

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S

1

SENATE BILL 1213

Short Title: Restore Local Govt. Earmarking.

(Public)

Sponsors: Senators Perdue; Hartsell, Cochrane, Carpenter, Smith, Plexico, Marvin, Allran, Forrester, Blackmon, Richardson, Seymour, Bryan, Martin of Guilford, Ballance, and Odom.

Referred to: Finance.

June 8, 1992

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT DISTRIBUTIONS AND REIMBURSEMENTS TO LOCAL GOVERNMENTS SHALL BE PROVIDED BY EARMARKING RATHER THAN BY APPROPRIATION AND TO REMOVE THE CAP ON THESE DISTRIBUTIONS AND REIMBURSEMENTS THAT WAS ADDED IN 1991.

The General Assembly of North Carolina enacts:

Section 1. Effective July 1, 1993, G.S. 105-113.82 reads as rewritten:

"§ 105-113.82. ~~Appropriation~~ Distribution of amount equal to part of beer and wine taxes.

(a) Amount, Method. ~~An amount equal to~~ The Secretary shall annually distribute the following percentages of the net amount of excise taxes ~~collected, collected~~ during the period that ~~began~~ begins the preceding October 1, ~~1989, and ended~~ 1 and ends September 30, ~~1990, 30~~ on the sale of malt beverages and wine, less the amount of the net proceeds credited to the Department of Agriculture under G.S 105-113.81A, ~~is annually appropriated from the General Fund~~ to the counties and cities in which the retail sale of these beverages is authorized:

- (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), twenty-three and three-fourths percent (23 3/4%);
- (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-two percent (62%); and

1 (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-  
2 two percent (22%).

3 If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at  
4 retail in both a county and a city located in the county, both the county and city shall  
5 receive a portion of the amount ~~appropriated, of excise tax to be distributed,~~ that portion  
6 to be determined on the basis of population. If one of these beverages may be licensed  
7 to be sold at retail in a city located in a county in which the sale of the beverage is  
8 otherwise prohibited, only the city shall receive a portion of the amount ~~appropriated, of~~  
9 excise tax to be distributed, that portion to be determined on the basis of population.  
10 The ~~amount of the appropriation amounts~~ to be distributed under subdivisions (1), (2), and  
11 (3) shall be computed separately.

12 (b) ~~Reduction in Appropriation Amount Distributed.~~ – Where the sale of malt  
13 beverages, unfortified wine, or fortified wine is prohibited in a defined area of a city or  
14 county in which the sale of the beverage is authorized, the amount that would otherwise  
15 be ~~appropriated distributed~~ to the city or county on the basis of population under  
16 subsection (a) shall be reduced in the same ratio that the area of the defined area bears  
17 to the total area of the city or county, unless the defined area is a city. If the defined area  
18 in a county is a city, the reduction in the amount that would otherwise be ~~appropriated~~  
19 distributed to the county under subsection (a) shall be based on population instead of  
20 area. All reductions shall be retained by the State.

21 (c) Exception. – Notwithstanding subsection (a), in a county in which ABC  
22 stores have been established by petition, ~~the amount appropriated excise tax revenue~~ shall  
23 be distributed as though the entire county had approved the retail sale of a beverage  
24 whose retail sale is authorized in part of the county.

25 (d) Time. – The ~~appropriation shall be distributed to cities and counties distribution~~  
26 shall be made within 60 days after September 30 of each year.

27 (e) Population Estimates. – To determine the population of a city or county for  
28 purposes of the distribution required by this section, the Secretary shall use the most  
29 recent annual estimate of population certified by the State Budget Officer.

30 (f) City Defined. – As used in this section, the term 'city' means a city as defined  
31 in G.S. 153A-1(1) or an urban service district defined by the governing body of a  
32 consolidated city-county.

33 (g) Use of Funds. – Funds ~~appropriated distributed~~ to a county or city under this  
34 section may be used for any public purpose.

35 (h) ~~Act.—The appropriation made by this section shall be included in the Current~~  
36 Operations Appropriations Act."

