

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE BILL 148\*  
Committee Substitute Favorable 3/11/09  
PROPOSED COMMITTEE SUBSTITUTE H148-PCS10864-SV-8

Short Title: Congestion Relief/Intermodal Transport Fund.

(Public)

Sponsors:

Referred to:

February 12, 2009

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A CONGESTION RELIEF AND INTERMODAL  
TRANSPORTATION 21<sup>ST</sup> CENTURY FUND; TO PROVIDE FOR ALLOCATION OF  
THOSE FUNDS TO: (1) LOCAL GOVERNMENTS AND TRANSPORTATION  
AUTHORITIES FOR PUBLIC TRANSPORTATION PURPOSES, (2) SHORT-LINE  
RAILROADS, FOR ASSISTANCE IN MAINTAINING AND EXPANDING FREIGHT  
SERVICE STATEWIDE, (3) RAILROADS FOR INTERMODAL FACILITIES,  
MULTIMODAL FACILITIES, AND INLAND PORTS, (4) MAKE CAPITAL  
IMPROVEMENTS ON RAIL LINES TO ALLOW IMPROVED FREIGHT SERVICE TO  
THE PORTS AND MILITARY INSTALLATIONS, (5) EXPAND INTERCITY  
PASSENGER RAIL SERVICE; TO EXTEND LEVELS OF LOCAL TRANSIT  
FUNDING AUTHORIZATION TO THREE URBAN REGIONS; AND TO ALLOW  
OTHER LOCAL GOVERNMENTS OPTIONS FOR LOCAL TRANSIT FUNDING.

The General Assembly of North Carolina enacts:

**FUND ESTABLISHED**

**SECTION 1.** Chapter 136 of the General Statutes is amended by adding a new  
Article to read:

"Article 19.

"Congestion Relief and Intermodal 21<sup>st</sup> Century Transportation Fund.

**"§ 136-250. Congestion Relief and Intermodal Transportation 21<sup>st</sup> Century Fund.**

There is established in the State treasury the Congestion Relief and Intermodal  
Transportation 21<sup>st</sup> Century Fund, hereinafter referred to as the Fund. The Fund shall consist of  
all revenues appropriated and allocated to it. Interest on earnings of the Fund shall remain  
within the Fund.

**"§ 136-251. Findings of fact.**

The General Assembly finds that:

- (1) Increased use of rail for transport of freight will reduce highway congestion  
as well as allow economic expansion in a way that lessens the impact on the  
State highway system.
- (2) Public transportation, in addition to a program of urban loops and toll roads,  
will enable North Carolina to have a balanced 21<sup>st</sup> century transportation  
system.



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- 1           (3)   As part of its initial program of internal improvements, the State capitalized  
2           the North Carolina Railroad in the 1840s and invested in other railroads, and  
3           those internal improvements led to North Carolina's rapid economic  
4           development. The North Carolina Railroad, with a 317-mile corridor from  
5           Charlotte to Morehead City, is still owned by the State.
- 6           (4)   Improved rail facilities and restoration of abandoned rail lines can allow  
7           increased access to the North Carolina State ports and military installations  
8           located within the State.
- 9           (5)   Session Law 2005-222 found that expanding and upgrading passenger,  
10          freight, commuter, and short-line rail service is important to the economy of  
11          North Carolina; and provided that the State would seek to provide matching  
12          funds partly so it can leverage the maximum federal and private participation  
13          to fund needed rail initiatives, such as the restoration of the rail corridor  
14          from Wallace to Castle Hayne and a rail connection between north-south and  
15          east-west routes in the vicinity of Pembroke.
- 16          (6)   Rail freight plays a vital role in economic development throughout the State.  
17          Intermodal service depends on partnerships with railroads, trucking  
18          companies, seaports, and others in the transportation logistics chain. North  
19          Carolina has 3,250 mainline miles of track, with Class I railroads holding  
20          seventy-nine percent (79%) of the trackage rights, the remainder controlled  
21          by local railroads and switching and terminal railroads. The 2006 Mid-Cycle  
22          Update to the North Carolina Statewide Intermodal Transportation Plan  
23          identified seven hundred ninety-nine million dollars (\$799,000,000) in  
24          freight rail needs over the next 25 years, including maintenance and  
25          preservation, modernization, and expansion.
- 26          (7)   North Carolina's short-line railroads play a key role in the State's economic  
27          development and transportation service and are needed to provide essential  
28          services to other modes of transportation and the North Carolina port system.  
29          North Carolina agriculture is dependent upon essential service by short-line  
30          railroads. State funds are needed to maintain short-line railroads as viable  
31          contributors to economic development, agriculture, and transportation in this  
32          State in order to prevent the loss of regional rail service. The Department of  
33          Transportation reported that 44,992 rail cars handled by short-lines kept  
34          179,688 trucks off North Carolina highways. Short-line railroads are  
35          essential to preserve and develop jobs in rural and small urban areas of  
36          North Carolina.
- 37          (8)   Intermodal facilities and inland ports can greatly reduce freight traffic on  
38          North Carolina's highway system, reducing demand, congestion, and  
39          damage.
- 40          (9)   The proposed North Carolina International Terminal will need high-capacity  
41          intermodal access.
- 42          (10)   Most of North Carolina's growth is in its urban regions. According to the  
43          State Data Center, during the first decade of the 21<sup>st</sup> century, sixty-six  
44          percent (66%) of the projected 1,270,000 growth in population is in 15 urban  
45          counties surrounding Charlotte, Raleigh, and the Triad, while forty percent  
46          (40%) is in just six counties: Mecklenburg, Wake, Durham, Orange, Forsyth,  
47          and Guilford.
- 48          (11)   This large urban population growth greatly taxes resources. Despite the  
49          visionary creation of the Highway Trust Fund by the 1989 General  
50          Assembly and the funding of urban loop highways, congestion continues to  
51          worsen. Creation of a special fund to help meet urban transportation needs

1 with alternatives such as rail transit and buses, coupled with land-use  
2 planning, will spur and guide economic development in a more  
3 economically and environmentally sound manner. Investment in public  
4 transportation facilitates economic opportunity to the State through job  
5 creation, access to employment, and residential and commercial  
6 development. Public transportation also protects the public health by  
7 decreasing air pollution and reducing carbon emissions. It reduces traffic  
8 congestion, road expenditures, public and private parking costs, and the  
9 number of traffic accidents. Charlotte's recent success in opening the first  
10 phase of its light rail system, with ridership significantly over projections,  
11 shows that North Carolinians are willing to use transportation alternatives.

