

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**HOUSE BILL 69**

Short Title: Repeal Highway Use Tax Transfer--3 Yrs. (Public)

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Sponsors: Representatives Bowie; Allred, Barbee, Barnhart, Blust, Brubaker, Cansler, Capps, Carpenter, Clary, Cole, Crawford, Culp, Daughtry, Davis, Decker, Esposito, Fox, Grady, Gray, Gulley, Hilton, Holmes, Johnson, Justus, McAllister, McComas, McCombs, McMahan, Mitchell, Morris, Pope, Preston, Setzer, Sexton, Sherrill, Shubert, Smith, Walend, Warner, C. Wilson, and G. Wilson.

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Referred to: Transportation, if favorable, Finance.

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February 7, 2001

A BILL TO BE ENTITLED

1 AN ACT TO REPEAL, WITH A THREE-YEAR PHASEOUT, THE ANNUAL  
2 TRANSFER OF ONE HUNDRED SEVENTY MILLION DOLLARS IN  
3 HIGHWAY USE TAX COLLECTIONS FROM THE HIGHWAY TRUST FUND  
4 TO THE GENERAL FUND FOR THREE YEARS AND TO PROVIDE THAT  
5 THOSE FUNDS SHALL BE USED BY THE DEPARTMENT OF  
6 TRANSPORTATION FOR HIGHWAY MAINTENANCE.  
7

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** G.S. 105-187.9 reads as rewritten:

10 **"§ 105-187.9. Disposition of tax proceeds.**

11 (a) Taxes collected under this Article at the rate of eight percent (8%) shall be  
12 credited to the General Fund. Taxes collected under this Article at the rate of three  
13 percent (3%) shall be credited to the North Carolina Highway Trust Fund. ~~In each fiscal~~  
14 ~~year the State Treasurer shall transfer the sum of one hundred seventy million dollars~~  
15 ~~(\$170,000,000) of the taxes deposited in the Trust Fund to the General Fund. The~~  
16 ~~transfer of funds authorized by this section may be made by transferring one-fourth of~~  
17 ~~the amount at the end of each quarter in the fiscal year or by transferring the full amount~~  
18 ~~annually on July 1 of each fiscal year, subject to the availability of revenue.~~

19 (b) Subject to the availability of revenue, the State Treasurer shall transfer the  
20 following sums of the taxes deposited in the Trust Fund, pursuant to subsection (a) of  
21 this section, to the General Fund:

22 (1) On July 1, 2001 – one hundred twenty-seven million five hundred  
23 thousand dollars (\$127,500,000).

- 1           (2)    On July 1, 2002 – eighty-five million dollars (\$85,000,000).  
2           (3)    On July 1, 2003 – forty-two million five hundred thousand dollars  
3                (\$42,500,000).  
4           (4)    On July 1, 2004, and on July 1 or each year thereafter, no funds shall  
5                be transferred."

6           **SECTION 2.** G.S. 136-176 is amended by adding a new subsection to read:

7           "(e) The Department of Transportation shall use the following funds deposited in  
8 the Trust Fund pursuant to subdivision (a)(2) of this section (in addition to any other  
9 funds appropriated for this purpose) for highway maintenance:

- 10           (1)    For the 2001-2002 fiscal year – forty-two million five hundred  
11                thousand dollars (\$42,500,000).  
12           (2)    For the 2002-2003 fiscal year – eighty-five million dollars  
13                (\$85,000,000).  
14           (3)    For the 2003-2004 fiscal year – one hundred twenty-seven million five  
15                hundred thousand dollars (\$127,500,000).  
16           (4)    For the 2004-2005 and all subsequent fiscal years – one hundred  
17                seventy million dollars (\$170,000,000)."

18           **SECTION 3.** This act becomes effective July 1, 2001.