37 Sec. 2. Effective July 1, 1993, G.S. 105-116(d) reads as rewritten:

38 "(d) Appropriation. There is annually appropriated from the General Fund to each  
39 municipality an amount that equals three and nine hundredths percent (3.09%) of the  
40 taxable gross receipts derived, from April 1, 1990, to March 31, 1991, 1 of the preceding  
41 fiscal year to the following March 31, by an electric power company and a natural gas  
42 company from sales within the municipality of the commodities and services described  
43 in subsection (a). The Secretary of Revenue shall transfer the amount appropriated to a  
44 municipality in quarterly installments on or before September 15, December 15, March

1 15, and June 15 in proportion to the taxable gross receipts derived within the  
2 municipality during the preceding calendar quarter. If a company's report does not state  
3 the company's taxable gross receipts derived within a municipality, the Secretary of  
4 Revenue shall determine a practical method of allocating part of the company's taxable  
5 gross receipts to the municipality. Before transferring the amount appropriated by this  
6 subsection, the Secretary of Revenue shall certify the amount to be transferred to the  
7 State Controller. The appropriation made by this subsection shall be included in the  
8 Current Operations Appropriations Act.

9 As used in this subsection, the term 'municipality' includes an urban service district  
10 defined by the governing board of a consolidated city-county. The amount due an urban  
11 service district shall be distributed to the governing board of the consolidated city-  
12 county."

13 Sec. 3. Effective July 1, 1994, G.S. 105-116(d), as amended by Section 2 of  
14 this act, reads as rewritten:

15 "~~(d) Appropriation-Distribution. There is annually appropriated from the General Fund~~  
16 Each year, the Secretary of Revenue shall distribute to each municipality from  
17 collections received under this section an amount that equals three and nine hundredths  
18 percent (3.09%) of the taxable gross receipts derived, from April 1 of the preceding  
19 fiscal year to the following March 31, by an electric power company and a natural gas  
20 company from sales within the municipality of the commodities and services described  
21 in subsection (a). The Secretary of Revenue shall transfer the amount appropriated  
22 distribute the amount to a municipality in quarterly installments on or before September  
23 15, December 15, March 15, and June 15 based on the taxable gross receipts derived  
24 within the municipality during the preceding calendar quarter. If a company's report  
25 does not state the company's taxable gross receipts derived within a municipality, the  
26 Secretary of Revenue shall determine a practical method of allocating part of the  
27 company's taxable gross receipts to the municipality. ~~Before transferring the amount~~  
28 ~~appropriated by~~ Before distributing an amount under this subsection, the Secretary of  
29 Revenue shall certify the amount to be ~~transferred~~ distributed to the State Controller.  
30 ~~The appropriation made by this subsection shall be included in the Current Operations~~  
31 ~~Appropriations Act.~~

32 As used in this subsection, the term 'municipality' includes an urban service district  
33 defined by the governing board of a consolidated city-county. The amount due an urban  
34 service district shall be distributed to the governing board of the consolidated city-  
35 county."

36 Sec. 4. Effective July 1, 1993, G.S. 105-120(c) reads as rewritten:

37 "(c) Appropriation. – There is annually appropriated from the General Fund to  
38 each municipality an amount that equals three and nine hundredths percent (3.09%) of  
39 the taxable gross receipts derived, from April 1, 1990, to March 31, 1991, 1 of the  
40 preceding fiscal year to the following March 31, from local telecommunications service  
41 provided within the municipality. The Secretary of Revenue shall transfer the amount  
42 appropriated to a municipality in quarterly installments on or before September 15,  
43 December 15, March 15, and June 15 in proportion to the taxable gross receipts derived  
44 within the municipality during the preceding calendar quarter. If a company's report

1 does not state the company's taxable gross receipts derived within a municipality, the  
2 Secretary of Revenue shall determine a practical method of allocating part of the  
3 company's taxable gross receipts to the municipality. Before transferring the amount  
4 appropriated by this subsection, the Secretary of Revenue shall certify the amount to be  
5 transferred to the State Controller. The appropriation made by this subsection shall be  
6 included in the Current Operations Appropriations Act.

7 As used in this subsection, the term 'municipality' includes an urban service district  
8 defined by the governing board of a consolidated city-county. The amount due an urban  
9 service district shall be distributed to the governing board of the consolidated city-  
10 county."