12 (12) Significant local revenues are needed to match State funds so that a major  
13 portion of the expenses is borne by the localities receiving the majority of  
14 the benefits. A local option sales tax for public transportation was approved  
15 by a fifty-eight percent (58%) favorable vote in Mecklenburg County in  
16 1998 and reaffirmed by a seventy percent (70%) favorable vote in 2007.  
17 Extending this authority to additional jurisdictions, along with other revenue  
18 options, will enable localities to demonstrate local support for additional  
19 transit options.

20 (13) Surveys have indicated broad public support for providing additional public  
21 transportation options and for allowing localities to generate revenue to  
22 match State grants.

23 **"§ 136-252. Grants to local governments and transportation authorities.**

24 (a) Eligible Entities. – The following entities are eligible to receive grants under this  
25 section from the Fund for public transportation purposes, which includes planning and  
26 engineering:

27 (1) Cities.

28 (2) Counties.

29 (3) Public transportation authorities under Article 25 of Chapter 160A of the  
30 General Statutes.

31 (4) Regional public transportation authorities under Article 26 of Chapter 160A  
32 of the General Statutes.

33 (5) Regional transportation authorities under Article 27 of Chapter 160A of the  
34 General Statutes.

35 (b) Requirements. – A grant may be approved from the Fund only if all of the following  
36 conditions are met:

37 (1) The application is approved by all Metropolitan Planning Organizations  
38 under Article 16 of this Chapter whose jurisdiction includes any of the  
39 service area of the grant applicant.

40 (2) The applicant has approved a transit plan that includes the following:

41 a. Relief of anticipated traffic congestion.

42 b. Improvement of air quality.

43 c. Reduction in anticipated energy consumption.

44 d. Promotion of a pedestrian- and bike-friendly environment around and  
45 connected to transit stations.

46 e. Promotion of mixed-use and transit-oriented developments and other  
47 land-use tools that encourage multimodal mobility.

48 f. Coordination with the housing needs assessment and plan provided  
49 in subdivision (3) of this subsection.

- 1                   g.     Promotion of access to public transportation for individuals who  
2                   reside in areas with a disproportionate number of households below  
3                   the area median income.  
4                   h.     Coordination and planning with local education agencies to reduce  
5                   transportation costs.  
6                   i.     Coordination with local governments with zoning jurisdiction to  
7                   carry out elements of the plan.

8                   The applicant may also include plans for new public transportation services  
9                   and public transportation alternatives beyond those required by the  
10                  Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) that  
11                  assist individuals with disabilities with transportation, including  
12                  transportation to and from jobs and employment support services.

13                  (3)     The applicant has approved a housing needs assessment and plan, or  
14                  includes with its application such assessment and plan (or assessments and  
15                  plans) approved by another unit or units of local government within its  
16                  service area, that includes the following:

- 17                  a.     A housing inventory of market rate, assisted housing units, and  
18                  vacant residential parcels.  
19                  b.     An analysis of existing housing conditions, affordable housing needs,  
20                  and housing needs for specific population groups, such as people  
21                  who are elderly, are disabled, have special needs, or are homeless.  
22                  c.     A catalogue of available resources to address housing needs.  
23                  d.     Identification of potential resources and a strategy to provide  
24                  replacement housing for low-income residents displaced by transit  
25                  development and to increase stock of affordable housing to at least  
26                  fifteen percent (15%) within a one-half mile radius of each transit  
27                  station and bus hub to be affordable to families with income less than  
28                  sixty percent (60%) of area median income.  
29                  e.     Goals, strategies, and actions to address housing needs over a  
30                  five-year period.

31                  (4)     The applicant has an adequate and sustainable source of funding established  
32                  for its share of project costs.

33                  (5)     The applicant agrees to submit to both the Secretary and each Metropolitan  
34                  Planning Organization that approved the application a periodic update of the  
35                  implementation of both the transit plan and the housing needs assessment  
36                  and plan. Each Metropolitan Planning Organization receiving such update  
37                  shall afford interested parties the opportunity to comment on the update.

38                  (c)     Multiyear Allotments. – Grants from the Fund may be committed for a multiyear  
39                  basis to stabilize the phased implementation of a plan, including multiyear allotments. The  
40                  Secretary of Transportation, after consultation with the Board of Transportation, shall approve,  
41                  and amend from time to time, a rolling multiyear projection of up to 15 years for allocation of  
42                  funds under this section. No applicant is eligible under the 15-year plan projection for more  
43                  than one-third of the total funds to be granted under this Article during that 15-year period.

44                  (d)     Cap; Matching Requirement. – A grant under this section may not exceed  
45                  twenty-five percent (25%) of the cost of the project and must be matched by an equal or greater  
46                  amount of funds by the applicant. In evaluating projects, qualification for federal funding shall  
47                  be considered.

48                  "§ 136-253. Grants to other units.

49                  (a)     Eligible Entities; Purposes. – State agencies and railroads are eligible to receive  
50                  grants under this section from the Fund for any of the following purposes:

- 1           (1) Assistance to short-line railroads to continue and enhance rail service in the  
2 State so as to assist in economic development and access to ports and  
3 military installations. This may involve both the Rail Industrial Access  
4 Program and the Short Line Infrastructure Access Program, as well as other  
5 innovative programs. Grants under this subdivision shall not exceed fifty  
6 percent (50%) of the nonfederal share and must be matched by equal or  
7 greater funding from the applicant. Total grants under this subdivision may  
8 not exceed five million dollars (\$5,000,000) per fiscal year.
- 9           (2) Assistance to any railroad in the construction of rail improvements,  
10 intermodal or multimodal facilities or restorations to (i) serve ports, military  
11 installations, inland ports or (ii) improve rail infrastructure to reduce or  
12 mitigate truck traffic on the highway system. Grants under this subdivision  
13 shall not exceed fifty percent (50%) of the nonfederal share and must be  
14 matched by equal or greater funding from the applicant. Total grants under  
15 this subdivision may not exceed ten million dollars (\$10,000,000) per fiscal  
16 year.
- 17           (3) Assistance (i) to the State ports in terminal railroad facilities and operations,  
18 (ii) to improve access to military installations, and (iii) to the North Carolina  
19 International Terminal. Grants under this subdivision shall not exceed fifty  
20 percent (50%) of the nonfederal share and must be matched by equal or  
21 greater funding from the applicant. Total grants under this subdivision may  
22 not exceed ten million dollars (\$10,000,000) per fiscal year.
- 23           (4) Expansion of intercity passenger rail service, including increased frequency  
24 and additional cities serviced. Routes under this subdivision must extend  
25 beyond the territorial jurisdiction of a transportation authority.

