



SENATE BILL 220: Motor Fuel Tax Exemption for Joint Agency.

2017-2018 General Assembly

Committee:	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	Date:	June 21, 2017
Introduced by:	Sen. Sanderson	Prepared by:	Nicholas Giddings Staff Attorney
Analysis of:	PCS to First Edition S220-CSBA-27		

OVERVIEW: *The PCS to Senate Bill 220 would do the following:*

- *Exempt a joint agency created by interlocal agreement for the purposes of fire protection, police protection, or emergency services from having to pay motor fuel excise taxes.*
- *Remove from the bill a provision pertaining to regional solid waste management authorities.*
- *Change the effective date from July 1, 2017 to January 1, 2018.*

CURRENT LAW: G.S. 105-449.88 exempts fuel sold to a limited number of governmental entities from the motor fuels excise tax: fuel for use by the federal government, State government, a local board of education, a charter school, a community college, a county, or a city. While current law exempts municipalities and counties from paying motor fuel taxes, it does not exempt municipal and county governments when they form interlocal agreements to perform services.

BILL ANALYSIS: The PCS to Senate Bill 220 would afford the same tax preferences for certain joint agencies created by an interlocal agreement between two or more governmental units that would be allowed for the individual units. Specifically, it would exempt a joint agency created for the purpose of police, fire, or emergency services from paying motor fuel excise taxes on the fuel it uses.

EFFECTIVE DATE: The bill becomes effective January 1, 2018, and applies to purchases made on or after that date.

BACKGROUND: The only known joint agency Senate Bill 220 would provide a motor fuel tax exemption for is the Western Carteret Fire & EMS Department, but it could also apply to any joint agency that meets the criteria.

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