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Short Title: Various Economic Incentives. (Public)

Sponsors:

Referred to:

May 26, 2010

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY EXISTING ECONOMIC DEVELOPMENT INCENTIVES AND TO  
3 INCENT NEW ECONOMIC DEVELOPMENT OPPORTUNITIES; TO PROVIDE FOR  
4 THE FORMATION OF A LIMITED LIABILITY COMPANY AS A LOW-PROFIT  
5 LIMITED LIABILITY COMPANY; TO ESTABLISH THE YADKIN RIVER TRUST;  
6 AND TO PROVIDE FUNDING FOR THE DNA DATABASE AND DATABANK.

7 The General Assembly of North Carolina enacts:

8 **PART I: EXTEND AND REVISE TAX CREDITS FOR GROWING BUSINESSES**

9  
10 **SECTION 1.1.** G.S. 105-129.82(a) reads as rewritten:

11 "(a) Sunset. – This Article is repealed effective for business activities that occur on or  
12 after January 1, ~~2011-2013.~~"

13 **SECTION 1.2.** G.S. 143B-437.010(a) reads as rewritten:

14 "(a) Agrarian Growth Zone Defined. – An agrarian growth zone is an area that meets all  
15 of the following conditions:

- 16 (1) It is comprised of one or more contiguous census tracts, census block  
17 groups, or both, in the most recent federal decennial census.  
18 (2) All of the area is located in whole within a county that has no municipality  
19 with a population in excess of 10,000.  
20 (3) Every census tract and census block group that comprises the area either has  
21 more than twenty percent (20%) of its population below the poverty level or  
22 is adjacent to another census tract or census block group in the zone that has  
23 more than twenty percent (20%) of its population below the poverty level  
24 according to the most recent federal decennial census.  
25 (4) The zone as a whole has more than twenty percent (20%) of its population  
26 below the poverty level according to the most recent federal decennial  
27 census."

28 **SECTION 1.3.** G.S. 105-129.81 is amended by adding a new subdivision to read:

29 "(9a) Environmental disqualifying event. – Any of the following occurrences:

- 30 a. During the tax year in which the activity occurred for which a credit  
31 is being claimed, a civil penalty was assessed against the taxpayer by



\* H 1 9 7 3 - P C S 5 0 9 6 5 - R B X - 9 4 \*

1           the Department of Environment and Natural Resources for failure to  
 2           comply with an order issued by an agency of the Department to abate  
 3           or remediate a violation of any program administered by the agency.

4           b. During the tax year in which the activity occurred for which a credit  
 5           is being claimed or in the prior two tax years, any of the following:

6           1. A finding was made by the Department of Environment and  
 7           Natural Resources that the taxpayer knowingly and willfully,  
 8           as defined in G.S. 143-215.6B, including all limitations  
 9           thereto, committed a violation of any program implemented  
 10           by an agency of the Department.

11           2. An assessment for damages to fish or wildlife pursuant to  
 12           G.S. 143-215.3(a)(7) was made against the taxpayer.

13           3. A judicial order for injunctive relief was issued against the  
 14           taxpayer in connection with a violation of any program  
 15           implemented by an agency of the Department of Environment  
 16           and Natural Resources.

17           c. During the tax year in which the activity occurred for which the  
 18           credit is being claimed or in the prior four tax years, a criminal  
 19           penalty was imposed on the taxpayer in connection with a violation  
 20           of any program implemented by an agency of the Department of  
 21           Environment and Natural Resources."

22           **SECTION 1.4.** G.S. 105-129.83(e) and (i) read as rewritten:

23           "(e) Environmental Impact. – A taxpayer is eligible for a credit allowed under this  
 24 Article only if the taxpayer certifies that, at the time the taxpayer claims the credit, ~~the taxpayer~~  
 25 ~~has no pending administrative, civil, or criminal enforcement action based on alleged~~  
 26 ~~significant violations of any program implemented by an agency of the Department of~~  
 27 ~~Environment and Natural Resources and has had no final determination of responsibility for~~  
 28 ~~any significant administrative, civil, or criminal violation of any program implemented by an~~  
 29 ~~agency of the Department of Environment and Natural Resources within the last five years. A~~  
 30 ~~significant violation is a violation or alleged violation that does not satisfy any of the conditions~~  
 31 ~~of G.S. 143-215.6B(d). The Secretary of Environment and Natural Resources shall notify the~~  
 32 ~~Department of Revenue annually of every person that currently has any of these pending~~  
 33 ~~actions and every person that has had any of these final determinations within the last five~~  
 34 ~~years.~~there has not been a final determination unfavorable to the taxpayer with respect to an  
 35 environmental disqualifying event. For the purposes of this section, a 'final determination  
 36 unfavorable to the taxpayer' occurs when there is no further opportunity for the taxpayer to seek  
 37 administrative or judicial appeal, review, certiorari, or rehearing of the environmental  
 38 disqualifying event and the disqualifying event has not been reversed or withdrawn. No later  
 39 than January 31 of each year, the Secretary of Environment and Natural Resources shall  
 40 provide an annual report to the Department listing all environmental disqualifying events for  
 41 which a final determination unfavorable to the taxpayer was made in the prior calendar year  
 42 and shall provide the name of the taxpayer involved and the date that the disqualifying event  
 43 occurred.

44           ...

45           (i) Forfeiture. – A taxpayer forfeits a credit allowed under this Article if the taxpayer  
 46 was not eligible for the credit for the calendar year in which the taxpayer engaged in the  
 47 activity for which the credit was claimed. A taxpayer forfeits a credit previously allowed under  
 48 this Article if a final determination unfavorable to the taxpayer with respect to an  
 49 environmental disqualifying event is made that is applicable to the year in which the activity  
 50 occurred for which the credit was claimed. In addition, a taxpayer forfeits a credit for  
 51 investment in real property under G.S. 105-129.89 if the taxpayer fails to timely create the

1 number of required new jobs or to timely make the required level of investment under  
 2 G.S. 105-129.89(b). A taxpayer that forfeits a credit under this Article is liable for all past taxes  
 3 avoided as a result of the credit plus interest at the rate established under G.S. 105-241.21,  
 4 computed from the date the taxes would have been due if the credit had not been allowed. The  
 5 past taxes and interest are due 30 days after the date the credit is forfeited; a taxpayer that fails  
 6 to pay the past taxes and interest by the due date is subject to the penalties provided in  
 7 G.S. 105-236."