11 Sec. 5. Effective July 1, 1994, G.S. 105-120(c), as amended by Section 4 of  
12 this act, reads as rewritten:

13 "~~(c) Appropriation-Distribution. There is annually appropriated from the General Fund~~  
14 Each year, the Secretary of Revenue shall distribute to each municipality from  
15 collections received under this section an amount that equals three and nine hundredths  
16 percent (3.09%) of the taxable gross receipts derived, from April 1 of the preceding  
17 fiscal year to the following March 31, from local telecommunications service provided  
18 within the municipality. The Secretary of Revenue shall ~~transfer the amount appropriated~~  
19 distribute the amount to a municipality in quarterly installments on or before September  
20 15, December 15, March 15, and June 15 based on the taxable gross receipts derived  
21 within the municipality during the preceding calendar quarter. If a company's report  
22 does not state the company's taxable gross receipts derived within a municipality, the  
23 Secretary of Revenue shall determine a practical method of allocating part of the  
24 company's taxable gross receipts to the municipality. ~~Before transferring the amount~~  
25 ~~appropriated by~~ Before distributing an amount under this subsection, the Secretary of  
26 Revenue shall certify the amount to be ~~transferred~~ distributed to the State Controller.  
27 ~~The appropriation made by this subsection shall be included in the Current Operations~~  
28 ~~Appropriations Act.~~

29 As used in this subsection, the term 'municipality' includes an urban service district  
30 defined by the governing board of a consolidated city-county. The amount due an urban  
31 service district shall be distributed to the governing board of the consolidated city-  
32 county."

33 Sec. 6. Effective July 1, 1993, G.S. 105-213, as amended by Section 8 of this  
34 act, reads as rewritten:

35 "**§ 105-213. Appropriation to counties and municipalities; use of appropriation.**

36 (a) There is annually appropriated from the General Fund to counties and  
37 municipalities the amount of revenue collected under this Article during the ~~1989-90~~  
38 preceding fiscal year, less an amount equal to the costs during the preceding fiscal year  
39 of:

- 40 (1) Refunds made during the fiscal year of taxes levied under this Article.
- 41 (2) The Department of Revenue to collect and administer the taxes levied  
42 under this Article.
- 43 (3) The Department of Revenue in performing the duties imposed by  
44 Article 15 of this Chapter.

- 1 (4) The Property Tax Commission.
- 2 (5) The Institute of Government in operating a training program in
- 3 property tax appraisal and assessment.
- 4 (6) The personnel and operations provided by the Department of State
- 5 Treasurer for the Local Government Commission.

6 The appropriation shall be distributed by August 30 of each year. The appropriation  
7 shall be included in the Current Operations Appropriations Act.

8 The appropriation shall be allocated among the counties in proportion to the amount  
9 of taxes collected under this Article in each county during the preceding fiscal year.  
10 The Secretary of Revenue shall keep a separate record by counties of the taxes collected  
11 under this Article. The Secretary shall allocate the amount appropriated under this  
12 section to the counties according to the county in which the taxes were collected. The  
13 amounts so allocated to each county shall in turn be allocated between the county and  
14 the municipalities in the county in proportion to the total amount of ad valorem taxes  
15 levied by each during the fiscal year preceding the distribution. In dividing these  
16 amounts between each county and its municipalities, the Secretary shall treat taxes  
17 levied by a merged school administrative unit described in G.S. 115C-513 in a part of  
18 the unit located in a county as taxes levied by the county in which that part is located.  
19 After making these allocations, the Secretary of Revenue shall certify to the State  
20 Controller and to the State Treasurer the amount to be distributed to each county and  
21 municipality in the State. The State Controller shall then issue a warrant on the State  
22 Treasurer to each county and municipality in the amount certified. The funds shall be  
23 drawn from the Local Government Tax Sharing Reserve.

24 For the purpose of computing the distribution of the intangibles tax to any county  
25 and the municipalities located in the county for any year with respect to which the  
26 property valuation of a public service company is the subject of an appeal pursuant to  
27 the provisions of the Machinery Act, or to applicable provisions of federal law, and the  
28 Department of Revenue is restrained by operation of law or by a court of competent  
29 jurisdiction from certifying such valuation to the county and municipalities therein, the  
30 Department shall use the last property valuation of such public service company which  
31 has been so certified in order to determine the ad valorem tax levies applicable to such  
32 public service company in the county and the municipalities therein.

