

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 124

Short Title: Amend White Goods Tax.

(Public)

Sponsors: Senators Odom; and Kinnaird.

Referred to: Finance.

February 17, 1997

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO REPEAL THE WHITE GOODS DISPOSAL TAX SUNSET, TO PROVIDE THAT WHITE GOODS TAX REVENUE THAT IS NOT NEEDED FOR THE MANAGEMENT OF DISCARDED WHITE GOODS MAY BE USED TO CLEAN UP ILLEGAL DUMP SITES, AND TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-187.21 reads as rewritten:

"§ 105-187.21. Tax imposed.

A privilege tax is imposed on a white goods retailer at a flat rate for each new white good that is sold by the retailer. An excise tax is imposed on a new white good purchased outside the State for storage, use, or consumption in this State. The rate of the privilege tax and the excise tax is five dollars (\$5.00) if the new white good does not contain chlorofluorocarbon refrigerants and is ten dollars (\$10.00) if the new white good contains chlorofluorocarbon refrigerants. These taxes are (\$5.00). This tax is in addition to all other taxes."

Section 2. G.S. 130A-309.82 reads as rewritten:

1 **"§ 130A-309.82. Use of disposal tax proceeds by counties.**

2 Article 5C of Chapter 105 of the General Statutes imposes a tax on new white goods
3 to provide funds for the management of discarded white goods. A county ~~may~~ must use
4 proceeds of the tax distributed to it under that Article ~~only~~ for the management of
5 discarded white goods. If a county has a surplus of tax proceeds after reimbursing its
6 costs of managing discarded white goods, then it may use the remainder of the tax
7 proceeds for the cleanup of unmanaged illegal dump sites."

8 Section 3. G.S. 130A-309.83 reads as rewritten:

9 **"§ 130A-309.83. White Goods Management Account.**

10 The White Goods Management Account is established within the Department. The
11 Account consists of revenue credited to the Account from the proceeds of the white
12 goods disposal tax imposed by Article 5C of Chapter 105 of the General ~~Statutes.~~ Statutes
13 and any revenue credited to the Account as the result of the recovery by the State of part
14 or all of the costs of cleaning up an unmanaged illegal dump site.

15 The Department shall use revenue in the Account to make grants to units of local
16 government to assist them in managing discarded white ~~goods.~~ goods and cleaning up
17 unmanaged illegal dump sites. The Department must make grants for the management of
18 discarded white goods to all applicants who meet the grant criteria before it makes a grant
19 for cleaning up unmanaged illegal dump sites. To administer the grants, the Department
20 shall establish procedures for applying for a grant and the criteria for selecting among
21 grant applicants. The criteria for a grant to manage discarded white goods shall include
22 the financial ability of a unit to manage white goods, the severity of a unit's white goods
23 management problem, and the effort made by a unit to manage white goods within the
24 resources available to it. The criteria for a grant to clean up an unmanaged illegal dump
25 site shall include the financial ability of the unit to clean up the site and the severity of the
26 problem created by the site.

27 A unit of local government is not eligible for a grant to manage discarded white goods
28 unless its costs of managing white goods for a six-month period preceding the date the
29 unit files an application for a grant exceeded the amount the unit received during that
30 period from the proceeds of the white goods disposal tax under G.S. 105-187.24. The
31 Department shall determine the six-month period to be used in determining who is
32 eligible for a grant. grant to manage discarded white goods. A grant to a unit to manage
33 discarded white goods may not exceed the unit's unreimbursed cost for the six-month
34 period."

35 Section 4. G.S. 105-187.24 reads as rewritten:

36 **"§ 105-187.24. Use of tax proceeds.**

37 The Secretary shall distribute the taxes collected under this Article, less the
38 Department of Revenue's allowance for administrative expenses, in accordance with this
39 section. The Secretary may retain the Department's cost of collection, not to exceed two
40 hundred twenty-five thousand dollars (\$225,000) a year, as reimbursement to the
41 Department.

42 Each quarter, the Secretary shall credit ~~five percent (5%)~~ eight percent (8%) of the net
43 tax proceeds to the Solid Waste Management Trust Fund and shall credit twenty percent

1 (20%) of the net tax proceeds to the White Goods Management Account. The Secretary
2 shall distribute the remaining ~~seventy-five percent (75%)~~ seventy-two percent (72%) of the
3 net tax proceeds among the counties on a per capita basis according to the most recent
4 annual population estimates certified to the Secretary by the State Planning Officer.

5 A county may use funds distributed to it under this section only as provided in G.S.
6 130A-309.82. A county that receives funds under this section and that has an interlocal
7 agreement with another unit of local government under which the other unit provides for
8 the disposal of solid waste for the county must transfer the amount received under this
9 section to that other unit. A unit to which funds are transferred is subject to the same
10 restrictions on use of the funds as the county."

11 Section 5. G.S. 130A-309.12 reads as rewritten:

12 **"§ 130A-309.12. Solid Waste Management Trust Fund.**

13 (a) The Solid Waste Management Trust Fund is created and is to be administered
14 by the Department for the purposes of:

- 15 (1) Funding activities of the Department to promote waste reduction and
16 recycling including but not limited to public education programs and
17 technical assistance to units of local government;
- 18 (2) Funding research on the solid waste stream in North Carolina;
- 19 (3) Funding activities related to the development of secondary materials
20 markets;
- 21 (4) Providing funding for demonstration projects as provided by this Part;
22 and
- 23 (5) Providing funding for research by The University of North Carolina and
24 independent nonprofit colleges and universities within the State which
25 are accredited by the Southern Association of Colleges and Schools as
26 provided by this Part.

27 (b) The Solid Waste Management Trust Fund shall consist of the following:

- 28 (1) Funds appropriated by the General Assembly.
- 29 (2) Contributions and grants from public or private sources.
- 30 (3) Ten percent (10%) of the proceeds of the scrap tire disposal tax imposed
31 under Article 5B of Chapter 105 of the General Statutes.
- 32 (4) ~~Five percent (5%)~~ Eight percent (8%) of the proceeds of the white goods
33 disposal tax imposed under Article 5C of Chapter 105 of the General
34 Statutes.

35 (c) The Department shall report annually on or before 1 September to the
36 Environmental Review Commission as to the condition of the Solid Waste Management
37 Trust Fund and as to the use of all funds allocated from the Solid Waste Management
38 Trust Fund."

39 Section 6. Section 11 of Chapter 471 of the 1993 Session Laws, as amended
40 by Section 15.1(b) of Chapter 769 of the 1993 Session Laws, reads as rewritten:

41 "Sec. 11. Sections 1 through 5 of this act and this section become effective January 1,
42 1994. ~~Section 3 of this act expires July 1, 1998. Section 6 of this act becomes effective~~
43 ~~July 1, 1998. Sections 7, 8, and 9 of this act become effective July 1, 1999.~~

1 ~~The repeal of the tax imposed by Section 3 of this act does not affect the rights or~~
2 ~~liabilities of the State, a taxpayer, or another person that arose during the time the tax was~~
3 ~~in effect.—~~The first report submitted by the Department to the Environmental Review
4 Commission under G.S. 130A-309.85, as enacted by this act, shall cover the period from
5 January 1, 1994, to June 30, 1994."

6 Section 7. This act becomes effective January 1, 1998, and applies to the tax
7 year beginning January 1, 1998.