

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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SENATE BILL 1158

Short Title: Electricity Franchise Tax Distribution. (Public)

Sponsors: Senator Hoyle.

Referred to: Rules and Operations of the Senate.

March 22, 2007

A BILL TO BE ENTITLED

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2 AN ACT TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO
3 DETERMINE A DIFFERENT METHOD FOR DISTRIBUTING THE
4 FRANCHISE TAX ON ELECTRIC POWER COMPANIES IN ORDER TO
5 SIMPLIFY THE DISTRIBUTION, REDUCE THE ADMINISTRATIVE BURDEN
6 ASSOCIATED WITH THE DISTRIBUTION, AND PREVENT ERRORS IN THE
7 DISTRIBUTION.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** The General Assembly finds that the current distribution to
10 cities under G.S. 105-116.1 of part of the franchise tax on electric power companies
11 imposes unnecessary administrative burdens on the cities, the power companies, and the
12 Department of Revenue and results in numerous errors in the distribution. The Revenue
13 Laws Study Committee is directed to recommend a method of distributing this revenue
14 to the cities on the basis of a formula that uses factors such as population and percentage
15 share of prior distributions rather than service inside constantly changing city
16 boundaries. The Committee must consult with the League of Municipalities and the
17 Department of Revenue in developing a recommendation. The Committee must include
18 its recommendation on a distribution method in its report to the 2008 Regular Session of
19 the 2007 General Assembly.

20 **SECTION 2.** This act is effective when it becomes law.