

## HOUSE FINANCE PCS FOR H97: APPROPRIATIONS ACT OF 2015

Provision #	Provision Title	Effective Date	Annual Impact [General Fund Unless Noted]	Description/Notes
<b>TAX PROVISIONS</b>				
Sec. 32.1 FIN-H3	Extend Research & Development Tax Credit Four Years	When it becomes law	\$0 (FY 2015-16)  (\$44,000,000) (FY 2016-17)	Extends for 4 years the credit a taxpayer receives for qualified North Carolina research expenses or North Carolina university research expenses. Makes a technical correction to statutory language in sub (b) of section.
Sec. 32.2 FIN-H4	Extend Renewable Energy Credit for Two Years for Solar Projects and for Four Years for All Other Projects	When it becomes law	\$0 (FY 2015-16)  (\$10,300,000) (FY 2016-17)	Extends the credit a taxpayer receives for constructing, purchasing, or leasing renewable energy property for 2 years for solar energy equipment and for 4 years for all other qualifying renewable energy property.
Sec. 32.3 FIN-H7	Historic Preservation Tax Credit	Effective 1/1/15 and applicable to qualified rehab costs incurred on/after that date	(\$8,000,000) (FY 2015-16)  (\$8,000,000) (FY 2016-17)	Allows a tax credit for qualified expenses for historic rehabilitations. Effective when it becomes law, the provision also places an expiration date of 1/1/23 on eligibility certifications issued under expired Article 3H of Chapter 105.
Sec. 32.4 FIN-H6	Senior Tax Deduction for Medical Expenses	Taxable years beginning on/after 1/1/15	(\$23,600,000) (FY 2015-16)  (\$22,900,000) (FY 2016-17)	Expands income tax deductions available as an alternative to a standard deduction by adding a deduction for medical expenses allowed under section 213 of the Internal Revenue Code if incurred for a person 65 years or older.
Sec. 32.5 FIN-H5	Extend Sales Tax Preferences for Motorsports Four Years	When it becomes law	\$0 (FY 2015-16)  (\$1,900,000) (FY 2016-17)	Extends the sales tax exemption for service contracts of and the sales tax refund for professional motorsports vehicle parts (other than tires and accessories) and aviation fuel for motorsports events travel. Expands sales tax exemption to related members of a professional motorsports racing team.
Sec. 32.7 FIN-H9	Data Center Infrastructure	Effective 7/1/15 and applicable to sales on/after that date	(\$3,000,000) (FY 2015-16)  (\$4,000,000)	Enacts a sales tax exemption for datacenters investing at least \$75M within a 5-year period for sales of datacenter equipment and electricity located and used at the datacenter.

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			(FY 2016-17)	
Sec. 32.8 FIN-H10	Exempt Service Contracts on Aircraft	Effective 7/1/17 and applicable to sales made on/after that date	\$0 (FY 2015-16)  \$0 (FY 2016-17)	Enacts a sales tax exemption for service contracts applicable to qualifying aircraft or jet engines if it is sold by the manufacturer/related member of the manufacturer of the covered item. A qualifying aircraft has a max take-off weight between 10,000 and 20,000 pounds. A qualifying jet engine is one certified pursuant to 14 CFR, Part 33 (turbofan engine).
Sec. 29.29 TRANS-H39	Motor Fuel Tax Rate Change	1/1/16	(\$30,600,000) (Highway Fund/Highway Trust Fund)	Reduces motor fuel tax on gasoline to 33 cents per gallon; maintains motor fuel tax on diesel at 36 cents per gallon.
<b>ECONOMIC DEVELOPMENT</b>				
Sec. 32.9 COMM-H3	Work-Based Experience Pilot Program	7/1/15	(\$500,000) (FY 2015-16, Utility Account)  \$0 (FY 2016-17)	Directs the Department of Commerce to establish a pilot program with a qualifying school for the purpose of establishing a statewide system to further educational programs where high school students take classes developed in collaboration with eligible industries and graduate with an applicable associate's degree. A qualifying school is a cooperative innovative high school (i) to be operated in a local board of education –owned or leased facility pursuant to a location waiver, (ii) in a tier 1 area, (iii) with \$300,000 in equipment or support from an eligible industry and (iv) with at least 50% local match to business investment.
<b>BONDS</b>				
Sec. 31.12 CAP-H14	Two-Thirds Bonds Act of 2015	When it becomes law	\$0 (FY 2015-16)  (\$23,838,557) (FY 2016-17)	Authorizes the issuance of 2/3's general obligation bonds in the amount of up to \$269,525,200 to finance a health sciences building at ASU (\$70,782,000), an engineering building at NCSU (\$65,100,000), a new science building at UNC-Charlotte (\$90,000,000), a DHHS medical examiner facility at Wake Forest University (\$12,976,000), and Phase 1 of the Highway Patrol Training Academy (\$30,667,200); provided, that the listed projects are not otherwise authorized by May 31, 2016 to be financed with general obligation debt approved by voters.

