

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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HOUSE BILL 1304

Short Title: Advance Disposal Fee for Mobile Homes. (Public)

Sponsors: Representative Haire.

Referred to: Environment and Natural Resources, if favorable, Finance.

May 15, 2003

1 A BILL TO BE ENTITLED  
2 AN ACT TO IMPOSE AN ADVANCE DISPOSAL FEE ON NEW AND USED  
3 MOBILE HOMES, TO REQUIRE COUNTIES TO DEVELOP PLANS THAT  
4 PROVIDE FOR THE DECONSTRUCTION OF OBSOLETE MOBILE HOMES  
5 AND THE REMOVAL OF REUSABLE OR RECYCLABLE COMPONENTS,  
6 AND TO PROVIDE FOR THE ABATEMENT OF NUISANCE OBSOLETE  
7 MOBILE HOMES.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** Chapter 105 of the General Statutes is amended by adding a  
10 new Article to read:

"Article 5G.

"Mobile Home Disposal Tax.

11 **"§ 105-187.60. Definitions.**

12 The definitions in G.S. 105-164.3 apply to this Article, except that the term 'sale'  
13 does not include lease or rental. 'Mobile home' means a structure that satisfies all of the  
14 following:

- 15 (1) The structure is designed, constructed, and intended for use as a  
16 dwelling house, office, place of business, or similar place of  
17 habitation.  
18 (2) The structure is capable of being transported from place to place on  
19 wheels attached to its frame.  
20 (3) At the time of sale, the structure is not placed on a permanent  
21 foundation.

22 'Mobile home' includes a manufactured home as defined in G.S. 143-143.9 that, at  
23 the time of sale, is not placed on a permanent foundation.

24 **"§ 105-187.61. Tax imposed.**

25 A privilege tax is imposed on a mobile home retailer at a flat rate for each new  
26 mobile home sold by the retailer and for each used mobile home sold by the retailer. An  
27 excise tax is imposed on a new mobile home and on a used mobile home purchased  
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29

1 outside the State for storage, use, or consumption in this State. These taxes are in  
2 addition to all other taxes. The rate of the privilege tax and the excise tax is as follows:

- 3 (1) For each new single wide mobile home, one thousand dollars (\$1,000).
- 4 (2) For each new multisection mobile home, seven hundred fifty dollars  
5 (\$750.00) for each section of the mobile home.
- 6 (3) For each used single wide mobile home, five hundred dollars  
7 (\$500.00).
- 8 (4) For each used multisection mobile home, five hundred dollars  
9 (\$500.00) for each section of the mobile home.

10 **"§ 105-187.62. Administration.**

11 The privilege tax this Article imposes on a mobile home retailer who sells new or  
12 used mobile homes at retail is an additional State sales tax, and the excise tax this  
13 Article imposes on the storage, use, or consumption of a new or used mobile home in  
14 this State is an additional State use tax. Except as otherwise provided in this Article,  
15 these taxes shall be collected and administered in the same manner as the State sales and  
16 use taxes imposed by Article 5 of this Chapter. As under Article 5 of this Chapter, the  
17 additional State sales tax paid when a new or used mobile home is sold is a credit  
18 against the additional State use tax imposed on the storage, use, or consumption of the  
19 same mobile home.

20 **"§ 105-187.63. Exemptions.**

21 The exemptions in G.S. 105-164.13 and the refunds allowed in G.S. 105-164.14 do  
22 not apply to the taxes imposed by this Article.

23 **"§ 105-187.64. Use of tax proceeds.**

24 The Secretary shall distribute the taxes collected under this Article, less the cost of  
25 collecting the taxes, in accordance with this section. The Secretary shall retain the cost  
26 of collection as reimbursement to the Department of Revenue.

27 Each quarter, the Secretary shall credit the net tax proceeds to the Mobile Homes  
28 Management Account. Funds in the Mobile Homes Management Account may be used  
29 only as provided in G.S. 130A-309.94."