33 The chair of each board of county commissioners and the mayor of each  
34 municipality shall report to the Secretary of Revenue information requested by the  
35 Secretary to enable the Secretary to allocate the amount appropriated by this section. If  
36 a county or municipality fails to make a requested report within the time allowed, the  
37 Secretary may disregard the county or municipality in allocating the amount  
38 appropriated by this section. The amount distributed to each county and municipality  
39 shall be used by the county or municipality in proportion to property tax levies made by  
40 it for the various funds and activities of the county or municipality, unless the county or  
41 municipality has pledged the amount to be distributed to it under this section in payment  
42 of a loan agreement with the North Carolina Solid Waste Management Capital Projects  
43 Financing Agency. A county or municipality that has pledged amounts distributed

1 under this section in payment of a loan agreement with the Agency may apply the  
2 amount the loan agreement requires.

3 (b) For purposes of this section, the term 'municipality' includes any urban  
4 service district defined by the governing board of a consolidated city-county, and the  
5 amounts due thereby shall be distributed to the government of the consolidated city-  
6 county."

7 Sec. 7. Effective July 1, 1995, G.S. 105-213, as amended by Sections 6 and 8  
8 of this act, reads as rewritten:

9 "**§ 105-213. ~~Appropriation~~ Distribution of taxes to counties and municipalities; use  
10 of appropriation. ~~funds distributed.~~**

11 (a) ~~There is annually appropriated from the General Fund~~ The Secretary shall  
12 annually distribute to counties and municipalities the amount of revenue collected under  
13 this Article during the preceding fiscal year, less an amount equal to the costs during the  
14 preceding fiscal year of:

- 15 (1) Refunds made during the fiscal year of taxes levied under this Article.
- 16 (2) The Department of Revenue to collect and administer the taxes levied  
17 under this Article.
- 18 (3) The Department of Revenue in performing the duties imposed by  
19 Article 15 of this Chapter.
- 20 (4) The Property Tax Commission.
- 21 (5) The Institute of Government in operating a training program in  
22 property tax appraisal and assessment.
- 23 (6) The personnel and operations provided by the Department of State  
24 Treasurer for the Local Government Commission.

25 ~~The appropriation shall be distributed~~ distribution shall be made by August 30 of each  
26 year. ~~The appropriation shall be included in the Current Operations Appropriations Act.~~

27 ~~The appropriation shall be allocated among the counties in proportion to the amount~~  
28 ~~of taxes collected under this Article in each county during the preceding fiscal year.~~  
29 The Secretary of Revenue shall keep a separate record by counties of the taxes collected  
30 under this Article. The Secretary shall allocate the ~~amount appropriated under this~~  
31 ~~section~~ net amount of taxes collected under this Article less the deductions enumerated  
32 above to the counties according to the county in which the taxes were collected. The  
33 amounts so allocated to each county shall in turn be allocated between the county and  
34 the municipalities in the county in proportion to the total amount of ad valorem taxes  
35 levied by each during the fiscal year preceding the distribution. In dividing these  
36 amounts between each county and its municipalities, the Secretary shall treat taxes  
37 levied by a merged school administrative unit described in G.S. 115C-513 in a part of  
38 the unit located in a county as taxes levied by the county in which that part is located.  
39 After making these allocations, the Secretary of Revenue shall certify to the State  
40 Controller and to the State Treasurer the amount to be distributed to each county and  
41 municipality in the State. The State Controller shall then issue a warrant on the State  
42 Treasurer to each county and municipality in the amount certified. ~~The funds shall be~~  
43 ~~drawn from the Local Government Tax Sharing Reserve.~~

1 For the purpose of computing the distribution of the intangibles tax to any county  
2 and the municipalities located in the county for any year with respect to which the  
3 property valuation of a public service company is the subject of an appeal pursuant to  
4 the provisions of the Machinery Act, or to applicable provisions of federal law, and the  
5 Department of Revenue is restrained by operation of law or by a court of competent  
6 jurisdiction from certifying such valuation to the county and municipalities therein, the  
7 Department shall use the last property valuation of such public service company which  
8 has been so certified in order to determine the ad valorem tax levies applicable to such  
9 public service company in the county and the municipalities therein.

