

DEPARTMENT OF REVENUE TO REPORT ON MOTOR FUELS TAX AUDITOR AND INVESTIGATOR PERFORMANCE

SECTION 28.25. The Department of Revenue, Motor Fuels Division and the Tax Enforcement Division, shall report on the performance of auditor and investigator collection and enforcement activities as it relates to its administration of the motor fuels, alternative fuels, motor carrier, and inspection tax laws. The report will overview the Department's collection and enforcement activities and include recommendations to improve these efforts. This Department shall develop a methodology to compare performance by employees and include these results in the report. The Department of Revenue shall report to the Joint Legislative Transportation Oversight Committee and to the Joint Legislative Commission on Governmental Operations by March 1, 2012.

REDUCE ADMINISTRATIVE TRANSFERS AND REDIRECT LEAKING UNDERGROUND STORAGE TANK FUNDING TO HIGHWAY FUND FOR SYSTEM PRESERVATION

SECTION 28.25A.(a) Notwithstanding G.S. 119-18(b) or any other provision of law, the amount of allowable costs of administering Chapter 119 of the General Statutes for the Department of Agriculture and Consumer Services shall be reduced by a recurring two hundred sixty-one thousand eight hundred eighty-eight dollars (\$261,888). Notwithstanding G.S. 119-18(b) or any other provision of law, the amount of allowable costs of administering Subchapter V of Chapter 105 of the General Statutes for the Department of Revenue shall be reduced by a recurring one million twenty-four thousand five hundred forty-four dollars (\$1,024,544).

SECTION 28.25A.(b) G.S. 119-18(b) reads as rewritten:

"(b) Proceeds. – The proceeds of the inspection tax levied by this section shall be applied first to the costs of administering this Article and Subchapter V of Chapter 105 of the General Statutes. The remainder of the proceeds shall be credited on a monthly basis to ~~the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund and the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund.~~ If the amount of revenue in the ~~Noncommercial Fund~~ at the end of a month is at least five million dollars (\$5,000,000), one half of the remainder of the proceeds shall be credited to the ~~Noncommercial Fund~~ and one half of the remainder of the proceeds shall be credited to the ~~Commercial Fund~~. If the amount of revenue in the ~~Noncommercial Fund~~ at the end of a month is less than this threshold amount, all of the remainder of the proceeds shall be credited to the ~~Noncommercial Fund~~. the Highway Fund to be used for system preservation under the Department of Transportation in the highway maintenance program."

STUDY REIMBURSEMENT PROCESS FOR DEPARTMENT OF CORRECTION LITTER PICKUP

SECTION 28.26. The Office of State Budget and Management, in consultation with the Department of Correction and Department of Transportation, shall study performance-based reimbursement as an alternative to the current funding mechanism for inmate litter pickup, which consists of a direct appropriation from the Department of Transportation's Highway Fund budget to the Department of Correction. Measures for an alternative funding mechanism may include reimbursements based on total mileage of highways cleaned, per hour reimbursements for non-litter pickup activities, or other factors, as appropriate.

The Office of State Budget and Management shall report to the Joint Legislative Transportation Oversight Committee and to the Joint Legislative Commission on Governmental Operations no later than March 1, 2012. It is intended that the report contain recommendations for reimbursement rates that have been agreed upon by the Department of Correction and the Department of Transportation and that the recommended rate structure will be included in the report. The report shall also include any statutory changes to be considered by the General Assembly in relation to this report.

STATE HIGHWAY PATROL FUNDS TRANSFER

SECTION 28.27.(a) In fiscal year 2011-2012, the State Treasurer shall transfer one hundred ninety-six million eight hundred forty-nine thousand five hundred forty-two dollars (\$196,849,542) of the funds allocated to the Highway Fund under G.S. 105-449.125 to