

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019**

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**SENATE BILL 324**

Short Title: City-Piped Gas Excise Tax Share Modification. (Public)

Sponsors: Senator Sanderson (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 21, 2019

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR A MORE EQUITABLE DISTRIBUTION OF SALES TAX  
PROCEEDS FROM THE SALE AND USE OF PIPED NATURAL GAS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.44L(b) reads as rewritten:

"(b) Excise Tax Share. – ~~The Except as provided in this subsection, the quarterly excise tax share of a city is the amount of piped natural gas excise tax distributed to the city under repealed G.S. 105-187.44 for the same related quarter that was the last quarter in which taxes were imposed on piped natural gas under repealed Article 5E of this Chapter. The determination made by the Department with respect to a city's excise tax share is final and is not subject to administrative or judicial review.~~

The quarterly excise tax share of a low-use city shall be calculated in accordance with this paragraph. A low-use city is a city that had less than one thousand dollars (\$1,000) in quarterly piped natural gas excise tax distributed to the city under repealed G.S. 105-187.44 in the last quarter in which taxes were imposed on piped natural gas under repealed Article 5E of this Chapter. The quarterly excise tax share of a low-use city is equal to what the city's excise tax share would have been under repealed G.S. 105-187.44 using the city's first same related quarter of usage data beginning with January 1, 2020. Each low-use city's excise tax share shall be recalculated pursuant to this paragraph each year for three successive years, and the average quarterly excise tax share at the conclusion of the third year will be the share in all subsequent quarters with no further recalculation.

The excise tax share of a city that has dissolved, merged with another city, or divided into two or more cities since it received a distribution under repealed G.S. 105-187.44 is adjusted as follows:

- (1) If a city dissolves and is no longer incorporated, the excise tax share of the city is added to the amount distributed under subsection (c) of this section.
- (2) If two or more cities merge or otherwise consolidate, their excise tax shares are combined.
- (3) If a city divides into two or more cities, the excise tax share of the city that divides is allocated among the new cities in proportion to the total amount of ad valorem taxes levied by each on property having a tax situs in the city."

**SECTION 2.** This act becomes effective January 1, 2020, and applies to distributions made on or after that date.

