

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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1

HOUSE BILL 2026

Short Title: Establish Mobility Fund. (Public)

Sponsors: Representatives Holliman, Carney (Primary Sponsors); M. Alexander, Hall, and Harrison.

Referred to: Rules, Calendar, and Operations of the House.

May 26, 2010

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE NORTH CAROLINA MOBILITY FUND WITHIN THE
3 NORTH CAROLINA HIGHWAY TRUST FUND TO PROVIDE FUNDING FOR
4 TRANSPORTATION NEEDS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Chapter 136 of the General Statutes is amended by adding a new
7 Article to read:

8 "Article 14A.

9 "North Carolina Mobility Fund.

10 **"§ 136-181.1. Creation of the North Carolina Mobility Fund.**

11 (a) A special account designated as the North Carolina Mobility Fund is hereby created
12 within the North Carolina Highway Trust Fund within the State treasury, to which certain
13 Highway Use Tax proceeds and certain registration fees shall be deposited. This account shall
14 be held separate and apart from funds deposited to the Highway Trust Fund pursuant to
15 G.S. 136-176(a). The amounts deposited in the North Carolina Mobility Fund shall be
16 deposited, applied, and used as provided in this Article, notwithstanding any provision of
17 Article 14 to the contrary. Notwithstanding any other provision of law, the provisions of
18 G.S. 136-17.2A shall not apply to the application of the North Carolina Mobility Fund.

19 (b) Amounts deposited in the North Carolina Mobility Fund are to be appropriated as
20 follows:

- 21 (1) There shall be appropriated an amount equal to six and one-half percent (6½
22 %) of the amount collected annually to be used for distribution in accordance
23 with G.S. 136-41.1.
- 24 (2) There shall be appropriated to the Department of Transportation the sum of
25 thirty million dollars (\$30,000,000) annually to be used for interstate route
26 maintenance and preservation.
- 27 (3) Of the funds remaining in the account, the Department of Transportation
28 shall fund transportation projects to relieve congestion and enhance mobility.
- 29 (4) The Department may issue debt-financing instruments to finance highway
30 projects using North Carolina Mobility Fund fee revenue equal to the
31 amount allocated in this section to expedite the delivery of strategic
32 congestion and mobility projects. These bonds shall be issued by the State
33 Treasurer on behalf of the Department and shall be issued pursuant to an
34 order adopted by the Council of State under G.S. 159-88. The State
35 Treasurer shall develop and adopt appropriate debt instruments, consistent
36 with the terms of the State and Local Government Revenue Bond Act,



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1 Article 5 of Chapter 159 of the General Statutes, for use under this
2 subdivision. Notes issued under the provisions of this subdivision may not
3 be deemed to constitute a debt or liability of the State or of any political
4 subdivision thereof, or a pledge of the full faith and credit of the State or of
5 any political subdivision thereof, but shall be payable solely from the funds
6 and revenues pledged therefor. All the notes shall contain on their face a
7 statement to the effect that the State of North Carolina shall not be obligated
8 to pay the principal or the interest on the notes, except from the North
9 Carolina Mobility Fund fee revenues as shall be provided by the documents
10 governing the revenue note issuance, and that neither the faith and credit nor
11 the taxing power of the State of North Carolina or any of its political
12 subdivisions is pledged to the payment of the principal or interest on the
13 notes. The issuance of notes under this section shall not directly or indirectly
14 or contingently obligate the State or any of its political subdivisions to levy
15 or to pledge any form of taxation whatever or to make any appropriation for
16 their payment.

17 (c) The initial project funded from this North Carolina Mobility Fund shall be the
18 widening and improvement of Interstate 85 north of the Yadkin River Bridge.

19 (d) Projects to relieve congestion and enhance mobility which are funded pursuant to
20 subdivision (b)(3) of this section shall be selected by the Department using a selection process.
21 By January 1, 2012, the Department shall develop a project criteria and selection process
22 through stakeholder and public involvement that shall include, but not be limited to, the North
23 Carolina Association of Municipal Planning Organizations, the North Carolina Association of
24 Rural Planning Organizations, the North Carolina League of Municipalities, the North Carolina
25 Association of County Commissioners, the North Carolina Metropolitan Mayors Coalition, and
26 the North Carolina Council of Regional Governments. The Department shall report quarterly to
27 the Governor and the General Assembly on its progress and present a final report prior to
28 approval by the Board of Transportation."