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<b>FEES</b>				
<b>ANER</b>				
Sec. 13.4 AGRIC-H2	Drug Manufacturer Licensing and Registration Fees	7/1/15	\$550,000	Increases annual registration fees for out-of-state companies operating as manufacturers or repackagers from up to \$500 to \$1000 and as wholesalers from up to \$500 to \$700. Increases annual licensure application fees for in-state companies operating as manufacturers from \$500 to \$1000 and for any other person from \$350 to \$500. Fees were last raised in 1988.
Sec. 14.11 NATRES-H8	Dynamic Pricing for State Parks and Attractions	7/1/15	Unknown	Directs DENR to adopt flexible prices for entrance and related activity fees to reflect seasonal variations, special event interests, and other marketing forces to maximize revenue. Does not authorize new entrance or parking fees. Exempts the Zoo, Aquarium and State parks from rule-making under Ch. 150B.
Sec. 13.5 AGRIC-H3	Food Manufacturer and Retailer Inspection Fees	7/1/15	\$35,000	Increases annual inspection fees for dairy retailers from \$10 to \$50 and for wholesalers from \$40 to \$100.
Sec. 15.13 COMM-H20	Repeal Apprenticeship Fee	7/1/15	\$0	Eliminates \$50 fee (initial registration & annual requirement) for participants in the Apprenticeship program.
Sec. 15.16 COMM-H21A	Utilities Commission Regulatory Fee	7/1/15	\$0	Incorporates H356 that sets the utility regulatory fee into statute. Maintains funding at existing levels for the Utilities Commission/ Public Staff. The fee is expected to generate approximately \$15 million, which is the same amount of revenue received from the regulatory fee currently in effect; therefore, there is no net fiscal impact.
<b>GENGOV</b>				
Sec. 20.1 INS-H1	Insurance Regulatory Charge	1/1/16	\$0 (Insurance Regulatory Fund)	Keeps the Insurance Regulatory Charge at the current rate of 6.5%. The fee is expected to generate approximately \$33.5 million, which is the same amount of revenue received from the current rate; therefore, there is no net fiscal impact.
Sec. 28.3 REV-H4	State Agency/Enhanced Debt Collection	7/1/15	\$3.5 to \$4 million (ECU) and \$4 million (UNC) (Institutional Trust Fund)	Permits reciprocal debt collection with the federal government. Debt collected for the federal government carries a fee equal to that charged by the federal government for collection of State debts. Eliminates restriction for ECU and UNC Hospitals that only insured medical claims qualified for debt set off.

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<b>HHS</b>				
Sec. 12E.5 DPH-H7	Increase in North Carolina Medical Examiner Autopsy Fee	7/1/15	\$1,800,000	Amends G.S. 130A-389(a) to increase the autopsy fee charged by the Office of the Chief Medical Examiner from \$1,250 to \$1,750. This fee is charged for autopsies/studies deemed advisable by the chief medical examiner or medical examiner investigating a case, or requested by the district attorney or a superior court judge.
Sec. 12E.6 DPH-H8	Increase in Medical Examiner Fee	7/1/15	(\$110,000)	Increases the fee for reports by the county medical examiners from \$100 to \$200 per case.
Sec. 12G.3 DHSR-H3A	Adult Day Care/Adult Day Health Overnight Certification	7/1/15	\$15,750	Adds adult day care and adult day health overnight respite facilities to the list of construction projects on which a review fee is imposed. The amount of the fee is \$225 per facility.
Sec. 12H.4 DMA-H4	Provider Application and Recredentialing Fee	7/1/15	\$0	Maintains the application and triennial re-credentialing application fee of \$100 (plus federally required amounts) by the Division of Medical Assistance (Medicaid) to charge for application by each provider enrolling in the Medicaid Program for the first time. The fee is expected to generate approximately \$1.5 million, which is the same amount of revenue received from the current fee; therefore, there is no net fiscal impact.
<b>JPS</b>				
Sec. 18A.12 AOC-H3	Certificate of Relief Fee	10/1/15	Unknown	Creates a new \$50 fee for Certificate of Relief petitions to relieve collateral consequences by individuals convicted of criminal offenses no higher than a Class G felony.
Sec. 16B.6 LAW-H6	Clarify Boxing Commission Fee	7/1/15	\$4,000	Changes the fee collected at events by the Boxing Commission from \$2 per ticket sold to \$2 per spectator.
Sec. 16B.8 LAW-H8	Clarify Hazardous Materials Fee	7/1/15	\$0	Clarifies that the maximum hazardous materials facility fee is a per-site maximum. This change has no effect on the General Fund because the original budgeted amount was calculated on a per-site basis.
<b>TRANSPORTATION</b>				
Sec. 29.35 TRANS-	Eliminate 10-Day Trip Permit & Increase Temporary Tag Fee	7/1/15	\$800,000 Highway Fund	Raises the fee for a 10-day temporary license plate from \$5 to \$10.