8 **SECTION 1.5.** G.S. 143B-437.02(g) reads as rewritten:

9 "(g) Environmental Impact. – A business is eligible for consideration for site  
 10 development under this part only if the business certifies that, at the time of the application, the  
 11 business ~~has no pending administrative, civil, or criminal enforcement action based on alleged~~  
 12 ~~significant violations of any program implemented by an agency of the Department of~~  
 13 ~~Environment and Natural Resources, and has had no final determination of responsibility for~~  
 14 ~~any significant administrative, civil, or criminal violation of any program implemented by an~~  
 15 ~~agency of the Department of Environment and Natural Resources within the last five years. A~~  
 16 ~~significant violation is a violation or alleged violation that does not satisfy any of the conditions~~  
 17 ~~of G.S. 143-215.6B(d). The Secretary of Environment and Natural Resources must notify the~~  
 18 ~~Department of Commerce annually of every person that currently has any of these pending~~  
 19 ~~actions and every person that has had any of these final determinations within the last five~~  
 20 ~~years.~~satisfies the environmental impact standard under G.S. 105-129.83."

21 **SECTION 1.6.** G.S. 143B-437.012(h) reads as rewritten:

22 "(h) Environmental Impact. – A business is eligible for consideration for a grant under  
 23 this section only if the business ~~has no pending administrative, civil, or criminal enforcement~~  
 24 ~~action based on alleged significant violations of any program implemented by an agency of the~~  
 25 ~~Department of Environment and Natural Resources and has had no final determination of~~  
 26 ~~responsibility for any significant administrative, civil, or criminal violation of any program~~  
 27 ~~implemented by an agency of the Department of Environment and Natural Resources within~~  
 28 ~~the last three years with respect to the location for which the grant is made. For the purposes of~~  
 29 ~~this subsection, a significant violation is a violation or alleged violation that does not satisfy~~  
 30 ~~any of the conditions of G.S. 143-215.6B(d).~~certifies that, at the time of the application, the  
 31 business satisfies the environmental impact standard under G.S. 105-129.83."

32 **SECTION 1.7.** G.S. 105-129.88 reads as rewritten:

33 **"§ 105-129.88. Credit for investing in business property.**

34 (a) General Credit. – A taxpayer that meets the eligibility requirements set out in  
 35 G.S. 105-129.83 and that has purchased or leased business property and placed it in service in  
 36 this State during the taxable year and that has satisfied the threshold requirements of subsection  
 37 (c) of this section is allowed a credit equal to the applicable percentage of the excess of the  
 38 eligible investment amount over the applicable threshold. If the taxpayer places business  
 39 property in service in an urban progress zone or an agrarian growth zone, the applicable  
 40 percentage is the one for a development tier one area. Business property is eligible if it is not  
 41 leased to another party. The credit may not be taken for the taxable year in which the business  
 42 property is placed in service but shall be taken in equal installments over the four years  
 43 following the taxable year in which it is placed in service. The applicable percentage is as  
 44 follows:

Area Development Tier	Applicable Percentage
Tier One	7%
Tier Two	<del>5%</del> 4%
Tier Three	<del>3.5%</del> 2%

49 ...  
 50 (c) Threshold. – The applicable threshold is the appropriate amount set out in the  
 51 following table based on the development tier where the eligible business property is placed in

1 service during the taxable year. If the taxpayer places business property in service in an urban  
 2 progress zone or an agrarian growth zone, the applicable threshold is the one for a development  
 3 tier one area. Business property placed in service in an urban progress zone or an agrarian  
 4 growth zone is not aggregated with business property placed in service at any other eligible  
 5 establishments regardless of county. If the taxpayer places eligible business property in service  
 6 at more than one establishment in a county during the taxable year, the threshold applies to the  
 7 aggregate amount of eligible business property placed in service during the taxable year at all  
 8 establishments in the county. If the taxpayer places eligible business property in service at  
 9 establishments in different counties, the threshold applies separately to the aggregate amount of  
 10 eligible business property placed in service in each county. If the taxpayer places eligible  
 11 business property in service at an establishment over the course of a two-year period, the  
 12 applicable threshold for the second taxable year is reduced by the eligible investment amount  
 13 for the previous taxable year.

Area	Development Tier	Threshold
	Tier One	\$ -0-
	Tier Two	1,000,000
	Tier Three	<del>2,000,000</del> 3,000,000

14  
15  
16  
17  
18 ...."

19 **SECTION 1.8.** Sections 1.3 and 1.4 of this Part are effective for credits claimed for  
 20 taxable years beginning on or after January 1, 2007. Sections 1.5 and 1.6 of this Part are  
 21 effective when they become law and apply to all agreements in effect on or entered into on or  
 22 after that date. The remainder of this Part becomes effective January 1, 2011, and applies to  
 23 taxable years beginning on or after that date.  
 24

25 **PART II: EXPAND TAX CREDITS FOR PRODUCTION COMPANIES**

26  
27 **SECTION 2.1.** G.S. 105-130.47 reads as rewritten:

28 "**§ 105-130.47. Credit for qualifying expenses of a production company.**

29 (a) Definitions. – The following definitions apply in this section:

- 30 (1) Highly compensated individual. – An individual who directly ~~or indirectly~~  
 31 receives compensation in excess of one million dollars (\$1,000,000) from a  
 32 production company ~~– for personal services~~ with respect to a single  
 33 production. ~~An individual receives compensation indirectly when a~~  
 34 ~~production company pays a personal service company or an employee~~  
 35 ~~leasing company that pays the individual.~~
- 36 (2) Live sporting event. – A scheduled sporting competition, game, or race that  
 37 is not originated by a production company, but originated solely by an  
 38 amateur, collegiate, or professional organization, institution, or association  
 39 for live or tape-delayed television or satellite broadcast. A live sporting  
 40 event does not include commercial advertising, an episodic television series,  
 41 a television pilot, a music video, a motion picture, or a documentary  
 42 production in which sporting events are presented through archived  
 43 historical footage or similar footage taken at least 30 days before it is used.
- 44 (3) Production company. – Defined in G.S. 105-164.3.
- 45 (4) Qualifying expenses. – The sum of the following amounts spent in this State  
 46 by a production company in connection with a production, less the amount  
 47 in excess of one million dollars (\$1,000,000) paid to a highly compensated  
 48 individual:
  - 49 a. Goods and services leased or purchased. For goods with a purchase  
 50 price of twenty-five thousand dollars (\$25,000) or more, the amount

1 included in qualifying expenses is the purchase price less the fair  
2 market value of the good at the time the production is completed.