30 **SECTION 2.** Article 9 of Chapter 130A of the General Statutes is amended  
31 by adding a new Part to read:

32 "Part 2E. Management of Obsolete Mobile Homes.

33 **"§ 130A-309.90. Findings; purpose.**

34 (a) The General Assembly finds that:

- 35 (1) The number of mobile homes in North Carolina has risen dramatically  
36 as land has become scarce and the housing market has become more  
37 expensive.
- 38 (2) By the nature of their construction, mobile homes are difficult and  
39 expensive to repair when they begin to deteriorate. Often consumers  
40 simply buy another mobile home rather than refurbish the mobile  
41 home that needs repair.
- 42 (3) It is estimated that, as of 2003, there are more than 30,000 vacant  
43 mobile homes in North Carolina.

- 1           (4) Nuisance obsolete mobile homes create public health and  
2 environmental problems and are a visual blight on the landscape of  
3 North Carolina. A nuisance obsolete mobile home poses a fire hazard,  
4 is a safety hazard to unsupervised children, and is a potential source of  
5 toxic or hazardous materials that may escape into the environment.
- 6           (5) Most landfills will not accept intact mobile homes due to their bulky  
7 nature. In those instances where landfills do accept mobile homes for  
8 disposal, the cost of disposal can be prohibitive for many mobile home  
9 owners. Landfill disposal costs include tipping fees, the costs of  
10 transporting the obsolete structures to the landfill, and the costs of  
11 removing any hazardous materials, such as asbestos and other harmful  
12 chemicals.
- 13           (6) Many components of mobile homes can be reused or recycled,  
14 including windows, screens, doors, copper tubing, copper wiring,  
15 aluminum, tin, steel, lumber, steel frames, pipes, countertops, cabinets,  
16 and other appliances and fixtures. It is estimated that twenty-six  
17 percent (26%) to thirty-eight percent (38%) of the components of a  
18 mobile home can be reused or recycled without extensive manual  
19 labor.
- 20           (7) It is desirable to allow units of local government to manage the  
21 disposal of mobile homes for themselves and to encourage  
22 multicounty, regional approaches to the deconstruction of obsolete  
23 mobile homes and the removal of components that are reusable or  
24 recyclable.
- 25           (8) It is in the State's best interest to encourage the reduction of the  
26 volume of mobile homes being disposed of at public sanitary landfills,  
27 to encourage the deconstruction of obsolete mobile homes and the  
28 removal of components that are reusable or recyclable, and to  
29 encourage the reduction of potentially toxic or hazardous materials  
30 components of obsolete mobile homes.

31           (b) The purpose of this Part is to provide statewide guidelines and structure for  
32 the environmentally safe disposal of obsolete mobile homes to be administered through  
33 units of local government.

34 **"§ 130A-309.91. Definitions.**

35           The following definitions apply to this Part:

- 36           (1) Mobile home. – Defined in G.S. 105-187.60.  
37           (2) Nuisance. – An unreasonable danger to public health, safety, or  
38 welfare or to the environment.  
39           (3) Obsolete mobile home. – An abandoned mobile home or a mobile  
40 home that is untended or in need of extensive repair and that no longer  
41 functions for any of its intended uses as a dwelling house, office, place  
42 of business, or similar place of habitation.

43 **"§ 130A-309.92. Management of obsolete mobile homes; disposal fee prohibited**  
44 **for certain mobile homes.**

1       (a) Duty. – Each county shall develop a plan for the disposal of obsolete mobile  
2 homes that provides for the deconstruction of mobile homes and the removal of  
3 components as practical for reuse or recycling. A county may contract with another unit  
4 of local government or a private entity in accordance with Article 15 of Chapter 153A  
5 of the General Statutes to provide for the management of obsolete mobile homes or for  
6 the deconstruction of mobile homes and the removal of components as practical for  
7 reuse or recycling.

8       (b) Restrictions. – A unit of local government or a contracting party shall not  
9 charge a disposal fee for the disposal of obsolete mobile homes that were purchased  
10 after January 1, 2004. An intact mobile home shall not be disposed of in a landfill, an  
11 incinerator, or a waste-to-energy facility.

