

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 32

Short Title: Bladen Sales Tax for Schools.

(Local)

Sponsors: Representative Nye.

Referred to: Finance.

February 4, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE BLADEN COUNTY TO LEVY A ONE-CENT LOCAL SALES AND USE TAX FOR PUBLIC SCHOOL BUILDINGS, IF APPROVED BY THE VOTERS OF THE COUNTY.

The General Assembly of North Carolina enacts:

Section 1. This act applies to Bladen County only.

Section 2. Subchapter VIII of Chapter 105 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 44.

"SECOND ONE-CENT (1¢) LOCAL GOVERNMENT SALES AND USE TAX.

"§ 105-525. Short title.

This Article is the Second One-Cent (1¢) Local Government Sales and Use Tax Act.

"§ 105-526. Limitations.

This Article applies only to counties that levy the first one-cent (1¢) sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter.

"§ 105-527. Levy.

(a) Authority. – If the majority of those voting in a referendum held pursuant to this Article vote for the levy of the taxes, the board of commissioners of the county may,

1 by resolution, levy one percent (1%) local sales and use taxes in addition to any other
2 State and local sales and use taxes levied pursuant to law.

3 (b) Vote. – The board of commissioners of a county may direct the county board
4 of elections to conduct an advisory referendum on the question of whether to levy local
5 one percent (1%) sales and use taxes in the county as provided in this Article. The
6 election shall be held on a date jointly agreed upon by the two boards and shall be held in
7 accordance with the procedures of G.S. 163-287.

8 (c) Ballot Question. – The form of the question to be presented on a ballot for a
9 special election concerning the levy of the taxes authorized by this Article shall be:

10 **'[] FOR [] AGAINST**

11 one percent (1%) local sales and use taxes, in addition to the current two percent (2%)
12 local sales and use taxes, to be used only for public school capital projects.'

13 **"§ 105-528. Administration.**

14 Except as provided in this Article, the adoption, levy, collection, administration, and
15 repeal of the additional taxes authorized by this Article shall be in accordance with
16 Article 39 of this Chapter.

17 A tax levied under this Article does not apply to the sales price of food that is not
18 otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the
19 State sales and use tax pursuant to G.S. 105-164.13 if it were purchased under the Food
20 Stamp Program, 7 U.S.C. § 51.

21 **"§ 105-529. Expiration.**

22 A tax levied under this Article expires 10 years after the effective date of its levy. A
23 county's authorization to levy a tax under this Article expires 10 years after the effective
24 date of the first tax a county levies under this Article, even if the tax has not remained in
25 effect for the entire 10-year period. The expiration of a tax pursuant to this Article does
26 not affect the rights or liabilities of a county, a taxpayer, or another person arising under
27 the expired tax; nor does it affect the right to any refund or credit of a tax that would
28 otherwise have been available under the expired tax before its expiration.

29 If the Secretary receives a valid request for a refund of a tax levied under this Article
30 after the tax has expired and the net proceeds have been distributed, the Secretary shall
31 draw the refund from the taxing county's share of the net proceeds of the tax it levies
32 under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, as
33 applicable.

34 **"§ 105-530. Distribution and use.**

35 (a) Distribution. – The Secretary shall, on a quarterly basis, distribute to each
36 taxing county the net proceeds of the tax collected in that county under this Article. If the
37 Secretary collects taxes under this Article in a month and the taxes cannot be identified as
38 being attributable to a particular taxing county, the Secretary shall allocate these taxes
39 among the taxing counties in proportion to the amount of taxes collected in each county
40 under this Article in that month and shall include them in the quarterly distribution.

41 (b) Use. – The proceeds of a tax levied under this Article may be used only for
42 public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire debt
43 incurred by the county for these purposes after January 1, 1997."

1 Section 3. A tax levied under Article 44 of Chapter 105 of the General
2 Statutes, as enacted by this act, does not apply to construction materials purchased to
3 fulfill a lump-sum or unit-price contract entered into or awarded before the effective date
4 of the levy or entered into or awarded pursuant to a bid made before the effective date of
5 the levy when the construction materials would otherwise be subject to the tax levied
6 under Article 44 of Chapter 105 of the General Statutes.

7 Section 4. This act is effective when it becomes law.