3 b. Compensation and wages on which withholding payments are  
4 remitted to the Department of Revenue under Article 4A of this  
5 Chapter.

6 c. The cost of production-related insurance coverage obtained on the  
7 production. Expenses for insurance coverage purchased from a  
8 related member are not qualifying expenses.

9 d. Employee fringe contributions, including health, pension, and  
10 welfare contributions.

11 e. Per diems, stipends, and living allowances paid for work being  
12 performed in this State.

13 (5) Related member. – Defined in G.S. 105-130.7A.

14 (b) Credit. – A taxpayer that is a production company and has qualifying expenses of at  
15 least two hundred fifty thousand dollars (\$250,000) with respect to a production is allowed a  
16 credit against the taxes imposed by this Part equal to ~~fifteen percent (15%)~~ twenty-five percent  
17 (25%) of the production company's qualifying expenses. For the purposes of this section, in the  
18 case of an episodic television series, an entire season of episodes is one production. The credit  
19 is computed based on all of the taxpayer's qualifying expenses incurred with respect to the  
20 production, not just the qualifying expenses incurred during the taxable year.

21 ~~(b1) Alternative Credit. – In lieu of the credit allowed under subsection (b) of this~~  
22 ~~section, a taxpayer that is a production company and has qualifying expenses of at least two~~  
23 ~~hundred fifty thousand dollars (\$250,000) with respect to a production may elect to take a~~  
24 ~~credit against the taxes imposed by this Part equal to twenty five percent (25%) of the~~  
25 ~~production company's qualifying expenses less the difference between the amount of tax paid~~  
26 ~~on purchases subject to the tax under G.S. 105-187.51 and the amount of sales or use tax that~~  
27 ~~would have been due had the purchases been subject to the sales or use tax at the combined~~  
28 ~~general rate, as defined in G.S. 105-164.3. The credit is computed based on all of the taxpayer's~~  
29 ~~qualifying expenses incurred with respect to the production, not just the qualifying expenses~~  
30 ~~incurred during the taxable year. The taxpayer shall elect whether to claim the credit allowed~~  
31 ~~under this subsection or the one allowed under subsection (b) of this section at the time the~~  
32 ~~taxpayer files the return on which the credit is claimed. This election is binding.~~

33 (c) Pass-Through Entity. – Notwithstanding the provisions of G.S. 105-131.8 and  
34 G.S. 105-269.15, a pass-through entity that qualifies for a credit provided in this section does  
35 not distribute the credit among any of its owners. The pass-through entity is considered the  
36 taxpayer for purposes of claiming a credit allowed by this section. If a return filed by a  
37 pass-through entity indicates that the entity is paying tax on behalf of the owners of the entity, a  
38 credit allowed under this section does not affect the entity's payment of tax on behalf of its  
39 owners.

40 (d) Return. – A taxpayer may claim a credit allowed by this section on a return filed for  
41 the taxable year in which the production activities are completed. The return must state the  
42 name of the production, a description of the production, and a detailed accounting of the  
43 qualifying expenses with respect to which a credit is claimed. The qualifying expenses are  
44 subject to audit by the Secretary before the credit is allowed.

45 (e) Credit Refundable. – If a credit allowed by this section exceeds the amount of tax  
46 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the  
47 Secretary must refund the excess to the taxpayer. The refundable excess is governed by the  
48 provisions governing a refund of an overpayment by the taxpayer of the tax imposed in this  
49 Part. In computing the amount of tax against which multiple credits are allowed, nonrefundable  
50 credits are subtracted before refundable credits.

1 (f) Limitations. – The amount of credit allowed under this section with respect to a  
2 production that is a feature film may not exceed ~~seven-twenty million five hundred thousand~~  
3 dollars ~~(\$7,500,000).~~(\$20,000,000). No credit is allowed under this section for any production  
4 that satisfies one of the following conditions:

- 5 (1) It is political advertising.
- 6 (2) It is a television production of a news program or live sporting event.
- 7 (3) It contains material that is obscene, as defined in G.S. 14-190.1.
- 8 (4) It is a radio production.

9 (g) Substantiation. – A taxpayer allowed a credit under this section must maintain and  
10 make available for inspection any information or records required by the Secretary of Revenue.  
11 The taxpayer has the burden of proving eligibility for a credit and the amount of the credit. The  
12 Secretary may consult with the North Carolina Film Office of the Department of Commerce  
13 and the regional film commissions in order to determine the amount of qualifying expenses.

14 (h) Report. – The Department of Revenue must publish by May 1 of each year the  
15 following information, itemized by taxpayer for the 12-month period ending the preceding  
16 December 31:

- 17 (1) The location of sites used in a production for which a credit was taken.
- 18 (2) The qualifying expenses for which a credit was taken, classified by whether  
19 the expenses were for goods, services, or compensation paid by the  
20 production company.
- 21 (3) The number of people employed in the State with respect to credits taken.
- 22 (4) The total cost to the General Fund of the credits taken.

23 (i) Repealed by Session Laws 2006-220, s. 2, effective for taxable years beginning on  
24 or after January 1, 2007.

25 (j) NC Film Office. – To claim a credit under this section, a taxpayer must notify the  
26 Division of Tourism, Film, and Sports Development in the Department of Commerce of the  
27 taxpayer's intent to claim the production tax credit. The notification must include the title of the  
28 production, the name of the production company, a financial contact for the production  
29 company, the proposed dates on which the production company plans to begin filming the  
30 production, and any other information required by the Division. For productions that have  
31 production credits, a taxpayer claiming a credit under this section must acknowledge in the  
32 production credits both the North Carolina Film Office and the regional film office responsible  
33 for the geographic area in which the filming of the production occurred.

34 (k) Sunset. – This section is repealed for qualifying expenses occurring on or after  
35 January 1, 2014."

36 **SECTION 2.2.** G.S. 105-151.29 reads as rewritten:

37 "**§ 105-151.29. Credit for qualifying expenses of a production company.**

38 (a) Definitions. – The following definitions apply in this section:

- 39 (1) Highly compensated individual. – An individual who directly ~~or indirectly~~  
40 receives compensation in excess of one million dollars (\$1,000,000) from a  
41 production company ~~for personal services~~ with respect to a single  
42 production. ~~An individual receives compensation indirectly when a~~  
43 ~~production company pays a personal service company or an employee~~  
44 ~~leasing company that pays the individual.~~
- 45 (2) Live sporting event. – A scheduled sporting competition, game, or race that  
46 is not originated by a production company, but originated solely by an  
47 amateur, collegiate, or professional organization, institution, or association  
48 for live or tape-delayed television or satellite broadcast. A live sporting  
49 event does not include commercial advertising, an episodic television series,  
50 a television pilot, a music video, a motion picture, or a documentary

1 production in which sporting events are presented through archived  
2 historical footage or similar footage taken at least 30 days before it is used.