26           (b) Commuter Rail Service Grants. – State agencies, railroads, transportation authorities  
27 under Article 25 of Chapter 160A of the General Statutes, regional public transportation  
28 authorities under Article 26 of Chapter 160A of the General Statutes, and regional  
29 transportation authorities under Article 27 of Chapter 160A of the General Statutes are eligible  
30 to receive grants under this section from the Fund for the introduction of commuter rail service.  
31 Routes under this subsection must extend beyond the territorial jurisdiction of a transportation  
32 authority.

33 **"§ 136-254. Grant approval.**

34           All grants made under this Article are subject to approval of the Secretary of Transportation  
35 after consultation with the Board of Transportation. The Fund may be administered in  
36 conjunction with G.S. 136-44.20 and G.S. 136-44.36, but any funds allocated under those  
37 sections shall continue to be available as provided therein.

38 **"§ 136-255. Funds remain available until expended.**

39           Appropriations to the Fund remain available until expended."

40  
41 **PUBLIC TRANSPORTATION SALES TAX AUTHORIZED**

42           **SECTION 2.(a)** Section 1(a) of S.L. 1997-417 is recodified as G.S. 105-510.1.

43           **SECTION 2.(b)** Article 43 of Chapter 105 of the General Statutes, as enacted by  
44 S.L. 1997-417 and amended by Section 13(f) of S.L. 2001-427, Section 74 of S.L. 2008-134,  
45 and by subsection (a) of this section, reads as rewritten:

46                               "Article 43.

47                               "Local Government Sales and Use Taxes for Public Transportation.

48                               "Part 1. General.

49 **"§ 105-505. Short title; purpose.**

50           This Article is the Local Government Public Transportation Sales Tax Act and may be cited  
51 by that name. This Article gives the ~~counties~~ counties and transportation authorities of this

1 State an opportunity to obtain an additional source of revenue with which to meet their needs  
 2 for financing local public transportation systems. It provides ~~counties~~them with authority to  
 3 levy one-half percent (1/2%) sales and use taxes. All such taxes must be approved in a  
 4 referendum.

5 **"§ 105-506. Definitions.**

6 The definitions in G.S. 105-164.3 and the following definitions apply in this Article:

7 (1) Board of trustees. – The governing body of a transportation authority.

8 ~~(1)(2)~~ (2) Net proceeds. – Gross proceeds less the cost of administering and collecting  
 9 the tax.

10 ~~(2)(3)~~ (3) Public transportation system. – Any combination of real and personal  
 11 property established for purposes of public transportation. The systems may  
 12 include one or more of the following: structures, improvements, buildings,  
 13 equipment, vehicle parking or passenger transfer facilities, railroads and  
 14 railroad rights-of-way, rights-of-way, bus services, shared-ride services,  
 15 high-occupancy vehicle facilities, car-pool and vanpool programs, voucher  
 16 programs, telecommunications and information systems, integrated fare  
 17 systems, and the interconnected bicycle and pedestrian infrastructure that  
 18 supports public transportation, bus lanes, and busways. The term does not  
 19 include, however, streets, roads, or highways except to the extent they are  
 20 dedicated to public transportation vehicles or to the extent they are necessary  
 21 for access to vehicle parking or passenger transfer facilities.

22 (4) Transportation authority. – For the purposes of Parts 3 and 3A of this  
 23 Article, a regional public transportation authority created pursuant to Article  
 24 26 of Chapter 160A of the General Statutes; and for the purposes of Parts 3  
 25 and 3B of this Article, a regional transportation authority created pursuant to  
 26 Article 27 of Chapter 160A of the General Statutes.

27 **"§ 105-506.1. Exemption of food.**

28 A tax levied under this Article does not apply to the sales price of food that is exempt from  
 29 tax pursuant to G.S. 105-164.13B or to the sales price of a bundled transaction taxable pursuant  
 30 to G.S. 105-467(a)(5a).

31 "Part 2. Mecklenburg County.

32 **"§ 105-507. Limitations.**

33 A county may not levy a tax under this ~~Article-Part~~ unless the county or at least one unit of  
 34 local government in the county operates a public transportation system. In addition, a county  
 35 may not levy a tax under this ~~Article-Part~~ unless it has developed a financial plan and  
 36 distributed it to each unit of local government in the county that operates a local public  
 37 transportation system. The financial plan must provide for equitable allocation of the net  
 38 proceeds distributed to the county in consideration of the identified needs of local public  
 39 transportation systems in the county, countywide human service transportation systems, and  
 40 expansion of public transportation service to unserved areas in the county.

41 **"§ 105-508. Local election on adoption of sales and use tax.**

42 (a) Resolution. – The board of commissioners of a county may direct the county board  
 43 of elections to conduct an advisory referendum within the county on the question of whether a  
 44 local sales and use tax at the rate of one-half percent (1/2%) may be levied in accordance with  
 45 this ~~Article-Part~~. The election shall be held on a date jointly agreed upon by the boards and  
 46 shall be held in accordance with the procedures of G.S. 163-287. The board of commissioners  
 47 shall hold a public hearing on the question at least 30 days before the date the election is to be  
 48 held.

49 (b) Ballot Question. – The form of the question to be presented on a ballot for a special  
 50 election concerning the levy of a tax authorized by this Article shall be:

51 [ ] FOR [ ] AGAINST

1 One-half percent (1/2%) local sales and use taxes, in addition to the current ~~two~~  
2 ~~percent (2%)~~ local sales and use taxes, to be used only for public transportation systems.'

3 **"§ 105-509. Levy and collection of sales and use tax.**

4 If the majority of those voting in a referendum held pursuant to ~~this Article~~ G.S. 105-508  
5 vote for the levy of the tax, the board of commissioners of the county may, by resolution, levy  
6 one-half percent (1/2%) local sales and use taxes in addition to any other State and local sales  
7 and use taxes levied pursuant to law. Except as provided in this ~~Article~~, Part, the adoption,  
8 levy, collection, administration, and repeal of these additional taxes shall be in accordance with  
9 Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this  
10 ~~Article~~ Part, references to 'this Article' mean 'Part 1 of Article 43 of Chapter 105 of the General  
11 Statutes'.