10 The chair of each board of county commissioners and the mayor of each  
11 municipality shall report to the Secretary of Revenue information requested by the  
12 Secretary to enable the Secretary to ~~allocate the amount appropriated~~ make the distribution  
13 provided by this section. If a county or municipality fails to make a requested report  
14 within the time allowed, the Secretary may disregard the county or municipality in  
15 ~~allocating the amount appropriated~~ making the distribution provided by this section. The  
16 amount distributed to each county and municipality shall be used by the county or  
17 municipality in proportion to property tax levies made by it for the various funds and  
18 activities of the county or municipality, unless the county or municipality has pledged  
19 the amount to be distributed to it under this section in payment of a loan agreement with  
20 the North Carolina Solid Waste Management Capital Projects Financing Agency. A  
21 county or municipality that has pledged amounts distributed under this section in  
22 payment of a loan agreement with the Agency may apply the amount the loan  
23 agreement requires.

24 (b) For purposes of this section, the term 'municipality' includes any urban  
25 service district defined by the governing board of a consolidated city-county, and the  
26 amounts due thereby shall be distributed to the government of the consolidated city-  
27 county."

28 Sec. 8. G.S. 105-213 reads as rewritten:

29 **"§ 105-213. Appropriation to counties and municipalities; use of appropriation.**

30 (a) There is annually appropriated from the General Fund to counties and  
31 municipalities the amount of revenue collected under this Article during the 1989-90  
32 fiscal year, ~~plus an amount equal to forty percent (40%) of the tax collected on accounts~~  
33 ~~receivable during the 1989-90 fiscal year and~~ less an amount equal to the costs during the  
34 preceding fiscal year of:

- 35 (1) Refunds made during the fiscal year of taxes levied under this Article.
- 36 (2) The Department of Revenue to collect and administer the taxes levied  
37 under this Article.
- 38 (3) The Department of Revenue in performing the duties imposed by  
39 Article 15 of this Chapter.
- 40 (4) The Property Tax Commission.
- 41 (5) The Institute of Government in operating a training program in  
42 property tax appraisal and assessment.
- 43 (6) The personnel and operations provided by the Department of State  
44 Treasurer for the Local Government Commission.

1 The appropriation shall be distributed by August 30 of each year. The appropriation  
2 shall be included in the Current Operations Appropriations Act.

3 The appropriation shall be allocated among the counties in proportion to the amount  
4 of taxes collected under this Article in each county during the preceding fiscal year.  
5 The Secretary of Revenue shall keep a separate record by counties of the taxes collected  
6 under this Article. The Secretary shall allocate the amount appropriated under this  
7 section to the counties according to the county in which the taxes were collected. The  
8 amounts so allocated to each county shall in turn be allocated between the county and  
9 the municipalities in the county in proportion to the total amount of ad valorem taxes  
10 levied by each during the fiscal year preceding the distribution. In dividing these  
11 amounts between each county and its municipalities, the Secretary shall treat taxes  
12 levied by a merged school administrative unit described in G.S. 115C-513 in a part of  
13 the unit located in a county as taxes levied by the county in which that part is located.  
14 After making these allocations, the Secretary of Revenue shall certify to the State  
15 Controller and to the State Treasurer the amount to be distributed to each county and  
16 municipality in the State. The State Controller shall then issue a warrant on the State  
17 Treasurer to each county and municipality in the amount certified. ~~The amount based on~~  
18 ~~forty percent (40%) of the tax collected on accounts receivable shall be drawn from the Local~~  
19 ~~Government Tax Reimbursement Reserve and the amount based on the net amount of revenue~~  
20 ~~collected under this Article.~~ The funds shall be drawn from the Local Government Tax  
21 Sharing Reserve.

22 For the purpose of computing the distribution of the intangibles tax to any county  
23 and the municipalities located in the county for any year with respect to which the  
24 property valuation of a public service company is the subject of an appeal pursuant to  
25 the provisions of the Machinery Act, or to applicable provisions of federal law, and the  
26 Department of Revenue is restrained by operation of law or by a court of competent  
27 jurisdiction from certifying such valuation to the county and municipalities therein, the  
28 Department shall use the last property valuation of such public service company which  
29 has been so certified in order to determine the ad valorem tax levies applicable to such  
30 public service company in the county and the municipalities therein.