3 (3) Production company. – Defined in G.S. 105-164.3.

4 (4) Qualifying expenses. – The sum of the following amounts spent in this State  
5 by a production company in connection with a production, less the amount  
6 paid in excess of one million dollars (\$1,000,000) to a highly compensated  
7 individual:

8 a. Goods and services leased or purchased. For goods with a purchase  
9 price of twenty-five thousand dollars (\$25,000) or more, the amount  
10 included in qualifying expenses is the purchase price less the fair  
11 market value of the good at the time the production is completed.

12 b. Compensation and wages on which withholding payments are  
13 remitted to the Department of Revenue under Article 4A of this  
14 Chapter.

15 c. The cost of production-related insurance coverage obtained on the  
16 production. Expenses for insurance coverage purchased from a  
17 related member are not qualifying expenses.

18 d. Employee fringe contributions, including health, pension, and  
19 welfare contributions.

20 e. Per diems, stipends, and living allowances paid for work being  
21 performed in this State.

22 (5) Related member. – Defined in G.S. 105-130.7A.

23 (b) Credit. – A taxpayer that is a production company and has qualifying expenses of at  
24 least two hundred fifty thousand dollars (\$250,000) with respect to a production is allowed a  
25 credit against the taxes imposed by this Part equal to ~~fifteen percent (15%)~~ twenty-five percent  
26 (25%) of the production company's qualifying expenses. For the purposes of this section, in the  
27 case of an episodic television series, an entire season of episodes is one production. The credit  
28 is computed based on all of the taxpayer's qualifying expenses incurred with respect to the  
29 production, not just the qualifying expenses incurred during the taxable year.

30 ~~(b1) Alternative Credit. — In lieu of the credit allowed under subsection (b) of this~~  
31 ~~section, a taxpayer that is a production company and has qualifying expenses of at least two~~  
32 ~~hundred fifty thousand dollars (\$250,000) with respect to a production may elect to take a~~  
33 ~~credit against the taxes imposed by this Part equal to twenty five percent (25%) of the~~  
34 ~~production company's qualifying expenses less the difference between the amount of tax paid~~  
35 ~~on purchases subject to the tax under G.S. 105-187.51 and the amount of sales or use tax that~~  
36 ~~would have been due had the purchases been subject to the sales or use tax at the combined~~  
37 ~~general rate, as defined in G.S. 105-164.3. The credit is computed based on all of the taxpayer's~~  
38 ~~qualifying expenses incurred with respect to the production, not just the qualifying expenses~~  
39 ~~incurred during the taxable year. The taxpayer shall elect whether to claim the credit allowed~~  
40 ~~under this subsection or the one allowed under subsection (b) of this section at the time the~~  
41 ~~taxpayer files the return on which the credit is claimed. This election is binding.~~

42 (c) Pass-Through Entity. – Notwithstanding the provisions of G.S. 105-131.8 and  
43 G.S. 105-269.15, a pass-through entity that qualifies for a credit provided in this section does  
44 not distribute the credit among any of its owners. The pass-through entity is considered the  
45 taxpayer for purposes of claiming a credit allowed by this section. If a return filed by a  
46 pass-through entity indicates that the entity is paying tax on behalf of the owners of the entity, a  
47 credit allowed under this section does not affect the entity's payment of tax on behalf of its  
48 owners.

49 (d) Return. – A taxpayer may claim a credit allowed by this section on a return filed for  
50 the taxable year in which the production activities are completed. The return must state the  
51 name of the production, a description of the production, and a detailed accounting of the

1 qualifying expenses with respect to which a credit is claimed. The qualifying expenses are  
2 subject to audit by the Secretary before the credit is allowed.

3 (e) Credit Refundable. – If a credit allowed by this section exceeds the amount of tax  
4 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the  
5 Secretary must refund the excess to the taxpayer. The refundable excess is governed by the  
6 provisions governing a refund of an overpayment by the taxpayer of the tax imposed in this  
7 Part. In computing the amount of tax against which multiple credits are allowed, nonrefundable  
8 credits are subtracted before refundable credits.

9 (f) Limitations. – The amount of credit allowed under this section with respect to a  
10 production that is a feature film may not exceed ~~seven-twenty million five hundred thousand~~  
11 ~~dollars (\$7,500,000); (\$20,000,000).~~ No credit is allowed under this section for any production  
12 that satisfies one of the following conditions:

- 13 (1) It is political advertising.
- 14 (2) It is a television production of a news program or live sporting event.
- 15 (3) It contains material that is obscene, as defined in G.S. 14-190.1.
- 16 (4) It is a radio production.

17 (g) Substantiation. – A taxpayer allowed a credit under this section must maintain and  
18 make available for inspection any information or records required by the Secretary of Revenue.  
19 The taxpayer has the burden of proving eligibility for a credit and the amount of the credit. The  
20 Secretary may consult with the North Carolina Film Office of the Department of Commerce  
21 and the regional film commissions in order to determine the amount of qualifying expenses.

22 (h) Report. – The Department of Revenue must publish by May 1 of each year the  
23 following information, itemized by taxpayer for the 12-month period ending the preceding  
24 December 31:

- 25 (1) The location of sites used in a production for which a credit was taken.
- 26 (2) The qualifying expenses for which a credit was taken, classified by whether  
27 the expenses were for goods, services, or compensation paid by the  
28 production company.
- 29 (3) The number of people employed in the State with respect to credits taken.
- 30 (4) The total cost to the General Fund of the credits taken.

31 (i) Repealed by Session Laws 2006-220, s. 4, effective for taxable years beginning on  
32 and after January 1, 2007.

33 (j) NC Film Office. – To claim a credit under this section, a taxpayer must notify the  
34 Division of Tourism, Film, and Sports Development in the Department of Commerce of the  
35 taxpayer's intent to claim the production tax credit. The notification must include the title of the  
36 production, the name of the production company, a financial contact for the production  
37 company, the proposed dates on which the production company plans to begin filming the  
38 production, and any other information required by the Division. For productions that have  
39 production credits, a taxpayer claiming a credit under this section must acknowledge in the  
40 production credits both the North Carolina Film Office and the regional film office responsible  
41 for the geographic area in which the filming of the production occurred.