29 **SECTION 2.** The provisions of Section 8.4 of Chapter 692 of the 1989 Session
30 Laws, as amended by Section 7 of S.L. 1995-590, and as further amended by Section 3 of S.L.
31 1999-380, regarding the repeal of the Highway Trust Fund upon the occurrence of the events
32 described therein shall not apply to the North Carolina Mobility Fund created hereunder or the
33 deposit of funds thereto.

34 **SECTION 3.** G.S. 105-187.3(a) reads as rewritten:

35 "(a) Amount. – The rate of the use tax imposed by this Article is three percent (3%) of
36 the retail value of a motor vehicle for which a certificate of title is issued. The tax is payable as
37 provided in G.S. 105-187.4. The maximum tax is ~~one thousand dollars (\$1,000)~~ one thousand
38 five hundred dollars (\$1,500) for each certificate of title issued for a Class A or Class B motor
39 vehicle that is a commercial motor vehicle, as defined in ~~G.S. 20-4.01~~. ~~The maximum tax is~~
40 ~~one thousand five hundred dollars (\$1,500)~~ G.S. 20-4.01 and for each certificate of title issued
41 for a recreational vehicle that is not subject to the ~~one thousand dollar (\$1,000) maximum~~
42 tax.~~vehicle."~~

43 **SECTION 4.** G.S. 105-187.3(b) reads as rewritten:

44 "(b) Retail Value. – The retail value of a motor vehicle for which a certificate of title is
45 issued because of a sale of the motor vehicle by a retailer is the sales price of the motor vehicle,
46 including all accessories attached to the vehicle when it is delivered to the purchaser, ~~less the~~
47 ~~amount of any allowance given by the retailer for a motor vehicle taken in trade as a full or~~
48 ~~partial payment for the purchased motor vehicle.~~ purchaser. The retail value of a motor vehicle
49 for which a certificate of title is issued because of a sale of the motor vehicle by a seller who is
50 not a retailer is the market value of the vehicle, ~~less the amount of any allowance given by the~~
51 ~~seller for a motor vehicle taken in trade as a full or partial payment for the purchased motor~~

1 ~~vehicle-vehicle.~~ A transaction in which two parties exchange motor vehicles is considered a
2 sale regardless of whether either party gives additional consideration as part of the transaction.
3 The retail value of a motor vehicle for which a certificate of title is issued because of a reason
4 other than the sale of the motor vehicle is the market value of the vehicle. The market value of
5 a vehicle is presumed to be the value of the vehicle set in a schedule of values adopted by the
6 Commissioner."

7 **SECTION 5.** G.S. 105-187.6(c) is repealed.

8 **SECTION 6.** G.S. 105-187.9(a) reads as rewritten:

9 "(a) Distribution. - ~~Taxes~~ All taxes collected under this Article ~~at the rate of eight~~
10 ~~percent (8%)~~ shall be credited to ~~the General Fund.~~ Taxes collected under this Article at the
11 rate of three percent (3%) shall be credited to the North Carolina Highway Trust Fund ~~the~~
12 North Carolina Highway Trust Fund and the North Carolina Mobility Fund. Of the tax
13 collected under this Article at the rate of three percent (3%), eighty-six percent (86%) shall be
14 credited to the North Carolina Highway Trust Fund and fourteen percent (14%) shall be
15 credited to the North Carolina Mobility Fund. Of the tax collected under this Article at the rate
16 of eight percent (8%), the entire collection shall be credited to the North Carolina Mobility
17 Fund."

18 **SECTION 7.** Notwithstanding the provisions of G.S. 105-187.9(a), for the
19 2011-2012 fiscal year, fifty percent (50%) of the taxes collected under Article 5A of Chapter
20 105 of the General Statutes at the rate of eight percent (8%) shall be credited to the General
21 Fund. The remaining taxes collected under Article 5A of Chapter 105 of the General Statutes
22 shall be credited in accordance with G.S. 105-187.9(a).

23 **SECTION 8.** G.S. 20-7(i) reads as rewritten:

24 "(i) Fees. - The fee for a regular drivers license is the amount set in the following table
25 multiplied by the number of years in the period for which the license is issued:

<u>Class of Regular License</u>	<u>Fee For Each Year</u>
Class A	\$4.00
Class B	\$4.00
Class C	\$4.00

31
32 The fee for a motorcycle endorsement is ~~one dollar and seventy five cents (\$1.74)~~ two dollars
33 (\$2.00) for each year of the period for which the endorsement is issued. The appropriate fee
34 shall be paid before a person receives a regular drivers license or an endorsement. Twenty-five
35 percent (25%) of all motorcycle endorsement fees collected pursuant to this subsection shall be
36 credited by the Division to the North Carolina Mobility Fund."