31 ~~The chairman-chair~~ of each board of county commissioners and the mayor of each  
32 municipality shall report to the Secretary of Revenue information requested by the  
33 Secretary to enable the Secretary to allocate the amount appropriated by this section. If  
34 a county or municipality fails to make a requested report within the time allowed, the  
35 Secretary may disregard the county or municipality in allocating the amount  
36 appropriated by this section. The amount distributed to each county and municipality  
37 shall be used by the county or municipality in proportion to property tax levies made by  
38 it for the various funds and activities of the county or municipality, unless the county or  
39 municipality has pledged the amount to be distributed to it under this section in payment  
40 of a loan agreement with the North Carolina Solid Waste Management Capital Projects  
41 Financing Agency. A county or municipality that has pledged amounts distributed  
42 under this section in payment of a loan agreement with the Agency may apply the  
43 amount the loan agreement requires.



1 (b) For purposes of this section, the term 'municipality' includes any urban  
2 service district defined by the governing board of a consolidated city-county, and the  
3 amounts due thereby shall be distributed to the government of the consolidated city-  
4 county."

5 Sec. 9. G.S. 105-213.1 reads as rewritten:

6 "**§ 105-213.1. Additional appropriation to counties and municipalities. Reimbursement**  
7 **to counties and municipalities for partial repeal of tax on intangible**  
8 **personal property.**

9 (a) ~~Appropriation~~ Reimbursement for Repeal of Tax on Money on Deposit,  
10 Money on Hand, and Funds on Deposit with Insurance Companies. — ~~As soon as~~  
11 ~~practicable after July 1 of 1986, the Secretary of Revenue shall allocate for distribution~~  
12 ~~to each county and the municipalities located in the county the amount allocated to that~~  
13 ~~county from taxes levied under G.S. 105-199, 105-200, and 105-205 for the last taxable~~  
14 ~~year in which these taxes were levied, On or before August 30, 1992, the Secretary of~~  
15 ~~Revenue shall allocate for distribution to each county and the municipalities in the~~  
16 ~~county the amount allocated to the county under this subsection the preceding fiscal~~  
17 ~~year plus or minus a sum that equals the product of this amount and the percentage by~~  
18 ~~which State disposable personal income has increased or decreased during the most~~  
19 ~~recent 12-month 24-month period for which State personal income data has been~~  
20 ~~compiled by the Bureau of Economic Analysis of the United States Department of~~  
21 ~~Commerce.~~

22 ~~Thereafter, by~~ Thereafter, on or before August 30 of 1987, 1988, 1989, and 1990, each  
23 year the Secretary shall allocate to each county the amount of funds allocated to the  
24 county under this ~~section~~ subsection the preceding year, plus or minus a sum that equals  
25 the product of this amount and the percentage by which State disposable personal  
26 income has increased or decreased during the most recent 12-month period for which  
27 State personal income data has been compiled by the Bureau of Economic Analysis of  
28 the United States Department of Commerce.

29 ~~Thereafter, by August 30 of each year, the Secretary shall allocate to each county the~~  
30 ~~amount of funds allocated to the county under this section in 1990.~~

31 Amounts allocated to a county under this ~~section~~ subsection shall in turn be divided  
32 and distributed between the county and the municipalities located in the county in  
33 accordance with the method of allocating intangible tax revenue between a county and  
34 the municipalities located in the county provided in G.S. 105-213.

35 (a1) Reimbursement for Partial Repeal of Tax on Accounts Receivable. — On or  
36 before August 30 of each year, the Secretary of Revenue shall distribute to counties and  
37 municipalities an amount equal to forty percent (40%) of the tax collected on accounts  
38 receivable during the preceding fiscal year. The Secretary of Revenue shall first  
39 allocate the amount to be distributed in this subsection to the counties in the same  
40 manner as the amount allocated in G.S. 105-213. The amount allocated to each county  
41 shall in turn be divided and distributed between the county and the municipalities  
42 located in the county in accordance with the method of allocating intangible tax revenue  
43 between a county and the municipalities located in the county provided in G.S. 105-213.