12       (c) Plan. – Each county shall establish written procedures for the management of  
13 obsolete mobile homes. The county shall include the procedures in any solid waste  
14 management plan required by the Department under this Article.

15 **§ 130A-309.93. Nuisance obsolete mobile homes.**

16       (a) If a county or municipality determines that an obsolete mobile home is a  
17 nuisance, it shall notify the person responsible for the nuisance and request that the  
18 mobile home be properly disposed of or removed within 90 days. If the person fails to  
19 take the requested action within 90 days, the county or municipality shall order the  
20 person to abate the nuisance within 90 days. If the person responsible for the nuisance is  
21 not the owner of the property on which the mobile home is located, the county or  
22 municipality may order the property owner to permit abatement of the nuisance. If the  
23 person responsible for the nuisance fails to comply with the order, the county or  
24 municipality shall take any action necessary to abate the nuisance, including entering  
25 the property where the mobile home is located to inspect the mobile home, arranging to  
26 have title to the mobile home transferred to the county or municipality, as appropriate,  
27 or arranging to have the mobile home deconstructed at the site or removed for disposal  
28 consistent with this Article.

29       (b) When the county or municipality abates the nuisance pursuant to subsection  
30 (a) of this section, the person responsible for the nuisance shall be liable for any unpaid  
31 property taxes due on the mobile home and for the actual costs incurred by the county or  
32 municipality for its nuisance abatement activities and its administrative and legal  
33 expenses related to the abatement. The county or municipality may initiate a civil action  
34 to recover these unpaid taxes or costs from the person responsible for the nuisance.  
35 Nonpayment of either any unpaid taxes or of the actual costs incurred by the county or  
36 municipality shall result in the imposition of a lien on the owner's real property on  
37 which the mobile home site is located.

38       (c) This section does not apply to any of the following:

39           (1) A retail business premises where mobile homes are sold.

40           (2) A solid waste disposal facility where no more than 10 mobile homes  
41 are stored at one time if all of the mobile homes received for storage  
42 are deconstructed or removed from the facility within one year after  
43 receipt.

1 (d) The descending order of priority for abatement activities under subsection (a)  
2 of this section is as follows:

3 (1) Any obsolete mobile home that constitutes a fire hazard or threat to  
4 public health or safety.

5 (2) An obsolete mobile home located in a densely populated area.

6 (3) Any other obsolete mobile home that is determined to be a nuisance.

7 (e) This section does not change the existing authority of a county or a  
8 municipality to enforce any existing laws or of any person to abate a nuisance.

9 **"§ 130A-309.94. Mobile Homes Management Account.**

10 (a) The Mobile Homes Management Account is established within the  
11 Department. The Mobile Homes Management Account consists of revenue credited to  
12 the Account from the proceeds of the mobile home disposal tax imposed by Article 5G  
13 of Chapter 105 of the General Statutes.

14 (b) The Department shall use revenue in the Account to make grants to units of  
15 local government to assist them in managing obsolete mobile homes. To administer the  
16 grants, the Department shall establish procedures for applying for a grant and the  
17 criteria for selecting among grant applicants. The criteria shall include the financial  
18 ability of a unit to manage obsolete mobile homes, the severity of a unit's obsolete  
19 mobile home management problem, and the effort made by a unit to manage obsolete  
20 mobile homes within the resources available to it. A unit of local government may apply  
21 for a grant for any of the following:

22 (1) Capital improvements for infrastructure to deconstruct obsolete mobile  
23 homes and remove components for reuse or recycling, equipment  
24 essential for the deconstruction of obsolete mobile homes or the  
25 removal of components, and storage sheds for this essential equipment.

26 (2) Operating costs associated with the deconstruction of obsolete mobile  
27 homes and the removal of reusable or recyclable components, such as  
28 labor and transportation.

29 (3) The costs of abating a nuisance obsolete mobile home under G.S.  
30 130A-309.93.