37 **SECTION 9.** G.S. 20-26(c) reads as rewritten:

38 "(c) The Division shall furnish copies of license records required to be kept by
39 subsection (a) of this section in accordance with G.S. 20-43.1 to other persons for uses other
40 than official upon prepayment of the following fees:

- 41 (1) Limited extract copy of license record, for
- 42 period up to three years ~~\$8.00~~ \$10.00
- 43 (2) Complete extract copy of license record ~~8.00~~ 10.00
- 44 (3) Certified true copy of complete license
- 45 record ~~11.00~~ 13.00

46 Twenty-five percent (25%) of all fees collected pursuant to this subsection shall be credited
47 by the Division to the North Carolina Mobility Fund. ~~All~~ Seventy-five percent (75%) of all fees
48 received by the Division under this subsection shall be credited to the Highway Fund."

49 **SECTION 10.** G.S. 20-50(b) reads as rewritten:

"(b) The Division may issue a temporary license plate for a vehicle. A temporary license plate is valid for the period set by the Division. The period may not be less than 10 days nor more than 60 days.

A person may obtain a temporary license plate for a vehicle by filing an application with the Division and paying the required fee. An application must be filed on a form provided by the Division.

The fee for a temporary license plate that is valid for 10 days is ~~five dollars (\$5.00)~~ seven dollars (\$7.00). The fee for a temporary license plate that is valid for more than 10 days is the amount that would be required with an application for a license plate for the vehicle. If a person obtains for a vehicle a temporary license plate that is valid for more than 10 days and files an application for a license plate for that vehicle before the temporary license plate expires, the person is not required to pay the fee that would otherwise be required for the license plate.

A temporary license plate is subject to the following limitations and conditions:

- (1) It may be issued only upon proper proof that the applicant has met the applicable financial responsibility requirements.
- (2) It expires on midnight of the day set for expiration.
- (3) It may be used only on the vehicle for which issued and may not be transferred, loaned, or assigned to another.
- (4) If it is lost or stolen, the person who applied for it must notify the Division.
- (5) It may not be issued by a dealer.
- (6) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 that apply to license plates apply to temporary license plates insofar as possible.

Twenty-five percent (25%) of all fees collected pursuant to this subsection shall be credited by the Division to the North Carolina Mobility Fund."

SECTION 11. G.S. 20-85 reads as rewritten:

"§ 20-85. (See Editor's Note) Schedule of fees.

(a) The following fees are imposed concerning a certificate of title, a registration card, or a registration plate for a motor vehicle. These fees are payable to the Division and are in addition to the tax imposed by Article 5A of Chapter 105 of the General Statutes.

(1)	Each application for certificate of title.....	\$40.00
(2)	Each application for duplicate or corrected certificate of title	15.00 <u>20.00</u>
(3)	Each application of reposessor for certificate of title	15.00 <u>20.00</u>
(4)	Each transfer of registration	15.00 <u>20.00</u>
(5)	Each set of replacement registration plates.....	15.00 <u>20.00</u>
(6)	Each application for duplicate registration card.....	15.00 <u>20.00</u>
(7)	Each application for recording supplementary lien	15.00 <u>20.00</u>
(8)	Each application for removing a lien from a certificate of title	15.00 <u>20.00</u>
(9)	Each application for certificate of title for a motor vehicle transferred to a manufacturer, as defined in G.S. 20-286, or a motor vehicle retailer for the purpose of resale.....	15.00 <u>20.00</u>
(10)	Each application for a salvage certificate of title made by an insurer.....	15.00 <u>20.00</u>
(11)	Each set of replacement Stock Car Racing Theme plates issued under G.S. 20-79.4	25.00 <u>30.00</u>

...

(b) Twenty-five percent (25%) of all fees collected pursuant to this section shall be credited by the Division to the North Carolina Mobility Fund. The remaining fees shall be distributed as set forth in this section. Except as otherwise provided in subsection (a1) of this section, the fees collected under subdivisions (a)(1) through (a)(9) of this section shall be

1 credited to the North Carolina Highway Trust Fund. The fees collected under subdivision
2 (a)(10) of this section shall be credited to the Highway Fund. Fifteen dollars (\$15.00) of each
3 title fee credited to the Trust Fund under subdivision (a)(1) shall be added to the amount
4 allocated for secondary roads under G.S. 136-176 and used in accordance with G.S. 136-44.5.