1 (b) Restrictions on Use. – Amounts distributed to a county or a municipality  
2 under this section are subject to the same restrictions as amounts distributed under G.S.  
3 105-213.

4 (c) Municipality Defined. – As used in this section, the term ‘municipality’ has  
5 the same meaning as in G.S. 105-213.

6 (d) Source. – Funds distributed under this section shall be drawn from ~~the Local~~  
7 ~~Government Tax Reimbursement Reserve~~ collections received under Division I of Article  
8 4 of this Chapter.”

9 Sec. 10. G.S. 105-164.44C reads as rewritten:

10 **"§ 105-164.44C. Reimbursement for sales taxes on food stamp foods and**  
11 **supplemental foods.**

12 ~~There is annually appropriated to each county and the cities in the county an amount equal~~  
13 ~~to~~ As soon as practicable after July 1 of each year, the Secretary shall determine from  
14 available information the amount of local sales taxes that would have been collected in  
15 ~~the each~~ county during the ~~1989-90~~ preceding fiscal year on foods purchased with food  
16 stamp coupons or supplemental food instruments in the county, had these foods not  
17 been exempt from tax under G.S. 105-164.13(38). The Secretary shall then distribute  
18 the amounts determined to be due each county between the county and the cities located  
19 in the county in accordance with the method by which local sales and use taxes are  
20 distributed in that county. In order to pay for the reimbursement under this section and  
21 the cost to the Department of Revenue for administering the reimbursement, the  
22 Secretary ~~of Revenue~~ shall draw from ~~the Local Government Tax Reimbursement Reserve~~  
23 collections received under Division I of Article 4 of this Chapter an amount equal to the  
24 amount of the reimbursement and the cost of administration."

25 Sec. 11. G.S. 105-275.1(e) reads as rewritten:

26 "(e) Source of Funds. – To pay for the distribution required by this section and the  
27 cost to the Department of Revenue of making the distribution, the Secretary of Revenue  
28 shall draw from ~~the Local Government Tax Reimbursement Reserve~~ collections received  
29 under Division I of Article 4 of this Chapter an amount equal to the amount distributed  
30 and the cost of making the distribution."

31 Sec. 12. G.S. 105-277A(b) reads as rewritten:

32 "(b) First Per Capita Distribution. – As soon as practicable after January ~~1 of 1,~~  
33 1989, the Secretary shall distribute to each taxing unit the unit's per capita share of the  
34 sum of fifteen million seven hundred forty-five thousand dollars (\$15,745,000).  
35 ~~Thereafter, as~~ As soon as practicable after January 1 of 1990 and 1991, the Secretary  
36 shall distribute to each taxing unit the unit's per capita share of an amount equal to the  
37 sum distributed to all taxing units the previous year under this subsection plus or minus  
38 the product of the sum distributed the previous year and the percentage by which State  
39 personal income has increased or decreased during the most recent 12-month period for  
40 which State personal income data has been compiled by the Bureau of Economic  
41 Analysis of the United States Department of Commerce. As ~~Thereafter, as~~ soon as  
42 practicable after January ~~1 of each year~~ 1, 1992, the Secretary shall distribute to each  
43 taxing unit the unit's per capita share of the sum that this subsection provided was to be  
44 distributed to all taxing units in 1991. As soon as practicable after January 1, 1993, the

1 Secretary shall distribute to each taxing unit the unit's per capita share of an amount  
2 equal to the sum distributed to all taxing units the previous year under this subsection  
3 plus or minus the product of the sum distributed the previous year and the percentage by  
4 which State personal income has increased or decreased during the most recent 24-  
5 month period for which State personal income data has been compiled by the Bureau of  
6 Economic Analysis of the United States Department of Commerce.

7 Thereafter, as soon as practicable after January 1 of each year, the Secretary shall  
8 distribute to each taxing unit the unit's per capita share of an amount equal to the sum  
9 distributed to all taxing units the previous year under this subsection plus or minus the  
10 product of the sum distributed the previous year and the percentage by which State  
11 personal income has increased or decreased during the most recent 12-month period for  
12 which State personal income data has been compiled by the Bureau of Economic  
13 Analysis of the United States Department of Commerce.