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H10				
Sec. 29.30 TRANS-H38	Increase DMV Fees	1/1/16 (except late fee for motor vehicle registration, which is 7/1/16)	<p><u>Civil Penalty &amp; Forfeiture Fund</u> \$29.9m (FY 2016-17)</p> <p><u>Highway Fund</u> \$133.0m (FY 2015-16)</p> <p>\$290.6m (FY 2016-17)</p> <p><u>Highway Trust Fund</u> (\$5.2m) (FY 2015-16)</p> <p>(\$8.3m) (FY 2016-17)</p>	<p><u>Changes the following fees:</u></p> <ul style="list-style-type: none"> <li>-Fee for all classes of regular driver's license: \$4/yr. to \$6/yr.</li> <li>-Fee for motorcycle endorsement: \$1.75/yr. to \$2.60/yr.</li> <li>-Revoked driver's license restoration fee: <ul style="list-style-type: none"> <li>• \$50 to \$75, if not for impaired driving</li> <li>• \$100 to \$150, if for impaired driving</li> </ul> </li> <li>-Fee for learners permit, limited learner's permit, or limited provisional license: \$15 to \$22.50</li> <li>-Fee for duplicate license: \$10 to \$15</li> <li>-Driver improvement clinic fee: \$50 to \$75</li> <li>-Fee for limited extract copy of license record (3 or fewer years): \$8 to \$12</li> <li>-Fee for complete extract copy of license record: \$8 to \$12</li> <li>-Fee for certified true copy of complete license record: \$11 to \$16.50</li> <li>-Application fee for commercial driver's license: \$30 to \$45</li> <li>-Fee for all classes of CDL: \$15/yr. to \$22.50/yr.</li> <li>-Fee for each CDL endorsement: \$3/yr. to \$4.50/yr.</li> <li>-Fee for certified copies of DMV documents: \$10 to \$15</li> <li>-Penalty to timely apply for certificate of title: \$15 to \$22.50</li> <li>-Application fee for certificate of title: \$40 to \$60</li> <li>-Application for duplicate/corrected certificate of title, of reposessor for certificate of title, for duplicate registration card, for recording supplementary lien, for removing a lien from a certificate of title, for a salvage certificate of title by insurer/used motor vehicle dealer, for certificate of title for transfer to manufacturer or retailer for purpose of resale: \$15 to \$22.50</li> <li>-Fee to transfer registration: \$15 to \$22.50</li> <li>-Fee for replacement registration plates: \$15 to \$22.50</li> <li>-Fee for one-day certificate of title preparation and delivery: \$75 to \$112.50</li> <li>-Fee for registration/licensing of for-hire passenger vehicles: <ul style="list-style-type: none"> <li>• \$78 to \$117 for capacity of 15 passengers or less</li> <li>• \$1.40/passenger to \$2.10/passenger for 15+ capacity</li> </ul> </li> <li>-Fee for registration/licensing of U-Drive-It vehicles: <ul style="list-style-type: none"> <li>• 1-passenger motorcycles: \$18 to \$27</li> </ul> </li> </ul>

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				<ul style="list-style-type: none"> <li>• Additional fee for fees determined by wt.: \$3 to \$4.50</li> <li>• Farmer rate per 100 lbs. gross wt.:               <ul style="list-style-type: none"> <li>○ Not over 4000 lbs.: .29 to .44</li> <li>○ 4001 to 9000 lbs.: .40 to .60</li> <li>○ 9001 to 130000 lbs.: .50 to .75</li> <li>○ 13001 to 17000 lbs.: .68 to 1.20</li> <li>○ Over 17000 lbs.: .77 to 1.16</li> </ul> </li> <li>• General rate per 100 lbs. gross wt.:               <ul style="list-style-type: none"> <li>○ Not over 4000 lbs.: .59 to .89</li> <li>○ 4001 to 9000 lbs.: .81 to 1.22</li> <li>○ 9001 to 130000 lbs.: 1.00 to 1.50</li> <li>○ 13001 to 17000 lbs.: 1.36 to 2.04</li> <li>○ Over 17000 lbs.: 1.54 to 2.31</li> </ul> </li> </ul> <p>-License fee for MV dealers, distributors, distributor branches, and wholesalers: \$70 to \$105</p> <p>-License fee for manufacturers: \$150 to \$225</p> <p>-License fee for manufacturer factory branch: \$100 to \$150</p> <p>-License fee for MV sales representatives: \$15 to \$22.50</p> <p>-License fee for factory/distributor representatives: \$15 to \$22.50</p> <p>-Fee for application by intrastate motor carrier for certificate of exemption: \$45 to \$67.50</p> <p>-Fee for certification by interstate motor carrier that it is not regulated by US DOT: \$45 to \$67.50</p> <p>-Fee for application by interstate motor carrier for emergency trip permit: \$18 to \$27</p> <p>-Fee to give notice of assertion of lien and proposal of sale to DMV: \$10 to \$15</p>