12 **"§ 105-510. Distribution and use of taxes.**

13 (a) Distribution. – The Secretary shall, on a monthly basis, allocate to each taxing  
14 county the net proceeds of the tax levied under this ~~Article~~ Part by that county. If the Secretary  
15 collects taxes under this ~~Article~~ Part in a month and the taxes cannot be identified as being  
16 attributable to a particular taxing county, the Secretary shall allocate these taxes among the  
17 taxing counties, in proportion to the amount of taxes collected in each county under this ~~Article~~  
18 Part in that month and shall include them in the monthly distribution.

19 The Secretary shall distribute the net proceeds of the tax levied by a county on a per capita  
20 basis among the county and the units of local government in the county that operate public  
21 transportation systems. No proceeds shall be distributed to a county that does not operate a  
22 public transportation system or to a unit of local government that does not operate a public  
23 transportation system.

24 (b) Use. – A county must allocate the net proceeds distributed to it in accordance with  
25 its financial plan adopted pursuant to G.S. 105-507 and use the net proceeds only for financing,  
26 constructing, operating, and maintaining local public transportation systems. Any other unit of  
27 local government may use the net proceeds distributed to it under this ~~Article~~ Part only for  
28 financing, constructing, operating, and maintaining local public transportation systems. Every  
29 unit of government shall use the net proceeds to supplement and not to supplant or replace  
30 existing funds or other resources for public transportation systems.

31 **"§ 105-510.1. Applicability.**

32 This ~~section~~ Part applies only to Mecklenburg County.

33 "Part 3. Transportation Authorities.

34 **"§ 105-510.5. Special districts.**

35 (a) Authority. – A transportation authority may create a special district as provided in  
36 Parts 3A and 3B of this Article. A special district is subject to the provisions of this Part as well  
37 as the Part under which it was created. A special district created under this Article is a local  
38 government body corporate and politic and has the power to carry out the purposes of the Part  
39 under which it is established.

40 (b) Governance. – The following entity shall serve ex officio as the governing board  
41 and be responsible for budget adoption and the operation and management of the transit  
42 services provided by the district:

43 (1) The board of trustees of the transportation authority, if the special district  
44 consists of multiple counties. If the special district is expanded under  
45 G.S. 105-510.8(d) or G.S. 105-510.10(d) to include more than one county,  
46 then the board of trustees of the transportation authority shall become the  
47 governing board of the district beginning on the first day of the next fiscal  
48 year after expansion of the district.

49 (2) The county board of commissioners, if the special district consists of one  
50 county. The board may contract with the transportation authority as needed.

1       (c) Filing Requirement. – The transportation authority creating a special district shall  
2 name it and file with the Secretary of State the documents creating the district, and shall also  
3 file notice of the addition to and removal from the district of any counties, or of the abolition of  
4 the special district.

5 **"§ 105-510.6. Limitations.**

6 A transportation authority may not levy a tax under Part 3A or 3B of this Article unless:

7       (1) It operates a public transportation system.

8       (2) It has developed a financial plan and distributed it to each unit of local  
9 government located within its territorial jurisdiction. The plan must be  
10 approved by the board of commissioners of each county in the district prior  
11 to the levy of the tax. If the board of commissioners of a county in a  
12 multicounty district does not adopt the plan, the transportation authority may  
13 remove that county from the district, and no tax may be levied in that county  
14 under this Part. The financial plan must provide for equitable use of the net  
15 proceeds within or to benefit the special district created under Part 3A or  
16 Part 3B of this Article and consider (i) the identified needs of local public  
17 transportation systems in the district, (ii) human service transportation  
18 systems within the district, and (iii) expansion of public transportation  
19 systems to underserved areas of the district. The financial plan must also be  
20 approved by all Metropolitan Planning Organizations under Article 16 of  
21 Chapter 136 of the General Statutes whose jurisdiction includes any of the  
22 area of the special district. The plan may be revised from time to time. An  
23 interlocal agreement between the transportation authority and all the  
24 counties in the special district may require periodic review and approval of  
25 the financial plan.

26       (3) The tax is approved by the voters.

27 **"§ 105-510.7. Distribution and use of taxes.**

28       (a) Distribution. – The Secretary shall, on a monthly basis, allocate to each special  
29 district the net proceeds of the tax levied under this Part within the special tax district, to be  
30 used for the benefit of that district.

31       (b) Use. – A special district must expend the net proceeds distributed to it in accordance  
32 with its financial plan adopted pursuant to G.S. 105-510.6 and use the net proceeds only for  
33 financing, constructing, operating, and maintaining public transportation systems. The special  
34 district shall use the net proceeds to supplement and not to supplant or replace existing funds or  
35 other resources for public transportation systems.

36       "Part 3A. Regional Public Transportation Authority (Triangle).

37 **"§ 105-510.8. Local election on adoption of sales and use tax – regional public**  
38 **transportation authority.**

39       (a) Special District. – A regional public transportation authority may create a special  
40 district that consists of the entire area of one or more counties within its territorial jurisdiction  
41 and may levy on behalf of the special district the tax authorized in this section. The proceeds of  
42 a tax levied under this section may be used only for the benefit of the special district and only  
43 for the purposes provided in this Article. If a referendum in a district fails in all the counties in  
44 the district, the transportation authority may abolish the special district.

45       (b) Resolution. – The board of trustees of the regional public transportation authority  
46 may, if all of the conditions listed in this subsection have been met, direct the respective county  
47 board or boards of elections to conduct an advisory referendum within the special district on  
48 the question of whether a local sales and use tax at the rate of one-half percent (1/2%) may be  
49 levied within the district in accordance with this Part. The tax may not be levied without voter  
50 approval. The election shall be held on a date jointly agreed upon by the authority, the county



1 board or boards of commissioners, and the county board or boards of elections and shall be  
2 held in accordance with the procedures of G.S. 163-287. The conditions are as follows:

3 (1) The board of trustees has obtained approval to conduct a referendum by a  
4 vote of the following:

5 a. A majority vote of each of the county boards of commissioners  
6 within the special district, if it is a multicounty special district.

7 b. A majority of the county board of commissioners within the special  
8 district, if it is a single-county special district.

9 (2) A public hearing is held on the question by the board or boards of  
10 commissioners at least 30 days before the date the election is to be held.

11 (c) Ballot Question. – The form of the question to be presented on a ballot for a special  
12 election concerning the levy of a tax authorized by this Article shall be:

13  FOR  AGAINST

14 One-half percent (1/2%) local sales and use taxes, in addition to the current local  
15 sales and use taxes, to be used only for public transportation systems.'

