



HOUSE BILL 372: Restore Funding/State Conservation Purposes.

2021-2022 General Assembly

Committee:	House Environment. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 20, 2021
Introduced by:	Reps. McElraft, Howard, Saine, Davis	Prepared by:	Chris Saunders
Analysis of:	PCS to First Edition H372-CSTQf-15		Committee Co-Counsel

OVERVIEW: *The Proposed Committee Substitute (PCS) to House Bill 372 would require that proceeds of the Deed Stamp Excise Tax be deposited into the Parks and Recreation Trust Fund, Land and Water Fund (formerly known as the Clean Water Management Trust Fund), Coastal Storm Damage Mitigation Fund, and North Carolina Agricultural Development and Farmland Preservation Trust Fund, rather than the General Fund.*

The PCS makes a conforming change to the Coastal Storm Damage Mitigation Fund.

[As introduced, this bill was identical to S354, as introduced by Sens. Lee, Ballard, Lazzara, which is currently in Senate Appropriations/Base Budget.]

CURRENT LAW AND BACKGROUND: Pursuant to G.S. 105-228.30, the State levies an excise tax of \$1 for every \$500 of property value conveyed in most land transactions. This tax is commonly called the Deed Stamp Excise Tax or the Land Transfer Tax. G.S. 105-228.30 allows counties to retain a portion of the proceeds and to remit the remainder to the Department of Revenue.

Prior to 2013, of the funds remitted to the Department of Revenue, 75% were credited to the Parks and Recreation Trust Fund, and 25% were credited to the Natural Heritage Trust Fund. The 2013 Appropriations Act, S.L. 2013-360, (i) closed the Natural Heritage Trust Fund and transferred the funds in the account to the Clean Water Management Trust Fund, and (ii) directed the Department of Revenue to credit the funds remitted to the Department from the Deed Stamp Excise Tax to the General Fund.

BILL ANALYSIS: The PCS would amend the distribution of the State portion of the Deed Stamp Excise Tax to credit the funds as follows, rather than crediting it to the General Fund:

- 30% to the Parks and Recreation Trust Fund.
- 30% to the Land and Water Fund (formerly known as the Clean Water Management Trust Fund).
- 30% to the Coastal Storm Damage Mitigation Fund.
- 10% to the North Carolina Agricultural Development and Farmland Preservation Trust Fund.

EFFECTIVE DATE: This act would become effective July 1, 2021.

Jeffrey Hudson
Director



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Legislative Analysis
Division
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