42 (k) Sunset. – This section is repealed for qualifying expenses occurring on or after  
43 January 1, 2014."

44 **SECTION 2.3.** G.S. 105-187.51 is amended by adding a new subsection to read:

45 "**§ 105-187.51. Tax imposed on mill machinery.**

46 (a) Scope. – A privilege tax is imposed on the following persons:

- 47 (1) A manufacturing industry or plant that purchases mill machinery or mill  
48 machinery parts or accessories for storage, use, or consumption in this State.  
49 A manufacturing industry or plant does not include the following:





1 (10) Small business. – A business whose annual receipts, combined with the  
2 annual receipts of all related persons, for the applicable period of  
3 measurement did not exceed one million dollars (\$1,000,000)."

4 **SECTION 3.3.** G.S. 105-129.51 reads as rewritten:

5 "**§ 105-129.51. Administration; Taxpayer standards and sunset.**

6 (a) A taxpayer is eligible for ~~the~~a credit allowed in this Article if it satisfies the  
7 requirements of G.S. 105-129.83(c), (d), (e), ~~and (f)(f), and (g)~~ relating to wage standard, health  
8 insurance, environmental impact, ~~and~~safety and health programs, and overdue tax debts,  
9 respectively.

10 (b) This Article is repealed for taxable years beginning on or after January 1, 2014.

11 (c) Repealed by Session Laws 2004-124, s. 32D.4, effective for taxable years beginning  
12 on or after January 1, 2006."

13 **SECTION 3.4.** G.S. 150-129.52 reads as rewritten:

14 "**§ 105-129.52. Tax election; cap.**

15 (a) Tax Election. ~~The~~A credit allowed in this Article is allowed against the franchise  
16 tax levied in Article 3 of this Chapter or the income taxes levied in Article 4 of this Chapter.  
17 The taxpayer must elect the tax against which a credit will be claimed when filing the return on  
18 which the credit is first claimed. This election is binding. Any carryforwards of a credit must be  
19 claimed against the same tax.

20 (b) Cap. – A credit allowed in this Article may not exceed fifty percent (50%) of the  
21 amount of tax against which it is claimed for the taxable year, reduced by the sum of all other  
22 credits allowed against that tax, except tax payments made by or on behalf of the taxpayer. This  
23 limitation applies to the cumulative amount of credit, including carryforwards, claimed by the  
24 taxpayer under this Article against each tax for the taxable year. Any unused portion of a credit  
25 allowed in this Article may be carried forward for the succeeding 15 years."

26 **SECTION 3.5.** G.S. 105-129.54 reads as rewritten:

27 "**§ 105-129.54. Reports.**

28 The Department of Revenue must publish by May 1 of each year the following information  
29 itemized by credit and by taxpayer for the 12-month period ending the preceding December 31:

30 (1) The number of taxpayers that took a credit allowed in this ~~Article,~~Article.  
31 The credit allowed under G.S. 105-129.55 must be itemized by the  
32 categories of small business, low-tier, other, and university research. The  
33 credit allowed under G.S. 105-129.56 must be itemized by categories of  
34 university development, application development, and other development.

35 (2) The amount of each credit taken in each category.

36 (3) The total cost to the General Fund of the credits taken."

37 **SECTION 3.6.** Article 3F of Chapter 105 of the General Statutes is amended by  
38 adding a new section to read:

39 "**§ 105-129.56. Interactive digital media.**

40 (a) IDM Defined. – Interactive digital media is a product that meets all of the following  
41 requirements:

42 (1) It is produced for distribution on electronic media, including distribution by  
43 file download over the Internet.

44 (2) It contains a computer-controlled virtual universe with which an individual  
45 who uses the program may interact in order to achieve a goal.

46 (3) It contains a significant amount of at least three of the following five types  
47 of data: animated images, fixed images, sound, text, and 3D geometry.

48 (b) Credit. – A taxpayer that develops in this State interactive digital media or a digital  
49 platform or engine for use in interactive digital media is allowed a credit equal to a percentage  
50 of the taxpayer's expenses that exceed fifty thousand dollars (\$50,000) and that are paid during  
51 the taxable year in developing the media, platform, or engine. The percentage that applies to the

1 expenses is determined under subsection (c) of this section. The expenses to which the credit  
2 applies are as follows:

3 (1) Compensation and wages for a full-time job on which withholding payments  
4 are remitted to the Department under Article 4A of this Chapter.

5 (2) Employee fringe contributions on compensation and wages included under  
6 subdivision (1) of this subsection, including health, pension, and welfare  
7 contributions.

8 (3) Amounts paid to a research university for services performed in this State.

9 (c) Percentage. – The percentage of the credit allowed under this section is the  
10 percentage set under this subsection. Only one credit is allowed under this section with respect  
11 to the same expenses. If more than one subdivision of this subsection applies to the same  
12 expenses, then the credit is equal to the higher percentage, not both percentages combined. The  
13 applicable percentage is as follows:

14 (1) University. – For allowable expenses paid to a research university, the  
15 percentage is twenty percent (20%).

16 (2) Training and education. – For allowable expenses incurred to develop  
17 interactive digital media for any of the following applications, the  
18 percentage is fifteen percent (15%):

19 a. Skill training to enable the user to retain or acquire a job in a specific  
20 industry.

21 b. A military training or simulation application for use by the United  
22 States armed services.

23 c. A medical training or simulation application.

24 d. An education application for use by a public or private primary  
25 school.

26 (3) Other. – For allowable expenses not covered in another subdivision of this  
27 subsection, the percentage is ten percent (10%).

28 (d) Limitations. – The credit allowed by this section does not apply to interactive digital  
29 media that meets any of the business purposes or subject matter restrictions in this subsection:

30 (1) It is developed by the taxpayer for internal use.

31 (2) It is an interpersonal communications service, such as videoconferencing,  
32 wireless telecommunications, a text-based channel, or a chat room.

33 (3) It is an Internet site that is primarily static and primarily designed to provide  
34 information about one or more persons, businesses, companies, or firms.

35 (4) It is a gambling or casino game.

36 (5) It is political advertising.

37 (6) It contains material that is obscene, as defined in G.S. 14-190.1, or that is  
38 harmful to minors, as defined in G.S. 14-190.13.

39 (e) No Double Benefit. – A taxpayer that claims a credit under this section may not  
40 claim any of the following with respect to the expenses used to determine the credit under this  
41 section:

42 (1) A credit allowed under any other section of this Chapter.