14 To make the per capita distributions required by this subsection, the Secretary shall  
15 first allocate the sum to be distributed among the counties on a per capita basis. The  
16 Secretary shall then compute a per capita distributable amount for each county by  
17 dividing the amount allocated to a county by the total population of the county, plus the  
18 population of any incorporated towns and cities located in the county. Each taxing unit  
19 in a county, including the county itself, shall receive the product of the population of the  
20 taxing unit and the per capita distributable amount for that county.

21 A city or county that receives funds under this subsection and that collects taxes for  
22 another taxing unit shall distribute part of the taxes received by it to the taxing unit for  
23 which it collects tax. The distribution shall be made on the basis of the proportionate  
24 amount of ad valorem taxes levied, for the most recent fiscal year beginning July 1, by  
25 the city or county and by all the taxing units for which the city or county collects tax.  
26 This distribution shall be made as soon as practicable after a city or county receives  
27 funds from the State under this section."

28 Sec. 13. G.S. 105-277A(f) reads as rewritten:

29 "(f) Source of Funds. – To pay for the distribution required by this section and the  
30 cost of making the distribution, the Secretary shall draw from ~~the Local Government Tax~~  
31 ~~Reimbursement Reserve~~ collections received under Division I of Article 4 of this Chapter  
32 an amount equal to the amount distributed and the cost of making the distribution."

33 Sec. 14. G.S. 105-277.1A reads as rewritten:

34 **"§ 105-277.1A. Property classified for taxation at reduced valuation; duties of tax**  
35 **collectors; reimbursement of localities for portion of tax lost.**

36 (a) On September ~~1, 1990,~~ 1 of each year the tax collector of each county and the  
37 tax collector of each city shall furnish to the Secretary of Revenue a list containing the  
38 name and address of each person who has qualified in that year for the exemption  
39 provided in G.S. 105-277.1. The list shall also contain for each name the total amount  
40 of property exempted, the tax rate the property is subject to, and the product obtained by  
41 multiplying those two numbers by each other. The lists shall be accompanied by an  
42 affidavit attesting to the accuracy of the list, and shall all be on a form prescribed by the  
43 Secretary of Revenue.

1 (b) In addition to the list required by subsection (a) of this section, the county or  
2 city may provide a supplemental list on December 1.

3 (c) The Secretary of Revenue may, for cause, grant an extension for the  
4 submission of the list required by this section.

5 (d) ~~Before May 31, 1991,~~ After receiving a certified list under subsections (a)  
6 through (c) of this section, the Secretary of Revenue ~~shall distribute~~ shall, within 60 days,  
7 pay to the county or city fifty percent (50%) of the total for the entire list of the product  
8 obtained by multiplying the tax exemption for each taxpayer times the applicable tax  
9 rate. ~~Each year thereafter, on or before May 31, the Secretary of Revenue shall pay to each~~  
10 ~~county and city that was entitled to receive a distribution under this section in 1991 the amount~~  
11 ~~it was entitled to receive in 1991.~~

12 (e) Any funds received by any county or city pursuant to this section because the  
13 county or city was collecting taxes for another unit of government or special district  
14 shall be credited to the funds of that other unit or district in accordance with regulations  
15 issued by the Local Government Commission.

16 (f) In order to pay for the reimbursement under this section and the cost to the  
17 Department of Revenue of administering the reimbursement, the Secretary of Revenue  
18 shall draw from ~~the Local Government Tax Reimbursement Reserve~~ collections received  
19 under Division I of Article 4 of this Chapter an amount equal to the reimbursement and  
20 the cost of administration."

21 Sec. 15. The taxes collected under G.S. 105-113.80, 105-116, and 105-120,  
22 and under Article 7 and Division I of Article 4 of Chapter 105 of the General Statutes  
23 that are to be distributed to local governments shall be placed in a trust and agency fund  
24 and reserved for the required distributions.

25 Sec. 16. Sections 1, 2, 4, and 6 of this act become effective July 1, 1993.  
26 Sections 3 and 5 of this act become effective July 1, 1994. Section 7 of this act  
27 becomes effective July 1, 1995. The remainder of this act becomes effective July 1,  
28 1992.