16 (d) Expansion. – If a special district created under this Part does not include all the  
17 counties in the territorial jurisdiction of a transportation authority, it may be expanded to  
18 include an additional whole county or counties by joint action of the board of trustees of the  
19 transportation authority and the board of commissioners of the county or boards of  
20 commissioners of the counties to be added, with the approval of the voters in the county or  
21 counties to be added. The procedure for expansion of a district is the same as for the initial  
22 creation of the district, but the referendum shall be held separately within each of the counties  
23 to be added.

24 **"§ 105-510.9. Levy and collection of sales and use tax – regional public transportation**  
25 **authority.**

26 If the majority of those voting in a referendum held pursuant to G.S. 105-510.8 vote for the  
27 levy of the tax, the transportation authority may, by resolution, levy one-half percent (1/2%)  
28 local sales and use taxes within the special district, in addition to any other State and local sales  
29 and use taxes levied pursuant to law. In determining the results of the election in a multicounty  
30 district, all the counties of the district shall be considered to be one unit but also must receive a  
31 majority vote in each county, except that if the referendum is passed in one or more but not all  
32 of the counties, the counties in which the referendum was not approved are removed from the  
33 special district upon certification of the election result and the county or counties that approved  
34 the referendum shall remain in the special district. Except as provided in this Part, the adoption,  
35 levy, collection, administration, and repeal of these additional taxes shall be in accordance with  
36 Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this  
37 Article, references to 'this Article' mean 'Part 3A of Article 43 of Chapter 105 of the General  
38 Statutes.' Any repeal of the tax shall be done by the same procedure as its enactment under this  
39 section, and in a multicounty district a petition for repeal under G.S. 105-473 shall be judged  
40 by the total votes in all the counties in the district.

41 "Part 3B. Regional Transportation Authority (Triad).

42 **"§ 105-510.10. Local election on adoption of sales and use tax – regional transportation**  
43 **authority.**

44 (a) Special District. – A regional transportation authority may create a special district  
45 that consists of the entire area of one or two counties within its territorial jurisdiction and may  
46 levy on behalf of the special district the tax authorized in this section. The special district may  
47 not include counties other than Forsyth and Guilford. The proceeds of a tax levied under this  
48 section may be used only for the benefit of the special district and only for the purposes  
49 provided in this Article. If a referendum in a district fails, the transportation authority may  
50 abolish the special district.

1       **(b) Resolution.** – The board of trustees of the regional transportation authority may, if  
2 all of the conditions listed in this subsection have been met, direct the respective county board  
3 or boards of elections to conduct an advisory referendum within the special district on the  
4 question of whether a local sales and use tax at the rate of one-half percent (1/2%) may be  
5 levied within the district in accordance with this Part. The tax may not be levied without voter  
6 approval. The election shall be held on a date jointly agreed upon by the authority, the county  
7 board or boards of commissioners, and the county board or boards of elections and shall be  
8 held in accordance with the procedures of G.S. 163-287. The conditions are as follows:

9           **(1)** The board of trustees has obtained approval to conduct a referendum by a  
10 vote of the following:

11           **a.** A majority vote of both of the county boards of commissioners  
12 within the special district, if it is a multicounty special district.

13           **b.** A majority of the county board of commissioners within the special  
14 district, if it is a single-county special district.

15           **(2)** A public hearing is held on the question by the board or boards of  
16 commissioners at least 30 days before the date the election is to be held.

17       **(c) Ballot Question.** – The form of the question to be presented on a ballot for a special  
18 election concerning the levy of a tax authorized by this Article shall be:

19                                FOR            AGAINST

20                               One-half percent (1/2%) local sales and use taxes, in addition to the current local  
21 sales and use taxes, to be used only for public transportation systems.'

22       **(d) Expansion.** – If a special district created under this Part does not include both of the  
23 eligible counties under subsection (a) of this section, it may be expanded to include the other  
24 county by joint action of the board of trustees of the transportation authority and the board of  
25 commissioners of the county to be added, with the approval of the voters in the county to be  
26 added. The procedure for expansion of the district is the same as for the initial creation of the  
27 district, but the referendum shall be held separately in the county to be added.

28 **"§ 105-510.11. Levy and collection of sales and use tax – regional transportation**  
29 **authority.**

30       If the majority of those voting in a referendum held pursuant to G.S. 105-510.10 vote for  
31 the levy of the tax, the transportation authority may, by resolution, levy one-half percent (1/2%)  
32 local sales and use taxes within the special district, in addition to any other State and local sales  
33 and use taxes levied pursuant to law. In determining the results of the election in a multicounty  
34 district, all the counties of the district shall be considered to be one unit but also must receive a  
35 majority vote in each county, except that if the referendum is passed in one but not both of the  
36 counties, the county in which the referendum was not approved is removed from the special  
37 district upon certification of the election result and the county that approved the referendum  
38 shall remain in the special district. Except as provided in this Part, the adoption, levy,  
39 collection, administration, and repeal of these additional taxes shall be in accordance with  
40 Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this  
41 Article, references to 'this Article' mean 'Part 3B of Article 43 of Chapter 105 of the General  
42 Statutes.' Any repeal of the tax shall be done by the same procedure as its enactment under this  
43 section, and in a multicounty district a petition for repeal under G.S. 105-473 shall be judged  
44 by the total votes in all the counties in the district.

45                               "Part 4. Other Counties.

46 **"§ 105-510.12. Applicability.**

47       This Part applies only in counties other than Durham, Forsyth, Guilford, Mecklenburg,  
48 Orange, or Wake.

49 **"§ 105-510.13. Limitations.**

50       A county may not levy a tax under this Part unless the county or at least one unit of local  
51 government in the county operates a public transportation system. As used in this Part,

1 operation of a public transportation system includes a contract or interlocal agreement for  
2 operation of the public transportation system by another county or municipality, or by a  
3 transportation authority created under (i) a municipal charter; or (ii) Article 25, 26, or 27 of  
4 Chapter 160A of the General Statutes. As used in this Part, operation of a public transportation  
5 system also includes a contract with a private entity for operation of the public transportation  
6 system.

7 **"§ 105-510.14. Local election on adoption of sales and use tax.**

8 (a) Resolution. – The board of commissioners of a county may direct the county board  
9 of elections to conduct an advisory referendum within the county on the question of whether a  
10 local sales and use tax at the rate of one-quarter percent (1/4%) may be levied in accordance  
11 with this Part. The election shall be held on a date jointly agreed upon by the boards and shall  
12 be held in accordance with the procedures of G.S. 163-287. The board of commissioners shall  
13 hold a public hearing on the question at least 30 days before the date the election is to be held.