43 (2) A grant from the Job Development Investment Grant Program, set out in  
44 Part 2G of Article 10 of Chapter 143B of the General Statutes.

45 (3) A grant from the One North Carolina Fund, set out in Part 2H of Article 10  
46 of Chapter 143B of the General Statutes."

47 **SECTION 3.7.** This Part is effective for taxable years beginning on or after  
48 January 1, 2011.

49  
50 **PART IV: EXTEND SUNSET FOR TAX CREDIT FOR RECYCLING OYSTER**  
51 **SHELLS**

1  
2           **SECTION 4.1.** G.S. 105-130.48(f) reads as rewritten:  
3       (f) Sunset. – This section is repealed effective for taxable years beginning on or after  
4 ~~January 1, 2011.~~January 1, 2013."

5           **SECTION 4.2.** G.S. 105-151.30(f) reads as rewritten:  
6       (f) Sunset. – This section is repealed effective for taxable years beginning on or after  
7 ~~January 1, 2011.~~January 1, 2013."

8           **SECTION 4.3.** This Part is effective when it becomes law.  
9

10 **PART V: CREATE ECONOMIC DEVELOPMENT INCENTIVES FOR ECO-PARKS**

11  
12           **SECTION 5.1.** G.S. 143B-437.08 is amended by adding a new subsection to read:  
13       (j) Exception for Eco-Industrial Park. – An Eco-Industrial Park has a development tier  
14 one designation. An Eco-Industrial Park is an industrial park that the Secretary of Commerce  
15 has certified meets the following requirements:

- 16           (1) It has at least 100 developable acres.  
17           (2) It is located in a county that is not required under G.S. 143-215.107A to  
18 perform motor vehicle emissions inspections.  
19           (3) Each building located in the industrial park is constructed in accordance with  
20 energy-efficiency and water-use standards established in G.S. 143-135.37  
21 for construction of a major facility.  
22           (4) Each business located in the park is in a clean-industry sector according to  
23 the Toxic Release Inventory by the United States Environmental Protection  
24 Agency."

25           **SECTION 5.2.** G.S. 143B-437.4 reads as rewritten:  
26 **"§ 143B-437.4. NC Green Business Fund ~~established as a special revenue fund and grant~~**  
27 **program.**

28       (a) ~~Establishment.~~Fund. – The NC Green Business Fund is established as a special  
29 revenue fund in the Department of Commerce, and the Department shall be responsible for  
30 administering the Fund.

31       (b) Purposes. – Moneys in the NC Green Business Fund shall be allocated pursuant to  
32 this subsection. The Department of Commerce shall make grants from the Fund to private  
33 businesses with less than 100 employees, nonprofit organizations, local governments, and State  
34 agencies to encourage the expansion of small to medium size businesses with less than 100  
35 employees to help grow a green economy in the State. Moneys in the NC Green Business Fund  
36 shall be used for projects that will focus on the following three priority ~~areas:~~areas listed in this  
37 subsection. In selecting between projects that are within a priority area, a project that is located  
38 in an Eco-Industrial Park certified under G.S. 143B-437.08 has priority over a comparable  
39 project that is not located in a certified Eco-Industrial Park. The priority areas are:

- 40           (1) To encourage the development of the biofuels industry in the State. The  
41 Department of Commerce may make grants available to maximize  
42 development, production, distribution, retail infrastructure, and consumer  
43 purchase of biofuels in North Carolina, including grants to enhance biofuels  
44 workforce development.  
45           (2) To encourage the development of the green building industry in the State.  
46 The Department of Commerce may make grants available to assist in the  
47 development and growth of a market for environmentally conscious and  
48 energy efficient green building processes. Grants may support the  
49 installation, certification, or distribution of green building materials; energy  
50 audits; and marketing and sales of green building technology in North

1 Carolina, including grants to enhance workforce development for green  
2 building processes.

- 3 (3) To attract and leverage private-sector investments and entrepreneurial  
4 growth in environmentally conscious clean technology and renewable  
5 energy products and businesses, including grants to enhance workforce  
6 development in such businesses.

7 (c) Cap and Matching Funds. – The Department of Commerce may set a cap on a grant  
8 from the NC Green Business Fund and may require a private business to provide matching  
9 funds for a grant from the Fund. A grant to a project located in an Eco-Industrial Park certified  
10 under G.S. 143B-437.08 is not subject to a cap or a requirement to provide matching funds."

11 **SECTION 5.3.** G.S. 143B-437.52(b) reads as rewritten:

12 "(b) ~~Cap.~~ Cap and Priority. – The maximum number of grants the Committee may  
13 award in each calendar year is 25. In selecting between applicants, a project that is located in an  
14 Eco-Industrial Park certified under G.S. 143B-437.08 has priority over a comparable project  
15 that is not located in a certified Eco-Industrial Park."

16 **SECTION 5.4.** G.S. 105-129.16A(c)(1) reads as rewritten:

17 "(c) Ceilings. – The credit allowed by this section may not exceed the applicable ceilings  
18 provided in this subsection.

- 19 (1) Nonresidential Property. – A ceiling of two million five hundred thousand  
20 dollars (\$2,500,000) per installation applies to renewable energy property  
21 that is placed in service outside an Eco-Industrial Park certified under  
22 G.S. 143B-437.08 and is for any purpose other than residential. A ceiling of  
23 five million dollars (\$5,000,000) per installation applies to renewable energy  
24 property that is placed in service in a certified Eco-Industrial Park and is for  
25 any purpose other than residential."

26 **SECTION 5.5.** G.S. 105-129.55 reads as rewritten:

27 **"§ 105-129.55. Credit for North Carolina research and development.**

28 (a) Qualified North Carolina Research Expenses. – A taxpayer that has qualified North  
29 Carolina research expenses for the taxable year is allowed a credit equal to a percentage of the  
30 expenses, determined as provided in this ~~subsection~~-section. Only one credit is allowed under  
31 this ~~subsection~~-section with respect to the same expenses. If more than one subdivision of this  
32 ~~subsection~~-section applies to the same expenses, then the credit is equal to the higher  
33 percentage, not both percentages combined. If part of the taxpayer's qualified North Carolina  
34 research expenses qualifies under more than one subdivision (2)–of this ~~subsection~~ and the  
35 ~~remainder qualifies under subdivision (3) of this subsection,~~-section, the applicable percentages  
36 apply separately to each part of the expenses.

- 37 (1) Small business. – If the taxpayer was a small business as of the last day of  
38 the taxable year, the applicable percentage is three and one-quarter percent  
39 (3.25%).

