

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

S

1

SENATE BILL 354

Short Title: NC TEN.

(Public)

Sponsors: Senators Sawyer, McInnis, and Woodard (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 23, 2023

A BILL TO BE ENTITLED  
AN ACT TO INCREASE TRANSPORTATION REVENUE.  
The General Assembly of North Carolina enacts:

**INCREASE ELECTRIC VEHICLE FEE/ADD HYBRID VEHICLE FEE**

**SECTION 1.1.(a)** G.S. 20-87 reads as rewritten:

**"§ 20-87. Passenger vehicle registration fees.**

These fees shall be paid to the Division annually for the registration and licensing of passenger vehicles, according to the following classifications and schedules:

...

(13) Additional fee for certain electric vehicles. – At the time of an initial registration or registration renewal, the owner of a plug-in electric vehicle that is not a low-speed vehicle and that does not rely on a nonelectric source of power shall pay a fee in the amount of ~~one hundred forty dollars and twenty five cents (\$140.25)~~ one hundred eighty dollars (\$180.00) in addition to any other required registration fees.

(13a) Additional fee for plug-in hybrid vehicles. – At the time of an initial registration or registration renewal, the owner of a plug-in hybrid vehicle shall pay a fee in the amount of ninety dollars (\$90.00) in addition to any other required registration fees.

...."

**SECTION 1.1.(b)** This section becomes effective January 1, 2024, and applies to vehicles registered on or after that date.

**REMOVE VEHICLE PURCHASE TAX CAP**

**SECTION 2.** G.S. 105-187.3(a1) reads as rewritten:

"(a1) Tax Rate. – The tax rate is three percent (3%). ~~The maximum tax is two thousand dollars (\$2,000) for each certificate of title issued for a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in G.S. 20-4.01, and for each certificate of title issued for a recreational vehicle. The tax is payable as provided in G.S. 105-187.4.~~"

**ENACT NEW TRANSPORTATION COMMERCE TAX**

**SECTION 3.** Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 70.  
"Transportation Commerce.



**"§ 105-187.700. Definitions.**

The following definitions apply to this Article:

- (1) Reserved for future codification purposes.
- (2) Reserved for future codification purposes.
- (3) Exclusive-ride service. – The transportation of one or more related passengers from the same origin to the same destination.
- (4) Reserved for future codification purposes.
- (5) Reserved for future codification purposes.
- (6) Prearranged transportation service. – As defined in G.S. 20-280.1.
- (7) Reserved for future codification purposes.
- (8) Reserved for future codification purposes.
- (9) Shared-ride service. – The transportation of two or more unrelated passengers between different points of origin or destination.
- (10) Reserved for future codification purposes.
- (11) Reserved for future codification purposes.
- (12) Transportation network company. – As defined in G.S. 20-280.1.

**"§ 105-187.705. Tax imposed.**

For the period that begins on January 1, 2024, and ends on December 31, 2024, a tax is imposed on a transportation network company at a flat rate for each prearranged transportation service that originates in this State. The rate of tax is fifty cents (50¢) for exclusive-ride service and twenty-five cents (25¢) for shared-ride service. For calendar years beginning on or after January 1, 2025, the tax imposed by this section is the tax imposed the preceding calendar year multiplied by the percentage calculated under G.S. 105-449.80.

**"§ 105-187.710. Administration.**

The Secretary shall adopt regulations to administer and collect a tax imposed under this Article.

**"§ 105-187.715. Use of tax proceeds.**

Each quarter, the Secretary shall credit the net tax proceeds of the taxes collected under this Article, less the Department of Revenue's allowance for administrative expenses, to the Highway Fund. The Secretary may retain the Department's cost of collection, not to exceed four hundred twenty-five thousand dollars (\$425,000) a year, as reimbursement to the Department."

**MODIFY CAP ON CERTAIN PUBLIC-PRIVATE PARTNERSHIPS**

**SECTION 4.1.(a)** G.S. 136-18 reads as rewritten:

**"§ 136-18. Powers of Department of Transportation.**

The Department of Transportation has the following powers:

- ...
- (39a) a. ~~The Department of Transportation or Turnpike Authority, as applicable, and Turnpike Authority~~ may enter into up to three agreements each with a private entity as provided under subdivision (39) of this section for which the provisions of this section apply.
- ...."

**SECTION 4.1.(b)** This section is effective when it becomes law.

**EFFECTIVE DATE**

**SECTION 5.** Except as otherwise provided, this act is effective January 1, 2024, and applies to transactions occurring on or after that date.