

June 13, 2002

H 1670. 2002 FEE BILL. TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE ELECTRIC MEMBERSHIP CORPORATION REGULATORY FEE, AND TO SET THE INSURANCE REGULATORY CHARGE.

Public utility regulatory fee. Sets percentage rate to be used in calculating public utility regulatory fee under GS 62-302(b)(2) at 0.1% for utility's revenues earned each quarter that begins on or after July 1, 2002. Effective July 1, 2002.

NC Electric Membership Corporation regulatory fee. Sets fee imposed under GS 62-302(b1) for 2002-2003 fiscal year at \$200,000. Effective July 1, 2002.

Insurance regulatory charge. Sets percentage rate to be used in calculating insurance regulatory charge under GS 58-6-25 at 6.5% for 2002 calendar year. Effective when it becomes law.

Intro. by Luebke, Allen, Buchanan, Wainwright.

Ref. to Finance	GS 58, 62
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July 18, 2002

H 1670. 2002 FEE BILL. Intro. 6/12/02. House committee substitute makes the following changes to 1st edition.

Miscellaneous justice and public safety fees. Effective 10/1/02, changes Community Service Parole fee, community service sentence fee, and deferred prosecution fee from \$100 to \$200. Effective for fees assessed or collected after 10/1/02, raises fees for supervised probation, parole, and post-release supervision from \$20 to \$30 per month. Effective 9/1/02, provides that a person found responsible for a seat belt violation must pay the General Court of Justice fee for district court costs. Effective 9/1/02, changes court cost fees in GS Ch. 7A as follows: raises district court criminal case fee from \$65 to \$75, raises superior court criminal case fee from \$72 to \$82; requires that person convicted of felony in superior court who made a first appearance in district court be assessed both court fees; raises superior court civil case fee from \$59 to \$69; raises district court civil case fee from \$44 to \$54. Effective 10/1/02, amends statutes addressing criminal record expunction to provide \$65 fee for criminal record expunction (now, cost of expunction is taxed against petitioner). Amends GS 50B-2 (domestic violence civil actions) and related statutes to make clear that court costs may not be assessed for an action under that statute. Effective 10/1/02, amends GS 7A-311(b) to provide that all civil process fees "that are required to be assessed, collected, and remitted" under subsection (a) are due in advance, with the existing exceptions. Effective 10/1/02, raises GS 7A-308(c) fee for worthless check collection program from \$50 to \$60. Adds language permitting use of this fund to cover personnel, equipment, and other costs of district attorneys' office that are attributable to the provision of these programs. Effective 10/1/02, amends GS 7A-304(a) to provide a \$300 SBI lab fee as a criminal case cost in cases where the SBI lab performed specified tests; permits judge to waive or reduce fee on a finding of just cause. Effective 10/1/02, repeals GS 90-95.3(b), which provides for restitution of \$100 for controlled substance analysis in drug conviction cases; provides that any defendant ordered to make such restitution before 10/1/02 must continue to do so. Amends GS 114-10.1(c) (police information network) to authorize the Attorney General to set fees for access to information. Effective 7/1/03, provides that the Division of Criminal Information shall charge the following monthly fees in fiscal 2002-03: \$67 as a circuit fee and \$29.50 as a terminal fee. Effective 10/1/02, requires that the Dep't of Justice charge \$10 per night to persons lodged in the dormitories of its Justice Academy campuses. Effective 10/1/02, doubles each special magistrate fee listed in GS 7A-309

Appointment of counsel fee in criminal cases. Effective 10/1/02, adds new GS 7A-455.1, providing for appointment fee in criminal cases. Provides that each person who requests appointment of counsel in a criminal case must pay to the clerk of court a nonrefundable \$50 appointment fee; fee is refundable if court finds defendant is not entitled to appointment of counsel. Fee is due regardless of outcome of proceedings. Outlines process for applying fee to amounts owed by defendant, describes role of counsel, describes application of fee in multiple cases, and provides that nonpayment is not grounds for denying appointment of counsel, for withdrawal of counsel, or for contempt. Provides that \$45 of \$50 fee shall be credited to the Indigent Persons' Attorney Fee Fund and \$5 shall be credited to the Court Information Technology

Fund. Authorizes Office of Indigent Defense Services to adopt rules and develop forms to implement the new statute.