- 40 (2) Low-tier research. – For expenses with respect to research performed in a  
41 development tier one area, the applicable percentage is three and one-quarter  
42 percent (3.25%).

43 (2a) University research. – For North Carolina university research expenses, the  
44 applicable percentage is twenty percent (20%).

45 (2b) Eco-Industrial Park. – For expenses with respect to research performed in an  
46 Eco-Industrial Park certified under G.S. 143B-437.08, the applicable  
47 percentage is thirty-five percent (35%).

- 48 (3) Other research. – For expenses not covered under another subdivision (1) or  
49 (2)–of this ~~subsection~~-section, the percentages provided in the table below  
50 apply to the taxpayer's qualified North Carolina research expenses during the  
51 taxable year at the following levels:

	Expenses Over	Up To	Rate
1			
2	-0-	\$50 million	1.25%
3	\$50 million	\$200 million	2.25%
4	\$200 million	-	3.25%

5 (b) ~~North Carolina University Research Expenses. A taxpayer that has North Carolina~~  
 6 ~~university research expenses for the taxable year is allowed a credit equal to twenty percent~~  
 7 ~~(20%) of the expenses."~~

8 **SECTION 5.6.** Sections 5.1, 5.4, and 5.5 of this Part are effective for taxable years  
 9 beginning on or after January 1, 2011. The remainder of this Part is effective when it becomes  
 10 law. Sections 5.2 and 5.3 of this Part apply to grant applications submitted on or after July 1,  
 11 2010.

12  
 13 **PART VI: SALES TAX EXEMPTION FOR WOOD CHIPPER**

14  
 15 **SECTION 6.1.** G.S. 105-164.13 is amended by adding a new subdivision to read:  
 16 "**§ 105-164.13. Retail sales and use tax.**

17 The sale at retail and the use, storage, or consumption in this State of the following tangible  
 18 personal property, digital property, and services are specifically exempted from the tax imposed  
 19 by this Article:

- 20 ...
- 21 (4g) A wood chipper that meets all of the following requirements:
- 22 a. It is designed to be towed by a motor vehicle.
  - 23 b. It is assigned a 17-digit vehicle identification number by the National  
 24 Highway Transportation Safety Association.
  - 25 c. It is sold to a person who purchases a motor vehicle in this State that  
 26 is to be registered in another state and who uses the purchased motor  
 27 vehicle to tow the wood chipper to the state in which the purchased  
 28 motor vehicle is to be registered.

29 ...."

30 **SECTION 6.2.** This Part becomes effective July 1, 2009, and applies to sales made  
 31 on or after that date.

32  
 33 **PART VII: LOW-PROFIT LIMITED LIABILITY COMPANY**

34  
 35 **SECTION 7.1.** G.S. 57C-2-01 is amended by adding a new subsection to read:

36 "(d) L3C. – Formation and operation of a limited liability company as a low-profit  
 37 limited liability company is a lawful purpose. A low-profit limited liability company is a  
 38 limited liability company whose articles of organization state that the company is formed for  
 39 both a business purpose and a charitable purpose that requires operation of the company in  
 40 accordance with the requirements of this subsection. A company that operates in accordance  
 41 with these requirements is considered a for-profit entity and not a charitable entity for all tax  
 42 purposes. A company's failure to operate in accordance with these requirements does not affect  
 43 its status as a limited liability company. The charitable purpose requirements are as follows:

- 44 (1) To accomplish one or more charitable or educational purposes within the  
 45 meaning of section 170(c)(2)(B) of the Code, as defined in G.S. 105-228.90.
- 46 (2) To operate so that no significant purpose of the company is the production of  
 47 income or the appreciation of property. The fact that a company produces  
 48 significant income or capital appreciation is not, in the absence of other  
 49 factors, conclusive evidence of a significant purpose to produce income or  
 50 accumulate capital.

(3) To operate so that no purpose of the company is to accomplish one or more political or legislative purposes within the meaning of section 170(c)(2)(D) of the Code, as defined in G.S. 105-228.90."

**SECTION 7.2.** G.S. 57C-2-21 reads as rewritten:

**"§ 57C-2-21. Articles of organization.**

(a) The articles of organization must set forth ~~forth~~ all of the following:

(1) A name for the limited liability company that satisfies the provisions of G.S. 55D-20 and ~~G.S. 55D-21~~; G.S. 55D-21.

(2) If the limited liability company is to dissolve by a specific date, the latest date on which the limited liability company is to dissolve. If no date for dissolution is specified, there shall be no limit on the duration of the limited liability ~~company~~; company.

(3) The name and address of each person executing the articles of organization and whether the person is executing the articles of organization in the capacity of a member or an ~~organizer~~; organizer.

(4) The street address, and the mailing address if different from the street address, of the limited liability company's initial registered office, the county in which the initial registered office is located, and the name of the limited liability company's initial registered agent at that ~~address~~; address.

(4a) The street address, and the mailing address if different from the street address, of the limited liability company's principal office, if any, and the county in which the principal office, if any, is ~~located~~; and located.

(5) Unless all of the members by virtue of their status as members shall be managers of the limited liability company, a statement that, except as provided in G.S. 57C-3-20(a), the members shall not be managers by virtue of their status as members.

(6) If the limited liability company is formed as a low-profit limited liability company, a statement that operation of the company must meet the charitable purpose requirements of G.S. 57C-2-01(d).

(b) The articles of organization may set forth any other provision, not inconsistent with law, including any other matter that under this Chapter is permitted to be set forth in an operating agreement.

(c) The articles of organization need not set forth any of the powers enumerated in this Chapter."

**SECTION 7.3.** G.S. 55D-20(a) is amended by adding the following subdivision to read:

"(6) The name of a low-profit limited liability company must contain the words "low-profit limited liability company" or the abbreviation "L3C"."

**SECTION 7.4.** This Part is effective when it becomes law.

## **PART VIII: ESTABLISH THE YADKIN RIVER TRUST TO DEVELOP THE RESOURCES OF THE YADKIN RIVER IN DAVIDSON, MONTGOMERY, ROWAN, AND STANLY COUNTIES**

**SECTION 8.1.** Chapter 77 of the General Statutes is amended by adding a new Article to read as follows:

"Article 10.

"Yadkin River Trust.

