

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 83\*  
Committee Substitute Favorable 3/25/93

Short Title: Increase Scrap Tire Disposal Tax.

(Public)

Sponsors:

Referred to:

February 9, 1993

A BILL TO BE ENTITLED

AN ACT TO TEMPORARILY INCREASE THE SCRAP TIRE DISPOSAL TAX, TO PROVIDE FOR THE DISTRIBUTION OF THE ADDITIONAL TAX PROCEEDS, AND TO REVOKE THE GENERAL AUTHORITY OF A UNIT OF LOCAL GOVERNMENT OR A CONTRACTING PARTY TO IMPOSE A SEPARATE SCRAP TIRE DISPOSAL FEE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-187.16 reads as rewritten:

"§ 105-187.16. Tax imposed.

(a) Levy. - A privilege tax is imposed on a tire retailer at ~~the a percentage rate of one percent (1%)~~ of the sales price of each new tire sold at retail by the retailer. A privilege tax is imposed on a tire retailer and on a tire wholesale merchant at ~~the a percentage rate of one percent (1%)~~ of the sales price of each new tire sold by the retailer or wholesale merchant to a wholesale merchant or retailer for placement on a vehicle offered for sale, lease, or rental by the retailer or wholesale merchant. An excise tax is imposed on a new tire purchased for storage, use, or consumption in this State or for placement in this State on a vehicle offered for sale, lease, or rental. This excise tax is ~~at the a percentage rate of one percent (1%)~~ of the cost price of the tire. These taxes are in addition to all other taxes.

(b) Rate. - The percentage rate of the taxes imposed by subsection (a) is set by the following table; the rate is based on the bead diameter of the new tire sold or purchased:

Bead Diameter of Tire

Percentage Rate



1 **"§ 130A-309.61. Preemption. Effect on local ordinances.**

2 This Part preempts any local ordinance regarding the disposal of scrap tires to the  
3 extent ~~that any~~ the local ordinance is inconsistent with this Part or the rules adopted  
4 pursuant to this Part. ~~A unit of local government may not charge any fees for the disposal of~~  
5 ~~scrap tires except as authorized by this Part."~~

6 Sec. 6. Part 2B of Article 9 of Chapter 130A of the General Statutes is  
7 amended by adding a new section to read:

8 **"§ 130A-309.63. Scrap Tire Disposal Account.**

9 (a) Creation. – The Scrap Tire Disposal Account is established within the  
10 Department. The Account consists of revenue credited to the Account from the  
11 proceeds of the scrap tire disposal tax imposed by Article 5B of Chapter 105 of the  
12 General Statutes. Interest and other investment income earned by the Account accrues  
13 to the General Fund as nontax revenue.

14 (b) Use. – The Department may use revenue in the Account only as authorized by  
15 this subsection. The Department may use up to twenty-five percent (25%) of the  
16 revenue in the Account to make grants to units of local government to assist them in  
17 disposing of scrap tires. To administer the grants, the Department shall establish  
18 procedures for applying for a grant and the criteria for selecting among grant applicants.  
19 The criteria shall include the financial ability of a unit to provide for scrap tire disposal,  
20 the severity of a unit's scrap tire disposal problem, and the effort made by a unit to  
21 provide for scrap tire disposal within the resources available to it.

22 A unit of local government is not eligible for a grant unless its costs for disposing of  
23 scrap tires for a six-month period preceding the date the unit files an application for a  
24 grant exceeded the amount the unit received during that period from the proceeds of the  
25 scrap tire tax under G.S. 105-187.19. The Department shall determine the six-month  
26 period to be used in determining who is eligible for a grant. A grant to a unit may not  
27 exceed the unit's unreimbursed cost for the six-month period.

28 The Department may use the remaining revenue in the Account only to clean up a  
29 tire collection site that the Department has determined is a nuisance. The Department  
30 may use funds in the Account to clean up a nuisance tire collection site only if no other  
31 funds are available for that purpose.

32 (c) Reports. – The Department shall make quarterly reports on the Scrap Tire  
33 Disposal Account to the Environmental Review Commission. The report must show the  
34 beginning and ending balances in the Account for the reporting period, the amount  
35 credited to the Account during the quarter, and the amount of revenue used for grants  
36 and to clean up nuisance tire collection sites. A quarterly report must be filed within 60  
37 days after the end of a calendar quarter."

38 Sec. 7. This act becomes effective July 1, 1993. Sections 1 through 5 of this  
39 act expire July 1, 1995. Section 6 of this act expires July 1, 1996. The repeal of the  
40 additional tax imposed by Section 1 of this act does not affect the rights or liabilities of  
41 the State, a taxpayer, or another person that arose during the time the additional tax was  
42 in effect. The first quarterly report required by G.S. 130A-309.63, as enacted by this  
43 act, is due within 60 days after the quarter that ends on September 30, 1993.