14 (b) Ballot Question. – The form of the question to be presented on a ballot for a special  
15 election concerning the levy of a tax authorized by this Article shall be:

16 [ ] FOR [ ] AGAINST

17 One-quarter percent (1/4%) local sales and use taxes, in addition to the current local  
18 sales and use taxes, to be used only for public transportation systems.'

19 **"§ 105-510.15. Levy and collection of sales and use tax.**

20 If the majority of those voting in a referendum held pursuant to this Part vote for the levy of  
21 the tax, the board of commissioners of the county may, by resolution, levy one-quarter percent  
22 (1/4%) local sales and use taxes in addition to any other State and local sales and use taxes  
23 levied pursuant to law. Except as provided in this Part, the adoption, levy, collection,  
24 administration, and repeal of these additional taxes shall be in accordance with Article 39 of  
25 this Chapter. In applying the provisions of Article 39 of this Chapter to this Part, references to  
26 'this Article' mean 'Part 4 of Article 43 of Chapter 105 of the General Statutes.'

27 **"§ 105-510.16. Distribution and use of taxes.**

28 (a) Distribution. – The Secretary shall, on a monthly basis, allocate to each taxing  
29 county the net proceeds of the tax levied under this Part by that county. If the Secretary collects  
30 taxes under this Part in a month and the taxes cannot be identified as being attributable to a  
31 particular taxing county, the Secretary shall allocate these taxes among the taxing counties, in  
32 proportion to the amount of taxes collected in each county under this Part in that month and  
33 shall include them in the monthly distribution.

34 The Secretary shall distribute the net proceeds of the tax levied by a county on a per capita  
35 basis among the county and the units of local government in the county that operate a public  
36 transportation system as follows:

37 (1) To the county based on the population of the county that is not in an  
38 incorporated area, and to the municipalities within the county based on the  
39 population of that municipality that is located within that county. To  
40 determine the population of each county and each municipality, the  
41 Secretary shall use the most recent annual estimate of population certified by  
42 the State Budget Officer.

43 (2) Notwithstanding subdivision (1) of this subsection, if a municipality to  
44 which funds are to be allocated neither operates nor contracts for the  
45 operation of a public transportation system, the population of that  
46 municipality shall be excluded from the calculations of subdivision (1) of  
47 this subsection.

48 (3) Notwithstanding subdivision (1) of this subsection, if a county to which  
49 funds are to be allocated neither operates nor contracts for the operation of a  
50 public transportation system, the population of that county not in an

1 incorporated area shall be excluded from the calculations of subdivision (1)  
2 of this subsection.

3 If a county or a municipality that does not receive an allocation of funds on account of  
4 subdivision (2) or (3) of this subsection begins to operate or contract for the operation of a  
5 public transportation system, that county or municipality shall begin receiving funds beginning  
6 the first day of July that is more than 30 days thereafter.

7 (b) Use. – A county or municipality may use funds received under this Part only for  
8 financing, constructing, operating, and maintaining public transportation systems. Every unit of  
9 government shall use funds to supplement and not to supplant or replace existing funds or other  
10 resources for public transportation systems."

11 **SECTION 2.(c)** Section 7 of S.L. 1997-417 reads as rewritten:

12 "Section 7. A tax levied under Article 43 of Chapter 105 of the General Statutes, ~~as enacted~~  
13 ~~by this act,~~ Statutes does not apply to construction materials purchased to fulfill a lump sum or  
14 unit price contract entered into or awarded before the effective date of the levy or entered into  
15 or awarded pursuant to a bid made before the effective date of the levy when the construction  
16 materials would otherwise be subject to the tax levied under Article 43 of Chapter 105 of the  
17 General Statutes."

18 **SECTION 2.(d)** G.S. 105-164.14(c) is amended by adding a new subdivision to  
19 read:

20 "(c) Certain Governmental Entities. – A governmental entity listed in this subsection is  
21 allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases  
22 of tangible personal property and services, other than electricity, telecommunications service,  
23 and ancillary service. Sales and use tax liability indirectly incurred by a governmental entity on  
24 building materials, supplies, fixtures, and equipment that become a part of or annexed to any  
25 building or structure that is owned or leased by the governmental entity and is being erected,  
26 altered, or repaired for use by the governmental entity is considered a sales or use tax liability  
27 incurred on direct purchases by the governmental entity for the purpose of this subsection. A  
28 request for a refund must be in writing and must include any information and documentation  
29 required by the Secretary. A request for a refund is due within six months after the end of the  
30 governmental entity's fiscal year.

31 This subsection applies only to the following governmental entities:

32 ...

33 (23) A special district created under Article 43 of this Chapter."

34 **SECTION 2.(e)** G.S. 159-81(1) reads as rewritten:

35 "The words and phrases defined in this section shall have the meanings indicated when used  
36 in this Article:

37 (1) "Municipality" means a county, city, town, incorporated village, sanitary  
38 district, metropolitan sewerage district, metropolitan water district, county  
39 water and sewer district, water and sewer authority, hospital authority,  
40 hospital district, parking authority, special airport district, special district  
41 created under Article 43 of Chapter 105 of the General Statutes, regional  
42 public transportation authority, regional transportation authority, regional  
43 natural gas district, regional sports authority, airport authority, joint agency  
44 created pursuant to Part 1 of Article 20 of Chapter 160A of the General  
45 Statutes, a joint agency authorized by agreement between two cities to  
46 operate an airport pursuant to G.S. 63-56, and the North Carolina Turnpike  
47 Authority created pursuant to Article 6H of Chapter 136 of the General  
48 Statutes, but not any other forms of State or local government.

49 ...."

50 **SECTION 2.(f)** G.S. 160A-460 reads as rewritten:

51 "**§ 160A-460. Definitions.**

1 The words defined in this section shall have the meanings indicated when used in this Part:

2 (1) "Undertaking" means the joint exercise by two or more units of local  
3 government, or the contractual exercise by one unit for one or more other  
4 units, of any power, function, public enterprise, right, privilege, or immunity  
5 of local government.

6 (2) "Unit," or "unit of local government" means a county, city, consolidated  
7 city-county, local board of education, sanitary district, facility authority  
8 created under Part 4 of this Article, special district created under Article 43  
9 of Chapter 105 of the General Statutes, or other local political subdivision,  
10 authority, or agency of local government."