5"

6 SECTION 12. G.S. 20-85.1 reads as rewritten:

7 "§ 20-85.1. Registration by mail; one-day title service; fees.

8 (a) The owner of a vehicle registered in North Carolina may renew that vehicle
9 registration by mail. A postage and handling fee of one dollar (\$1.00) per vehicle to be
10 registered shall be charged for this service.

11 (b) The Commissioner and the employees of the Division designated by the
12 Commissioner may prepare and deliver upon request a certificate of title, charging a fee of
13 ~~seventy five dollars (\$75.00)~~ one hundred dollars (\$100.00) for one-day title service, in lieu of
14 the title fee required by G.S. 20-85(a). The fee for one-day title service must be paid by cash or
15 by certified check.

16 (c) Twenty-five percent (25%) of all fees collected pursuant to this section shall be
17 credited by the Division to the North Carolina Mobility Fund. The remaining fees ~~fee~~ collected
18 under subsection (a) shall be credited to the Highway Fund. The remaining fees ~~fee~~ collected
19 under subsection (b) shall be credited to the Highway Trust Fund."

20 SECTION 13. G.S. 20-87 reads as rewritten:

21 "§ 20-87. Passenger vehicle registration fees.

22 These shall be paid to the Division annually, as of the first day of January, for the
23 registration and licensing of passenger vehicles, fees according to the following classifications
24 and schedules:

25 (1) For-Hire Passenger Vehicles. – The fee for a passenger vehicle that is
26 operated for compensation and has a capacity of 15 passengers or less is
27 seventy-eight dollars (\$78.00). The fee for a passenger vehicle that is
28 operated for compensation and has a capacity of more than 15 passengers is
29 one dollar and forty cents (\$1.40) per hundred pounds of empty weight of
30 the vehicle.

31 (2) U-Drive-It Vehicles. – U-drive-it vehicles shall pay the following tax:

32	Motorcycles:	1-passenger capacity.....	\$18.00	<u>\$23.00</u>
33		2-passenger capacity.....	22.00	<u>\$28.00</u>
34		3-passenger capacity.....	26.00	<u>\$33.00</u>
35	Automobiles:	15 or fewer passengers	\$51.00	<u>\$60.00</u>
36	Buses:	16 or more passengers	\$2.00	<u>\$2.25 per</u>
37				hundred
38				pounds of
39				empty weight

40	Trucks under			
41	7,000 pounds			
42	that do not			
43	haul products			
44	for hire:	4,000 pounds	\$41.50	<u>\$52.00</u>
45		5,000 pounds	\$51.00	<u>\$64.00</u>
46		6,000 pounds	\$61.00	<u>\$76.00.</u>

47 (3) Repealed by Session Laws 1981, c. 976, s. 3.

48 (4) Limousine Vehicles. – For-hire passenger vehicles on call or demand which
49 do not solicit passengers indiscriminately for hire between points along
50 streets or highways, shall be taxed at the same rate as for-hire passenger

vehicles under G.S. 20-87(1) but shall be issued appropriate registration plates to distinguish such vehicles from taxicabs.

(5) Private Passenger Vehicles. – There shall be paid to the Division annually, as of the first day of January, for the registration and licensing of private passenger vehicles, fees according to the following classifications and schedules:

Private passenger vehicles of not more than fifteen passengers	\$28.00 <u>\$35.00</u>
Private passenger vehicles over fifteen passengers	31.00 <u>\$39.00</u>

Provided, that a fee of only one dollar (\$1.00) shall be charged for any vehicle given by the federal government to any veteran on account of any disability suffered during war so long as such vehicle is owned by the original donee or other veteran entitled to receive such gift under Title 38, section 252, United States Code Annotated.

(6) Private Motorcycles. – The base fee on private passenger motorcycles shall be ~~fifteen dollars (\$15.00); eighteen dollars (\$18.00)~~ except that when a motorcycle is equipped with an additional form of device designed to transport persons or property, the base fee shall be ~~twenty-two dollars (\$22.00); twenty-eight dollars (\$28.00)~~. An additional fee of three dollars (\$3.00) is imposed on each private motorcycle registered under this subdivision in addition to the base fee. The revenue from the additional fee, in addition to any other funds appropriated for this purpose, shall be used to fund the Motorcycle Safety Instruction Program created in G.S. 115D-72.

