

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1036

Short Title: Amend Allocation of TVA Payment.

(Local)

Sponsors: Representative Haire.

Referred to: Finance.

March 27, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE ALLOCATION AMONG LOCAL GOVERNMENTS OF
3 THE TENNESSEE VALLEY AUTHORITY PAYMENT IN LIEU OF TAXES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-458 reads as rewritten:

6 "§ 105-458. Apportionment of payments in lieu of taxes between local units.

7 The payments received by the State and local governments from the Tennessee
8 Valley Authority in lieu of taxes under section 13 of the Act of Congress creating it, and
9 as amended, shall be apportioned between the local governments in which the property
10 is owned or an operation is carried on, on the basis of ~~the percentage of loss of taxes to~~
11 each each local government's percentage of the total value of the Authority's property in
12 the State, determined as hereinafter provided: Provided, however, that the minimum
13 annual payment to any local government from said fund, including the amounts paid
14 direct to said local government by the Authority, shall not be less than the amount of
15 annual actual tax loss to such local government based upon the two-year average on said
16 property next prior to it being taken over by the Authority."

17 SECTION 2. G.S. 105-459 reads as rewritten:

18 "§ 105-459. Determination of amount of taxes lost by virtue of T.V.A. operation of
19 property; proration of funds.

20 The Department of Revenue shall determine each year, on the basis of current tax
21 laws, the ~~total taxes that would be due to both the State of North Carolina and the local~~
22 governments allocation of the Authority's valuation among the local government in the
23 same manner as if the property owned ~~and/or~~ operated by the Authority were owned
24 ~~and/or~~ operated by a privately owned public utility: Provided, however, in making
25 ~~said calculations the Department of Revenue shall use the tax rate fixed by the local~~
26 government unit and taxing district involved for the tax year next preceding such
27 calculations. utility. The Department of Revenue and the Treasurer of the State of North
28 Carolina shall then prorate the funds received from the Authority by the State and local

1 governments between the local governments upon the basis of the foregoing
2 calculations."

3 **SECTION 3.** G.S. 105-461 reads as rewritten:

4 "**§ 105-461. Duty of county accountant, etc.**

5 The county accountant or other proper officer of each local government to which
6 this Subchapter is applicable shall:

7 (1) ~~Certify to the Department of Revenue and the Treasurer of the State of~~
8 ~~North Carolina the tax rate fixed by the governing body of such local~~
9 ~~government immediately upon the fixing of the same;~~

10 (2) ~~Certify~~ shall certify each month to the Treasurer of the State of North
11 Carolina a statement of the amount received by the local government
12 direct from the Authority.

13 No local government shall be entitled to receive its distributive share of said fund
14 from the Treasurer of the State of North Carolina until the foregoing information has
15 been properly furnished. If any such local government shall fail to furnish the
16 information herein required within 10 days from and after receipt by it from the
17 Department of Revenue of request for the same, forwarded by registered mail, then and
18 in that event it shall be barred from participating in the benefits provided for the period
19 for which the same is requested."

20 **SECTION 4.** This act becomes effective July 1, 2007.