

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 1328

Short Title: Repeal Highway Use Tax Transfer-5 yrs.

(Public)

Sponsors: Senator Cunningham.

Referred to: Appropriations/Base Budget.

June 12, 2002

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE ANNUAL TRANSFER OF HIGHWAY USE TAX  
COLLECTIONS FROM THE HIGHWAY TRUST FUND TO THE GENERAL  
FUND 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) Distribution. – 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.

(a1) In the 2002-2003 fiscal year the State Treasurer shall transfer the sum of three hundred fifty-two million dollars (\$352,000,000) of the taxes credited to the North Carolina Highway Trust Fund to the General Fund to aid in balancing the 2002-2003 budget as recommended by the Governor. The transfer of funds authorized by this subsection is subject to the availability of tax revenues collected. Upon the repeal of subsection (b) of this section, no funds shall be transferred from the North Carolina Highway Trust Fund to the General Fund.

(b) Transfer. – ~~In each fiscal year the State Treasurer shall transfer the amounts provided below from 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.~~

~~(1) The sum of one hundred seventy million dollars (\$170,000,000).~~

~~(2) In addition to the amount transferred under subdivision (1) of this subsection, the sum of one million seven hundred thousand dollars (\$1,700,000) shall be transferred in the 2001-2002 fiscal year. The amount distributed under this subdivision shall increase in the 2002-2003 fiscal year to the sum of two million four hundred thousand~~

1                   dollars (\$2,400,000). In each fiscal year thereafter, the sum transferred  
2                   under this subdivision shall be the amount distributed in the previous  
3                   fiscal year plus or minus a percentage of this sum equal to the  
4                   percentage by which tax collections under this Article increased or  
5                   decreased for the most recent 12-month period for which data are  
6                   available.

7                   The State Treasurer shall reduce the transfer of taxes from the North Carolina  
8                   Highway Trust Fund to the General Fund as authorized in subsection (a) of this section  
9                   by twenty percent (20%) per year until no funds shall be transferred.

10                  The State Treasurer shall transfer the following sums of the taxes deposited in the  
11                  North Carolina Highway Trust Fund to the General Fund:

- 12                  (1)   On July 1, 2003 – two hundred eighty-one million six hundred  
13                  thousand dollars (\$281,600,000).  
14                  (2)   On July 1, 2004 – two hundred eleven million two hundred thousand  
15                  dollars (\$211,200,000).  
16                  (3)   On July 1, 2005 – one hundred forty million eight hundred thousand  
17                  dollars (\$140,800,000).  
18                  (4)   On July 1, 2006 – seventy million four hundred thousand dollars  
19                  (\$70,400,000).

20                  Thereafter, no funds shall be transferred from the North Carolina Highway Trust  
21                  Fund to the General Fund."

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

23                  "(e) The Department of Transportation shall use the following funds deposited in  
24                  the North Carolina Highway Trust Fund pursuant to subdivision (a)(2) of this section (in  
25                  addition to any other funds appropriated for this purpose) for highway maintenance:

- 26                  (1)   For the 2003-2004 fiscal year – seventy million four hundred thousand  
27                  dollars (\$70,400,000).  
28                  (2)   For the 2004-2005 fiscal year – one hundred forty million eight  
29                  hundred thousand dollars (\$140,800,000).  
30                  (3)   For the 2005-2006 fiscal year – two hundred eleven million two  
31                  hundred thousand dollars (\$211,200,000).  
32                  (4)   For the 2006-2007 fiscal year – two hundred eighty-one million six  
33                  hundred thousand dollars (\$281,600,000).  
34                  (5)   For the 2007-2008 fiscal year, and all subsequent fiscal years – three  
35                  hundred fifty-two million dollars (\$352,000,000)."

36                  **SECTION 3.** This act becomes effective July 1, 2002. G.S. 105-187.9(b), as  
37                  enacted by Section 1 of this act, is repealed effective June 30, 2007.