(7) Dealer License Plates. – The fee for a dealer license plate is the regular fee for each of the first five plates issued to the same dealer and is one-half the regular fee for each additional dealer license plate issued to the same dealer. The "regular fee" is the fee set in subdivision (5) of this section for a private passenger motor vehicle of not more than 15 passengers.

(8) Driveaway Companies. – Any person engaged in the business of driving new motor vehicles from the place of manufacture to the place of sale in this State for compensation shall pay a fee of one-half of the amount that would otherwise be payable under this section for each set of plates.

(9) House Trailers. – In lieu of other registration and license fees levied on house trailers under this section or G.S. 20-88, the registration and license fee on house trailers shall be ~~eleven dollars (\$11.00)~~twenty-five dollars (\$25.00) for the license year or any portion thereof.

(10) Special Mobile Equipment. – The fee for special mobile equipment for the license year or any part of the license year is two times the fee in subdivision (5) for a private passenger motor vehicle of not more than 15 passengers.

(11) Any vehicle fee determined under this section according to the weight of the vehicle shall be increased by the sum of three dollars (\$3.00) to arrive at the total fee.

(12) Low-Speed Vehicles. – The fee for a low-speed vehicle is the same as the fee for private passengers vehicles of not more than 15 passengers.

Twenty-five percent (25%) of all fees collected pursuant to this section shall be credited by the Division to the North Carolina Mobility Fund."

SECTION 14. G.S. 20-88 reads as rewritten:

"§ 20-88. Property-hauling vehicles.

(a) Determination of Weight. – For the purpose of licensing, the weight of self-propelled property-carrying vehicles shall be the empty weight and heaviest load to be

1 transported, as declared by the owner or operator; provided, that any determination of weight
 2 shall be made only in units of 1,000 pounds or major fraction thereof, weights of over 500
 3 pounds counted as 1,000 and weights of 500 pounds or less disregarded. The declared gross
 4 weight of self-propelled property-carrying vehicles operated in conjunction with trailers or
 5 semitrailers shall include the empty weight of the vehicles to be operated in the combination
 6 and the heaviest load to be transported by such combination at any time during the registration
 7 period, except that the gross weight of a trailer or semitrailer is not required to be included
 8 when the operation is to be in conjunction with a self-propelled property-carrying vehicle
 9 which is licensed for 6,000 pounds or less gross weight and the gross weight of such
 10 combination does not exceed 9,000 pounds, except wreckers as defined under G.S. 20-4.01(50).
 11 Those property-hauling vehicles registered for 4,000 pounds shall be permitted a tolerance of
 12 500 pounds above the weight permitted under the table of weights and rates appearing in
 13 subsection (b) of this section.

14 (b) The following fees are imposed on the annual registration of self-propelled
 15 property-hauling vehicles; the fees are based on the type of vehicle and its weight:

16
 17 SCHEDULE OF WEIGHTS AND RATES

18
 19 Rates Per Hundred Pound Gross Weight

	Farmer Rate
20 Not over 4,000 pounds	\$0.29 <u>\$0.37</u>
21 4,001 to 9,000 pounds inclusive	.40 <u>.50</u>
22 9,001 to 13,000 pounds inclusive	.50 <u>.63</u>
23 13,001 to 17,000 pounds inclusive	.68 <u>.85</u>
24 Over 17,000 pounds	.77 <u>.97</u>

25
 26
 27 Rates Per Hundred Pound Gross Weight

	General Rate
28 Not over 4,000 pounds	\$0.59 <u>\$0.74</u>
29 4,001 to 9,000 pounds inclusive	.81 <u>1.02</u>
30 9,001 to 13,000 pounds inclusive	1.00 <u>1.25</u>
31 13,001 to 17,000 pounds inclusive	1.36 <u>1.70</u>
32 Over 17,000 pounds	1.54 <u>1.93</u>

- 33
 34
 35 (1) The minimum fee for a vehicle licensed under this subsection is ~~twenty-four~~
 36 ~~dollars (\$24.00)~~thirty dollars (\$30.00) at the farmer rate and ~~twenty-eight~~
 37 ~~dollars (\$28.00)~~thirty-five dollars (\$35.00) at the general rate.
 38 (2) The term "farmer" as used in this subsection means any person engaged in
 39 the raising and growing of farm products on a farm in North Carolina not
 40 less than 10 acres in area, and who does not engage in the business of buying
 41 products for resale.
 42 (3) License plates issued at the farmer rate shall be placed upon trucks and
 43 truck-tractors that are operated for the primary purpose of carrying or
 44 transporting the applicant's farm products, raised or produced on the
 45 applicant's farm, and farm supplies. The license plates shall not be used on a
 46 vehicle operated in hauling for hire.
 47 (4) "Farm products" means any food crop, livestock, poultry, dairy products,
 48 flower bulbs, or other nursery products and other agricultural products
 49 designed to be used for food purposes, including in the term "farm products"
 50 also cotton, tobacco, logs, bark, pulpwood, tannic acid wood and other forest
 51 products grown, produced, or processed by the farmer.

