 **SECTION 2.** This act becomes effective July 1, 2013.