

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 837

Short Title: Repeal Highway Use Tax Transfer-3 Yrs. (Public)

Sponsors: Senators Cunningham; Allran, Ballantine, Berger, Bingham, Carpenter, Carter, Dalton, Forrester, Foxx, Garrou, Gulley, Harris, Hartsell, Horton, Hoyle, Kinnaird, Metcalf, Robinson, Rucho, Thomas, Warren, Webster, Weinstein, and Wellons.

Referred to: Transportation.

April 3, 2001

A BILL TO BE ENTITLED

AN ACT TO REPEAL, WITH A THREE-YEAR PHASEOUT, THE ANNUAL TRANSFER OF ONE HUNDRED SEVENTY MILLION DOLLARS IN HIGHWAY USE TAX COLLECTIONS FROM THE HIGHWAY TRUST FUND TO THE GENERAL FUND FOR THREE YEARS AND TO PROVIDE THAT THOSE FUNDS SHALL BE USED BY THE DEPARTMENT OF TRANSPORTATION FOR HIGHWAY MAINTENANCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-187.9 reads as rewritten:

"§ 105-187.9. Disposition of tax proceeds.

(a) Taxes collected under this Article at the rate of eight percent (8%) shall be credited to the General Fund. Taxes collected under this Article at the rate of three percent (3%) shall be credited to the North Carolina Highway Trust Fund. ~~In each fiscal year the State Treasurer shall transfer the sum of one hundred seventy million dollars (\$170,000,000) of the taxes deposited in the Trust Fund to the General Fund. The transfer of funds authorized by this section may be made by transferring one fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue.~~

(b) Subject to the availability of revenue, the State Treasurer shall transfer the following sums of the taxes deposited in the Trust Fund, pursuant to subsection (a) of this section, to the General Fund:

(1) On July 1, 2001 – one hundred twenty-seven million five hundred thousand dollars (\$127,500,000).

(2) On July 1, 2002 – eighty-five million dollars (\$85,000,000).

1 (3) On July 1, 2003 – forty-two million five hundred thousand dollars
2 (\$42,500,000).

3 (4) On July 1, 2004, and on July 1 or each year thereafter, no funds shall
4 be transferred."

5 **SECTION 2.** G.S. 136-176 is amended by adding a new subsection to read:

6 "(e) The Department of Transportation shall use the following funds deposited in
7 the Trust Fund pursuant to subdivision (a)(2) of this section (in addition to any other
8 funds appropriated for this purpose) for highway maintenance:

9 (1) For the 2001-2002 fiscal year – forty-two million five hundred
10 thousand dollars (\$42,500,000).

11 (2) For the 2002-2003 fiscal year – eighty-five million dollars
12 (\$85,000,000).

13 (3) For the 2003-2004 fiscal year – one hundred twenty-seven million five
14 hundred thousand dollars (\$127,500,000).

15 (4) For the 2004-2005 and all subsequent fiscal years – one hundred
16 seventy million dollars (\$170,000,000)."

17 **SECTION 3.** This act becomes effective July 1, 2001. G.S. 105-187.9(b), as
18 enacted by Section 1 of this act, is repealed effective July 1, 2004.