11 **SECTION 2.(g)** G.S. 160A-20(h) is amended by adding a new subdivision to read:

12 "(14) A special district created under Article 43 of Chapter 105 of the General  
13 Statutes."

14 **SECTION 2.(h)** Section 3.1 of S.L. 1997-417, as added by Section 30 of S.L.  
15 2006-162, reads as rewritten:

16 "**SECTION 3.1.** A county authorized to impose a tax under Part 2 of Article 43 of Chapter  
17 105 of the General Statutes as enacted by Part 1 of this act, Statutes is considered an authority  
18 under Article 50 of Chapter 105 of the General Statutes, as enacted by Section 3 of this of this  
19 act, and the board of commissioners of that county is considered the board of trustees of the  
20 authority under Article 50. G.S. 105-554 of Article 50 does not apply to the proceeds of a tax  
21 imposed by county considered an authority under this section. The proceeds of a tax imposed  
22 by a county considered an authority under this section must be transferred to the largest city in  
23 that county operating a public transportation system. The proceeds of a tax imposed by a  
24 county considered an authority under this section must be transferred to the largest city in that  
25 county operating a public transportation system and used only for financing, constructing,  
26 operating, and maintaining a public transportation system. The proceeds may supplant existing  
27 funds allocated for a public transportation system. The term 'public transportation system' has  
28 the same meaning as defined in ~~G.S. 105-506 of Article 43.~~G.S. 105-506."

## 30 LOCAL VEHICLE REGISTRATION CHARGE ADJUSTED FOR INFLATION

31 **SECTION 3.(a)** G.S. 105-561(a) reads as rewritten:

32 "(a) Tax Authorized. – The board of trustees of an Authority may, by resolution, levy an  
33 annual license tax in accordance with this Article upon any motor vehicle with a tax situs  
34 within its territorial jurisdiction. The purpose of the tax levied under this Article is to raise  
35 revenue for capital and operating expenses of an Authority in providing public transportation  
36 systems. The rate of tax levied under this Article must be a full dollar amount, but may not  
37 exceed ~~five dollars (\$5.00)~~ seven dollars (\$7.00) a year."

38 **SECTION 3.(b)** Effective July 1, 2010, G.S. 105-561(a), as amended by  
39 subsection (a) of this section, reads as rewritten:

40 "(a) Tax Authorized. – The board of trustees of an Authority may, by resolution, levy an  
41 annual license tax in accordance with this Article upon any motor vehicle with a tax situs  
42 within its territorial jurisdiction. The purpose of the tax levied under this Article is to raise  
43 revenue for capital and operating expenses of an Authority in providing public transportation  
44 systems. The rate of tax levied under this Article must be a full dollar amount, but may not  
45 exceed ~~seven dollars (\$7.00)~~ eight dollars (\$8.00) a year."

46 **SECTION 3.(c)** G.S. 105-561(d) reads as rewritten:

47 "(d) Special Tax District. – If a regional transportation authority created under Article 27  
48 of Chapter 160A of the General Statutes has not levied the tax under this section or has levied  
49 the tax at a rate of less than ~~five dollars (\$5.00)~~ seven dollars (\$7.00), it may create a special  
50 district that consists of the entire area of one or more counties within its territorial jurisdiction  
51 and may levy on behalf of the special district the tax authorized in this section. The rate of tax

1 levied within the special district may not, when combined with the rate levied within the entire  
2 territorial jurisdiction of the authority; exceed ~~five dollars (\$5.00)~~ seven dollars (\$7.00). The  
3 regional transportation authority may not levy or increase a tax within the special district unless  
4 the board of commissioners of each county in the special district has adopted a resolution  
5 approving the levy or increase.

6 A special district created pursuant to this subsection is a body corporate and politic and has  
7 the power to carry out the purposes of this subsection. The board of trustees of the regional  
8 transportation authority created under Article 27 of Chapter 160A of the General Statutes shall  
9 serve, ex officio, as the governing body of a special district it creates pursuant to this  
10 subsection. The proceeds of a tax levied under this subsection may be used only for the benefit  
11 of the special district and only for the purposes provided in G.S. 105-564. Except as provided  
12 in this subsection, a tax levied under this subsection is governed by the provisions of this  
13 Article."

14 **SECTION 3.(d)** Effective July 1, 2010, G.S. 105-561(d), as amended by  
15 subsection (c) of this section, reads as rewritten:

16 "(d) Special Tax District. – If a regional transportation authority created under Article 27  
17 of Chapter 160A of the General Statutes has not levied the tax under this section or has levied  
18 the tax at a rate of less than ~~seven dollars (\$7.00)~~ eight dollars (\$8.00), it may create a special  
19 district that consists of the entire area of one or more counties within its territorial jurisdiction  
20 and may levy on behalf of the special district the tax authorized in this section. The rate of tax  
21 levied within the special district may not, when combined with the rate levied within the entire  
22 territorial jurisdiction of the authority; exceed ~~seven dollars (\$7.00)~~ eight dollars (\$8.00). The  
23 regional transportation authority may not levy or increase a tax within the special district unless  
24 the board of commissioners of each county in the special district has adopted a resolution  
25 approving the levy or increase.

26 A special district created pursuant to this subsection is a body corporate and politic and has  
27 the power to carry out the purposes of this subsection. The board of trustees of the regional  
28 transportation authority created under Article 27 of Chapter 160A of the General Statutes shall  
29 serve, ex officio, as the governing body of a special district it creates pursuant to this  
30 subsection. The proceeds of a tax levied under this subsection may be used only for the benefit  
31 of the special district and only for the purposes provided in G.S. 105-564. Except as provided  
32 in this subsection, a tax levied under this subsection is governed by the provisions of this  
33 Article."

#### 34 **ADDITIONAL VEHICLE REGISTRATION CHARGE AUTHORIZED**

35 **SECTION 4.** Subchapter IX of Chapter 105 of the General Statutes is amended by  
36 adding a new Article to read:

37 "Article 52. County Vehicle Registration Tax.

#### 38 **"§ 105-557. County Vehicle Registration Tax; shared with municipalities.**

39 (a) A county is considered an authority under Article 51 of this Chapter, and the board  
40 of commissioners of that county is considered the board of trustees of the authority under  
41 Article 51, except that the maximum tax that may be levied by a county under this Article is  
42 seven dollars (\$7.00) per year.