1 (5) The Division shall issue necessary rules and regulations providing for the
2 recall, transfer, exchange or cancellation of "farmer" plates, when vehicle
3 bearing such plates shall be sold or transferred.

4 (5a) Notwithstanding any other provision of this Chapter, license plates issued
5 pursuant to this subsection at the farmer rate may be purchased for any
6 three-month period at one fourth of the annual fee.

7 (6) There shall be paid to the Division annually the following fees for
8 "wreckers" as defined under G.S. 20-4.01(50): a wrecker fully equipped
9 weighing 7,000 pounds or less, seventy-five dollars (\$75.00); wreckers
10 weighing in excess of 7,000 pounds shall pay one hundred forty-eight dollars
11 (\$148.00). Fees to be prorated monthly. Provided, further, that nothing
12 herein shall prohibit a licensed dealer from using a dealer's license plate to
13 tow a vehicle for a customer.

14 (c) The fee for a semitrailer or trailer is ~~nineteen dollars (\$19.00)~~ twenty-five dollars
15 (\$25.00) for each year or part of a year. The fee is payable each year. Upon the application of
16 the owner of a semitrailer or trailer, the Division may issue a multiyear plate and registration
17 card for the semitrailer or trailer for a fee of seventy-five dollars (\$75.00). A multiyear plate
18 and registration card for a semitrailer or trailer are valid until the owner transfers the semitrailer
19 or trailer to another person or surrenders the plate and registration card to the Division. A
20 multiyear plate may not be transferred to another vehicle.

21 The Division shall issue a multiyear semitrailer or trailer plate in a different color than an
22 annual semitrailer or trailer plate and shall include the word "multiyear" on the plate. The
23 Division may not issue a multiyear plate for a house trailer.

24 (d) Rates on trucks, trailers and semitrailers wholly or partially equipped with solid tires
25 shall be double the above schedule.

26 (e) Repealed by Session Laws 1981, c. 976, s. 6.

27 (f) Repealed by Session Laws 1995, c. 163, s. 6.

28 (g) Repealed by Session Laws 1969, c. 600, s. 17.

29 (h) Repealed by Session Laws 1979, c. 419.

30 (i) Any vehicle fee determined under this section according to the weight of the vehicle
31 shall be increased by the sum of three dollars (\$3.00) to arrive at the total fee.

32 (j) No heavy vehicle subject to the use tax imposed by Section 4481 of the Internal
33 Revenue Code of 1954 (26 U.S.C. 4481) may be registered or licensed pursuant to G.S. 20-88
34 without proof of payment of the use tax imposed by that law. The proof of payment shall be on
35 a form prescribed by the United States Secretary of Treasury pursuant to the provisions of 23
36 U.S.C. 141(d).

37 (k) A person may not drive a vehicle on a highway if the vehicle's gross weight exceeds
38 its declared gross weight. A vehicle driven in violation of this subsection is subject to the
39 axle-group weight penalties set in G.S. 20-118(e). The penalties apply to the amount by which
40 the vehicle's gross weight exceeds its declared weight.

41 (l) The Division shall issue permanent truck and truck-tractor plates to Class A and
42 Class B Motor Vehicles and shall include the word "permanent" on the plate. The permanent
43 registration plates issued pursuant to this section shall be subject to annual registration fees set
44 in this section. The Division shall issue the necessary rules providing for the recall, transfer,
45 exchange, or cancellation of permanent plates issued pursuant to this section.

46 (m) Twenty-five percent (25%) of all fees collected pursuant to this section shall be
47 credited by the Division to the North Carolina Mobility Fund."

48 **SECTION 15.** G.S. 20-385 reads as rewritten:

49 **"§ 20-385. Fee schedule.**

50 (a) The fees listed in this section apply to a motor carrier. These fees are in addition to
51 any fees required under the Unified Carrier Registration Agreement.