Dep't of Environment and Natural Resources fees. Raises hazardous waste fees as follows: under GS 130A-294.1(e), annual fee increases from \$500 to \$750, and under subsection (e) annual fee increases from \$25 to \$37.50. Raises annual fee for regulated food and lodging establishments under GS 130A-248(d) from \$25 to \$50; permits LRC to study whether this fee is sufficient for state and local sanitation programs and activities. Requires that LRC report no later than the convening of the 2004 Regular Session on whether fee should be changed and how any proposed change should be implemented. Adds two new fees under GS 130A-248: a \$200 fee for Dep't plan review of plans for franchised or chain facilities for food establishments subject to the section, and fee not to exceed \$200 for a plan review by a local health department of plans for food establishments that are not plans for chain facilities. Provides that collected fees be used to support sanitation programs and activities. Requires that Dep't adopt temporary rules to increase use fees at Jordan and Falls lakes from \$4 to \$5 per vehicle. Amendments are effective 10/1/02.

Dep't of Agriculture and Consumer Services fees. Increases fees under GS 19A-27, 19A-28, and 19A-29 (animal protection statutes) from \$50 to \$100 for each license period. Increases GS 80-62 recording fee from \$25 to \$50. Repeals weights fee schedule of GS 81A-12 and replaces it with new schedule outlined in new GS 81A-12. Amends GS 105-254 (ice cream producers and cheese factories) to increase inspection fees from \$40 to \$60 and \$10 to \$15. Amends GS 105-277.28 (seed dealers) to increase inspection fees from \$100 to \$145, \$5 to \$10, \$15 to \$25, and \$25 to \$40. Amends GS 106-284.34(c) (registration fee for commercial feed distributors) to increase fee from \$3 to \$5. Amends GS 106-284.40 (b)(4) (inspection fee on commercial feed distribution) to increase fee from \$30 to \$45. Amends GS 106-406 (livestock markets) to increase the application fee from \$250 to \$350 and the annual renewal fee from \$100 to \$150. Amends GS 106-418.11 (livestock dealer) to require an application fee of \$50 and an annual renewal fee of \$50. Amends GS 106-542(b1) to require an annual license fee of \$20 to operate as a live poultry or ratite dealer. All GS Ch 106 fee changes effective Jan. 1, 2003.

Amends GS 143-442(b) (pesticide registration) to increase the annual registration fee from \$30 to \$45. Amends GS 143-448 (pesticide dealers) to increase the application fee from \$30 to \$45 and the annual renewal fee from \$30 to \$45. Amends GS 143-452 (pesticide applicators) to increase the application fee from \$30 to \$45 and inspection fees from \$10 to \$15. Amends GS 143-455 (pest control consultants) to increase the application fee from \$30 to \$45. Establishes fee schedules the Board of Agriculture is to charge for agronomic and animal disease diagnostic tests or services. All fees in this paragraph effective Oct. 1, 2002.

Miscellaneous fees. Amends GS 130A-93.1 (copies of vital records) to increase the copy fee from \$10 to \$15 and the expedited service fee from \$10 to \$15. Amends GS 130A-118(d) (amended birth or death record) to increase the fee from \$7.50 to \$15. Directs DHHS to charge fee of \$10 for laboratory test performed under Newborn Screening Program pursuant to GS 130A-125, or actual cost if cost is higher. These fee changes effective Oct. 1, 2002. Amends GS 10A-4(b)(6) (application for notary commission) to increase the fee from \$30 to \$50. Amends GS 78A-17(9) and (17) (certain transactions exempt from securities act) to establish a flat fee of \$150. Amends GS 78A-31(b) (registration requirements) to establish a flat fee of \$150. Amends GS 55-1-22(a) to increase the fee for reserved name from \$10 to \$30, for amended certificate of authority from \$50 to \$75, for certificate of withdrawal from \$10 to \$25, for certificate of existence (paper) from \$5 to \$15, and adds new fee of \$10 for electronic certificate of existence (makes similar changes in GS 55A-1-22(a) for paper and electronic records). Amends GS 55-1-22(c) to increase the fee for copying and certifying a record (paper) from \$5 to \$15, and establishes a \$10 fee for an electronic record (makes a similar change in GS 55A-1-22(c), in GS 57C-1-22(a)(24), and -22(c), and in GS 59-1106(c), for limited partnerships). Amends GS 147-37 to provide that if two or more certificates for foreign adoption are requested concurrently from the Secretary of State, the fee for the second and subsequent certificates is \$5. Amends GS 120-47.3 (lobbyist's registration fee) to increase the fee from \$75 to \$200. Amends GS 78A-37(b) (securities dealer and salesmen) to increase the fee for a dealer from \$200 to \$300 and for a dealer from \$55 to \$75. Amends GS 78C-17(b) (investment advisers) to increase the fee for an investment adviser representative from \$45 to \$75. Amends GS 80-3(b) (trademark registration) to increase the filing

fee from \$50 to \$75. Amends GS 78A-31(a)(4) (notice filing fee) to increase the fee from \$100 to \$200. These fee changes are effective Oct. 1, 2002.