43 (b) A county may not levy a tax under this Article unless the county or at least one unit  
44 of local government in the county operates a public transportation system.

45 (c) Any tax levied under this Article shall, after the receipt of those funds from the  
46 Division of Motor Vehicles, be retained or distributed by the county on a per capita basis as it  
47 receives those funds as follows:

- 48 (1) Pro rata (i) retained by the county based on the population of the county that  
49 is not in an incorporated area, and (ii) distributed to the municipalities within  
50 the county based on the population of that municipality that is located within  
51

1 that county. To determine the population of each county and municipality,  
2 the county shall use the most recent annual estimate of population certified  
3 by the State Budget Officer.

4 (2) Notwithstanding subdivision (1) of this subsection, if a municipality to  
5 which funds are to be distributed does not operate a public transportation  
6 system, the population of that municipality shall be excluded from the  
7 calculations of subdivision (1) of this subsection and no distribution shall be  
8 made to that municipality.

9 (3) Notwithstanding subdivision (1) of this subsection, if a county for which  
10 funds are to be retained does not operate a public transportation system, the  
11 population of that county not in an incorporated area shall be excluded from  
12 the calculations of subdivision (1) of this subsection, and the county shall  
13 not retain any funds.

14 If a county that does not retain funds or a municipality that does not receive an allocation of  
15 funds on account of subdivision (2) or (3) of this subsection begins to operate a public  
16 transportation system, that county or municipality shall begin retaining or receiving funds  
17 beginning the first day of July that is more than 30 days thereafter.

18 (d) The proceeds of a tax imposed under this Article may be used by that county or  
19 municipality only to operate a public transportation system, including financing, constructing,  
20 operating, and maintaining that public transportation system. The term 'public transportation  
21 system' has the same meaning as defined in G.S. 105-506.

22 (e) As used in this section, operation of a public transportation system includes a  
23 contract or interlocal agreement for operation of the public transportation system by another  
24 county or municipality, or by a transportation authority created under (i) a municipal charter; or  
25 (ii) Article 25, 26, or 27 of Chapter 160A of the General Statutes. As used in this section,  
26 operation of a public transportation system also includes a contract with a private entity for  
27 operation of the public transportation system.

28 (f) An interlocal agreement under this section may also deal with allocation of funds  
29 between a municipality and county for operation by the county of a human services public  
30 transportation system within the municipality when the municipality also operates a public  
31 transportation system.

32 (g) This Article is supplemental to Article 51 of this Chapter."

## 33

### 34 **VEHICLE REGISTRATION TAX CONFORMED TO NEW REGISTRATION**

### 35 **SYSTEM DEADLINES**

36 **SECTION 5.(a)** G.S. 105-562(a) reads as rewritten:

37 "(a) Collection. – A tax or a tax increase levied under this Article becomes effective on  
38 the date set by the board of trustees in the resolution levying the tax or the tax increase. The  
39 effective date must be the first day of a month and may not be earlier than the first day of the  
40 ~~third~~ sixth calendar month after the board of trustees adopts the resolution. To the extent the tax  
41 applies to vehicles whose tax situs is in a county the entire area of which is within the  
42 jurisdiction of the Authority, the Division of Motor Vehicles shall collect and administer the  
43 tax. To the extent the tax applies to vehicles whose tax situs is in a county that is only partially  
44 within the jurisdiction of the county, the Authority shall collect and administer the tax. The  
45 Authority may contract with one or more local governments in its jurisdiction to collect the tax  
46 on its behalf.

47 Upon receipt of the resolutions under G.S. 105-561, the Division of Motor Vehicles shall  
48 proceed to collect and administer the tax as provided in this Article. The tax is due at the same  
49 time and subject to the same restrictions as in G.S. 20-87(1), (2), (4), (5), (6), and (7) and  
50 G.S. 20-88. The Division of Motor Vehicles may adopt rules to carry out its responsibilities  
51 under this Article."

1           **SECTION 5.(b)** G.S. 105-563 reads as rewritten:

2   "**§ 105-563. Modification or repeal of tax.**

3       The Board of Trustees may, by resolution, repeal the levy of the tax under this Article or  
4       decrease the amount of the tax, under the same procedures and subject to the same limitations  
5       as provided in G.S. 105-561. A tax repeal or a tax decrease becomes effective on the date set by  
6       the board of trustees in the resolution repealing or decreasing the tax. The effective date must  
7       be on the first day of a month and may not be earlier than the first day of the ~~third~~-sixth  
8       calendar month after the board of trustees adopts the resolution. Repeal or decrease of a tax  
9       levied under this Article does not affect the rights or liabilities of an Authority, a taxpayer, or  
10      another person arising before the repeal or decrease."

11  
12   **RTP SERVICE DISTRICT AUTHORIZATION EXTENDED**

13           **SECTION 6.** G.S. 153A-317 reads as rewritten:

14   "**§ 153A-317. Taxes authorized; rate limitation.**

15      (a) A county, upon recommendation of the advisory committee established  
16      pursuant to G.S. 153A-313, may levy property taxes within a research and production service  
17      district in addition to those levied throughout the county, in order to finance, provide, or  
18      maintain for the district services provided therein in addition to or to a greater extent than those  
19      financed, provided, or maintained for the entire county. In addition, a county may allocate to a  
20      service district any other revenues whose use is not otherwise restricted by law. The proceeds  
21      of taxes only within a service district may be expended only for services provided for the  
22      district.

23      Property subject to taxation in a newly established district or in an area annexed to an  
24      existing district is that subject to taxation by the county as of the preceding January 1.

25      (b) Such additional property taxes may not be levied within any district established  
26      pursuant to this Article in excess of a rate of ten cents (10¢) on each one hundred dollars  
27      (\$100.00) value of property subject to taxation.

28      (c) For the purpose of constructing, maintaining, or operating public transportation as  
29      defined by G.S. 153A-149(c)(27), in addition to the additional property taxes levied under  
30      subsections (a) and (b) of this section, a county, upon recommendation of the advisory  
31      committee established pursuant to G.S. 153A-313, may levy additional property taxes within  
32      any service district established pursuant to this Article not in excess of a rate of ten cents (10¢)  
33      on each one hundred dollars (\$100.00) value of property subject to taxation. Such property  
34      taxes for public transportation may only be used within the service district, or to provide for  
35      public transportation from the service district to other public transportation systems or to other  
36      places outside the service district including airports."

37  
38   **EFFECTIVE DATE**

39           **SECTION 7.** This act is effective when it becomes law.