**"§ 77-140. Yadkin River Trust.**

There is established the Yadkin River Trust as a public agency and instrumentality of the State to develop the Yadkin River in Davidson, Montgomery, Rowan, and Stanly Counties as

1 an instrumentality of intrastate, interstate, and foreign commerce and navigation, to ensure the  
2 equitable distribution of water for public purposes, to investigate and address issues of  
3 environmental damage in that area, and to fulfill the purpose and intent of Chapter 212 of the  
4 1885 Session Laws..

5 **"§ 77-141. Board of Directors.**

6 (a) Appointment. – The Board of Directors of the Yadkin River Trust shall consist of  
7 three directors, the Secretary of the Department of Commerce, one who shall be appointed by  
8 the Speaker of the House of Representatives, and one who shall be appointed by the President  
9 Pro Tempore of the Senate.

10 (b) Terms. – The term of office of directors of the Board is four years. A director may  
11 be reappointed to one successive four-year term. A director in office continues to serve until the  
12 director's successor is duly confirmed and qualified, but the holdover does not affect the  
13 expiration date of the succeeding term.

14 (c) Chair. – The Governor shall convene the first meeting of the Board, at which time  
15 the members of the Board shall elect a chair of the Board from their membership.

16 (d) Vacancies. – In case of death, incapacity, resignation, or vacancy for any other  
17 reason in the office of any director prior to the expiration of the director's term of office, the  
18 appropriate appointing authority shall appoint a replacement in the same manner as provided  
19 for the original appointment to serve the remainder of the unexpired term.

20 (e) Organization of the Board. – The Board shall adopt bylaws with respect to calling  
21 meetings, quorums, voting procedures, keeping records, and other organizational and  
22 administrative matters as the Board may determine. A quorum consists of a majority of the  
23 members of the Board. No vacancy in the membership of the Board impairs the right of a  
24 quorum to exercise all rights and to perform all the duties of the Board and the Trust.

25 (f) Compensation of the Board. – The members of the Board shall receive no salary for  
26 their services but shall be entitled to receive per diem and allowances in accordance with the  
27 provisions of G.S. 138-5.

28 **"§ 77-142. Powers of the Trust.**

29 The Trust has all the powers necessary to execute the provisions of this Article, including  
30 the following:

- 31 (1) To adopt, alter, or repeal its bylaws and adopt, amend, or repeal rules to  
32 implement the provisions of this Article.
- 33 (2) To sue and be sued, to make contracts, to adopt and use a common seal, and  
34 to alter the adopted seal as needed.
- 35 (3) To contract and enter into agreements with the State, local governments,  
36 other authorities of North Carolina, and other states for the interchange of  
37 business and to facilitate the business of the Trust.
- 38 (4) To rent, lease, purchase, acquire, own, hold, use, encumber, sell, transfer, or  
39 dispose of any property, real, personal, or mixed, or any interest therein.
- 40 (5) To apply for, accept, and administer loans and grants of money from any  
41 federal agency, from the State or its political subdivisions, or from any other  
42 public or private sources available, to expend the money in accordance with  
43 the requirements imposed by the lender or donor, and to give any evidences  
44 of indebtedness that are required.
- 45 (6) To procure and maintain adequate insurance or otherwise provide for  
46 adequate protection to indemnify the Trust and its officers, directors, agents,  
47 employees, adjoining property owners, or the general public against loss or  
48 liability resulting from any act or omission by or on behalf of the Trust.
- 49 (7) To develop the Yadkin River in Davidson, Montgomery, Rowan, and Stanly  
50 Counties as an instrumentality of intrastate, interstate, and foreign commerce  
51 and navigation.



- 1           (8)    To pursue efforts directed at the equitable distribution of water for public  
2           purposes.
- 3           (9)    To seek enforcement of environmental laws and contribution to  
4           environmental cleanup costs, consistent with its obligations under this  
5           Article.
- 6           (10) To fulfill the purpose and intent of Chapter 212 of the 1885 Session Laws,  
7           which set forth certain requirements to erect and maintain dams and other  
8           obstructions in the Yadkin River.

9    "**§ 77-143 through § 77-160: Reserved for future codification purposes.**"

10           **SECTION 8.2.** The Yadkin River Trust shall monitor the proceedings before the  
11 Federal Energy Regulatory Commission concerning the license for the Yadkin Project No.  
12 2197 and report to the Joint Legislative Commission on Governmental Operations, the Joint  
13 Legislative Utility Review Committee, and the Environmental Review Commission on or  
14 before January 15, 2011, on the status of the matter. Upon reporting, the Trust may also  
15 provide an update on issues required to be studied pursuant to S.L. 2008-137, as deemed  
16 appropriate.

17           **SECTION 8.3.** This Part is effective when it becomes law. If the Federal Energy  
18 Regulatory Commission issues a new multiyear license to Alcoa Power Generating, Inc., for  
19 the Yadkin Project No. 2197, the provisions of this Part shall expire upon issuance of that  
20 license.

## 21           **PART IX: FUNDING FOR THE DNA DATABASE AND DATABANK**

22           **SECTION 9.1.** If Senate Bill 1383 or House Bill 1403, 2010 Regular Session,  
23 2009 General Assembly, become law, then G.S. 7A-304(a) reads as rewritten:

24           "(a) In every criminal case in the superior or district court, wherein the defendant is  
25 convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the  
26 prosecuting witness, the following costs shall be assessed and collected, except that when the  
27 judgment imposes an active prison sentence, costs shall be assessed and collected only when  
28 the judgment specifically so provides, and that no costs may be assessed when a case is  
29 dismissed.  
30  
31

32           ...

- 33           (9)    For the support and services of the State Bureau of Investigation DNA  
34           Database and DNA Databank, the sum of three dollars (\$3.00), to be  
35           remitted to the Department of Justice. Notwithstanding the provisions of  
36           subsection (e) of this section, this cost shall not apply to infractions."

37           **SECTION 9.2.** This Part becomes effective October 1, 2010, and applies to court  
38 costs imposed or collected on or after that date, except that in misdemeanor cases disposed of  
39 on or after that date by written appearance, waiver of trial or hearing, and plea of guilt or  
40 admission of responsibility pursuant to G.S. 7A-180(4) or G.S. 7A-273(2) in which the citation  
41 or other criminal process was issued before that date, the cost shall be the lesser of the cost  
42 specified in G.S. 7A-304(a), as amended by this act, or the cost specified in the notice portion  
43 of the defendant's or respondent's copy of the citation or other criminal process, if any costs are  
44 specified in that notice.

## 45           **PART X: EFFECTIVE DATE**

46           **SECTION 10.** Except as otherwise provided, this act is effective when it becomes  
47 law.  
48  
49