July 25, 2002

H 1670. 2002 FEE BILL. Intro. 06/13/02. House amendments adopted 7/24/02 make the following changes to 2nd edition: (1) Deletes provision for different fees for routine analysis of soil samples for farmers and non-farmers and substitutes a single fee of \$3.00 for all routine analyses of soil samples; (2) Deletes \$29.50 as the amount of the terminal fee for the Police Information Network and inserts \$6.00 as the amount of the terminal fee; (3) Rewrites proposed amendment to GS 15A-146(b) by adding the following sentence: "The costs of expunging these records shall not be taxed against the petitioner," and deletes proposed new subsection (d) to GS 15A-146; (4) To the proposed amendment of GS 130A-248, adds the word "prototype" before the word "franchised," substitutes the phrase "subject to subsection (e) of this section" for the phrase "plans for franchised or chain facilities," and adds the following sentence: "No food establishment that pays a fee under subsection (e) of this section is liable for a fee under this subsection;" (5) Deletes proposed change to GS 20-135.2A(e) that would have imposed court costs on violators of seat belt law.

September 25, 2002

H 1670. SUBSIDIARY DIVIDEND CHANGES (NEW). Intro. 6/13/02. Senate committee substitute makes the following changes to 3rd edition. Replaces original bill with bill entitled "*TO CLARIFY THE EXPENSE ATTRIBUTION LAW AS IT APPLIES TO DEDUCTIBLE DIVIDENDS AND TO PROVIDE LIMITS ON THE POTENTIAL TAX LIABILITY.*" G.S. 105.130.5(c)(3) currently requires that in determining State net income, an adjustment to federal taxable income must be made to any corporate tax deduction for expenses related to nontaxable income ("expense adjustment"). This bill places certain limits on the amount of the G.S. 105.130.5(c)(3) expense adjustment applicable to corporations and bank holding and electric power companies as follows. For corporations, bill limits expense adjustment to a maximum of 15% of dividends. For bank holding companies, bill limits maximum expense adjustment to 20% of dividends, but provides that the additional tax resulting from adjustment shall not exceed a total of \$11 million for the company's affiliated group. In the event the additional tax liability resulting from the adjustment reaches this \$11 million cap, the affiliated group is eligible for a \$2 million tax credit. If the additional tax liability does not reach the \$11 million cap, the affiliated group is eligible for a credit equal to the difference between the additional tax resulting from the expense adjustment and 15% of dividends. Bill further provides that in order to take the tax reduction allowed, group must file a schedule with return, which lists each member of affiliated group and allocates the amount of dividends and expense adjustments applicable to each company. Also imposes interest on any increased tax liability resulting from the filing of an amended return which changes expense adjustment. For electric power holding companies, bill limits maximum expense adjustment to 15% of total interest expenses. Company is eligible for a credit for the following tax year in the amount of one-half of the additional tax liability resulting from adjustment. Bill further provides that in order to take credit allowed by this bill, bank holding and electric power companies must file a schedule with return which lists each member of affiliated group and allocates the amount of credits applicable to each company. Provision remains in effect for tax years 2001 and 2002. 2003 General Assembly to readdress issue. Waives any 2001 tax year penalties on taxes created by Section 3 of S.L. 2001-327. "

October 3, 2002

SL 2002-136 (H 1670). SUBSIDIARY DIVIDEND CHANGES. AN ACT TO CLARIFY THE EXPENSE ATTRIBUTION LAW AS IT APPLIES TO DEDUCTIBLE DIVIDENDS AND TO PROVIDE LIMITS ON THE POTENTIAL TAX LIABILITY. Summarized in *Daily Bulletin* 9/25/02. Enacted October 3, 2002. Effective for taxable years beginning on or after January 1, 2001.