- 1 (1) Repealed by Session Laws 2007-492, s. 5, effective August 30, 2007.
- 2 (2) Application by an intrastate motor carrier for a
3 certificate of exemption 45.0047.00
- 4 (3) Certification by an interstate motor carrier that it is
5 not regulated by the United States Department
6 of Transportation 45.0057.00
- 7 (4) Application by an interstate motor carrier for an
8 emergency trip permit 18.00.23.00.
- 9 (b) Repealed by Session Laws 2007-492, s. 5, effective August 30, 2007.
- 10 (c) Twenty-five percent (25%) of all fees collected pursuant to this section shall be
11 credited by the Division to the North Carolina Mobility Fund."

12 **SECTION 16.** G.S. 105-187.9 reads as rewritten:

13 "**§ 105-187.9. Disposition of tax proceeds.**

14 (a) ~~Distribution.~~—~~Taxes collected under this Article at the rate of eight percent (8%)~~
15 ~~shall be credited to the General Fund. Taxes collected under this Article at the rate of three~~
16 ~~percent (3%) shall be credited to the North Carolina Highway Trust Fund.~~

17 (b) ~~(Effective July 1, 2010) Transfer.~~—~~In each fiscal year the State Treasurer shall~~
18 ~~transfer the amounts provided below from the taxes deposited in the Trust Fund to the General~~
19 ~~Fund. The transfer of funds authorized by this section may be made by transferring one fourth~~
20 ~~of the amount at the end of each quarter in the fiscal year or by transferring the full amount~~
21 ~~annually on July 1 of each fiscal year, subject to the availability of revenue.~~

22 (1) ~~The sum of seventy one million dollars (\$71,000,000).~~

23 (2) ~~In addition to the amount transferred under subdivision (1) of this~~
24 ~~subsection, the sum of one million seven hundred thousand dollars~~
25 ~~(\$1,700,000) shall be transferred in the 2001-2002 fiscal year. The amount~~
26 ~~distributed under this subdivision shall increase in the 2002-2003 fiscal year~~
27 ~~to the sum of two million four hundred thousand dollars (\$2,400,000). In~~
28 ~~each fiscal year thereafter, the sum transferred under this subdivision shall~~
29 ~~be the amount distributed in the previous fiscal year plus or minus a~~
30 ~~percentage of this sum equal to the percentage by which tax collections~~
31 ~~under this Article increased or decreased for the most recent 12 month~~
32 ~~period for which data are available.~~

33 (a) Highway Trust Fund. – All taxes collected under this Article must be credited to the
34 Highway Trust Fund unless subsection (b) of this section requires a different disposition.

35 (b) General Fund Transfer. – For the 2010-2011 fiscal year, the sum of fifty million
36 eight hundred ninety-four thousand eight hundred sixty-four dollars (\$50,894,864) shall be
37 transferred to the General Fund, with the balance to remain in the Highway Trust Fund."

38 **SECTION 17.** G.S. 136-41.1(a) reads as rewritten:

39 "(a) There is annually appropriated out of the State Highway Fund a sum equal to the net
40 amount after refunds that was produced during the fiscal year by a one and three-fourths cents
41 (1 3/4¢) tax on each gallon of motor fuel taxed under Article 36C of Chapter 105 of the General
42 Statutes and on the equivalent amount of alternative fuel taxed under Article 36D of that
43 Chapter. The amount appropriated shall be allocated in cash on or before October 1 of each
44 year to the cities and towns of the State in accordance with this section. In addition, as provided
45 in G.S. 136-176(b)(3), revenue is allocated and appropriated from the Highway Trust Fund to
46 the cities and towns of this State to be used for the same purposes and distributed in the same
47 manner as the revenue appropriated to them under this section from the Highway Fund. Like
48 the appropriation from the Highway Fund, the appropriation from the Highway Trust Fund
49 shall be based on revenue collected during the fiscal year preceding the date the distribution is
50 made.

1 There is annually appropriated from the North Carolina Mobility Fund, as provided in
2 G.S. 136-186.1, an amount equal to six and one-half percent (6½ %) of the annual collections
3 for the North Carolina Mobility Fund to the eligible municipalities of the State in the
4 percentage proportion that the mileage of public streets in each eligible municipality which
5 does not form a part of the State highway system bears to the total mileage of the public streets
6 in all eligible municipalities which do not constitute a part of the State highway system.