31 (c) A unit of local government shall not use grant funds for a capital  
32 improvement or an operating expense that does not directly relate to the management of  
33 obsolete mobile homes. If a capital improvement or operating expense is partially  
34 related to the management of obsolete mobile homes, a unit of local government may  
35 use the funds to finance a percentage of the costs equal to the percentage of the use of  
36 the improvement or expense directly related to the management of obsolete mobile  
37 homes.

38 **"§ 130A-309.95. Authority to adopt rules and ordinances.**

39 (a) The Department may adopt rules necessary to implement this Part.

40 (b) A unit of local government may adopt ordinances necessary to implement this  
41 Part.

42 **"§ 130A-309.96. Civil penalties for improper disposal.**

43 The Department may assess a civil penalty of not more than one thousand dollars  
44 (\$1,000) against a person who, knowing it is unlawful, places or otherwise disposes of

1 an obsolete mobile home in a landfill, an incinerator, or a waste-to-energy facility. The  
2 Department may assess this penalty for the day the unlawful disposal occurs and each  
3 following day until the mobile home is disposed of properly. The clear proceeds of civil  
4 penalties assessed pursuant to this section shall be remitted to the Civil Penalty and  
5 Forfeiture Fund in accordance with G.S. 115C-457.2.

6 **"§ 130A-309.97. Reporting on the management of mobile homes.**

7 (a) Any unit of local government that received a grant under G.S. 130A-309.94  
8 shall report to the Department within six months of receiving the grant and every six  
9 months thereafter until a final report is submitted at the completion of the project funded  
10 in whole or in part with the grant. The report shall include the amount of funds received  
11 as a grant, the manner in which the grant was used, and the extent to which the grant  
12 assisted the unit of local government in managing the disposal of obsolete mobile  
13 homes consistent with this Part.

14 (b) The Department shall include in the report to be delivered to the  
15 Environmental Review Commission on or before 15 January of each year pursuant to  
16 G.S. 130A-309.06(c) a description of the management of obsolete mobile homes in the  
17 State for the fiscal year ending the preceding 30 June. The description of the  
18 management of obsolete mobile homes shall include the following information:

19 (1) The amount of taxes collected and distributed under G.S. 105-187.61  
20 during the period covered by the report.

21 (2) The cost to each county of managing obsolete mobile homes and  
22 nuisance obsolete mobile homes during the period covered by the  
23 report.

24 (3) The beginning and ending balances of the Mobile Homes Management  
25 Account for the period covered by the report and a list of grants made  
26 from the Account for the period.

27 (4) Any other information the Department considers helpful in  
28 understanding the problem of managing obsolete mobile homes.

29 (5) A summary of the information concerning the counties' obsolete  
30 mobile homes management programs contained in the counties'  
31 Annual Financial Information Report and the reports submitted under  
32 subsection (a) of this section.

33 **"§ 130A-309.98. Effect on local ordinances.**

34 This Part preempts any local ordinance regarding the management of mobile homes  
35 that is inconsistent with this Part or the rules adopted pursuant to this Part. It does not  
36 preempt any local ordinance regarding the management of mobile homes that is  
37 consistent with this Part or rules adopted pursuant to this Part."

38 **SECTION 3.** G.S. 130A-309.06(c) reads as rewritten:

39 "(c) The Department shall report to the Environmental Review Commission on or  
40 before 15 January of each year on the status of solid waste management efforts in the  
41 State. The report shall include:

42 ...

43 (14) A description of the management of obsolete mobile homes in the  
44 State, the beginning and ending balances in the Mobile Homes

1                    Management Account for the reporting period, the amount credited to  
2                    the Mobile Homes Management Account during the reporting period,  
3                    and the amount of revenue used, listed by county, for grants and to  
4                    clean up nuisance obsolete mobile homes, as required by G.S.  
5                    130A-309.93."

6                    **SECTION 4.** This act becomes effective January 1, 2004. Section 1 of this  
7 act applies to sales made on or after that date.