7 Seventy-five percent (75%) of the funds appropriated for cities and towns shall be
8 distributed among the several eligible municipalities of the State in the percentage proportion
9 that the population of each eligible municipality bears to the total population of all eligible
10 municipalities according to the most recent annual estimates of population as certified to the
11 Secretary of Revenue by the State Budget Officer. This annual estimation of population shall
12 include increases in the population within the municipalities caused by annexations
13 accomplished through July 1 of the calendar year in which these funds are distributed.
14 Twenty-five percent (25%) of said fund shall be distributed among the several eligible
15 municipalities of the State in the percentage proportion that the mileage of public streets in
16 each eligible municipality which does not form a part of the State highway system bears to the
17 total mileage of the public streets in all eligible municipalities which do not constitute a part of
18 the State highway system.

19 It shall be the duty of the mayor of each municipality to report to the Department of
20 Transportation such information as it may request for its guidance in determining the eligibility
21 of each municipality to receive funds under this section and in determining the amount of
22 allocation to which each is entitled. Upon failure of any municipality to make such report
23 within the time prescribed by the Department of Transportation, the Department of
24 Transportation may disregard such defaulting unit in making said allotment.

25 The funds to be allocated under this section shall be paid in cash to the various eligible
26 municipalities on or before October 1 of each year. Provided that eligible municipalities are
27 authorized within the discretion of their governing bodies to enter into contracts for the purpose
28 of maintenance, repair, construction, reconstruction, widening, or improving streets of such
29 municipalities at any time after January 1 of any calendar year in total amounts not to exceed
30 ninety percent (90%) of the amount received by such municipality during the preceding fiscal
31 year, in anticipation of the receipt of funds under this section during the next fiscal year, to be
32 paid for out of such funds when received.

33 The Department of Transportation may withhold each year an amount not to exceed one
34 percent (1%) of the total amount appropriated for distribution under this section for the purpose
35 of correcting errors in allocations: Provided, that the amount so withheld and not used for
36 correcting errors will be carried over and added to the amount to be allocated for the following
37 year.

38 The word "street" as used in this section is hereby defined as any public road maintained by
39 a municipality and open to use by the general public, and having an average width of not less
40 than 16 feet. In order to obtain the necessary information to distribute the funds herein
41 allocated, the Department of Transportation may require that each municipality eligible to
42 receive funds under this section submit to it a statement, certified by a registered engineer or
43 surveyor of the total number of miles of streets in such municipality. The Department of
44 Transportation may in its discretion require the certification of mileage on a biennial basis."

45 **SECTION 18.** G.S. 105-164.44D reads as rewritten:

46 **"§ 105-164.44D. Reimbursement for sales tax exemption for purchases by the**
47 **Department of Transportation.**

48 The amount of sales and use tax revenue that is not realized by the General Fund as the
49 result of the sales and use tax exemption in G.S. 105-164.13 for purchases by the Department
50 of Transportation shall be transferred from the Highway Fund to ~~the General Fund in~~
51 ~~accordance with this section. This direct transfer is made in lieu of eliminating the Department~~

1 of Transportation's sales and use tax exemption to alleviate the administrative and accounting
2 burden that would be placed on the Department of Transportation by eliminating the
3 exemption, the North Carolina Mobility Fund created pursuant to G.S. 136-186.1.

4 For the 1991-92 fiscal year, the State Treasurer shall transfer the sum of eight million seven
5 hundred thousand dollars (\$8,700,000) from the Highway Fund to the General Fund. The
6 transfer shall be made on a quarterly basis by transferring one-fourth of the annual amount each
7 quarter.

8 For each fiscal year following the 1991-92 fiscal year, the State Treasurer shall transfer the
9 sum transferred the previous fiscal year plus or minus the percentage of that amount by which
10 the total collection of State sales and use taxes increased or decreased during the previous fiscal
11 year. In each fiscal year, the transfer shall be made on a quarterly basis by transferring
12 one-fourth of the annual amount each quarter."

13 **SECTION 19.** G.S. 136-176 is amended by adding a new subsection to read:

14 "(b3) Any amounts appropriated for a particular fiscal year under subsection (b2) of this
15 section to a project for which the North Carolina Department of Transportation or North
16 Carolina Turnpike Authority has not issued bonds requiring debt service or related financing by
17 the end of that fiscal year shall be transferred to the North Carolina Mobility Fund established
18 pursuant to G.S. 136-181.1."

19 **SECTION 20.** Sections 3, 6, and 7 of this act become effective July 1, 2011.
20 Sections 4, 5, 17, and 18 of this act become effective July 1, 2012. The remaining provisions of
21 this act become effective July 1, 2010.