

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 112  
Committee Substitute Favorable 6/26/19

Short Title: Roanoke Rapids Local Option Sales Tax.

(Local)

Sponsors:

Referred to:

February 20, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE THE CITY OF ROANOKE RAPIDS TO LEVY A MUNICIPAL  
3 ONE PERCENT SALES AND USE TAX.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** This act applies to the City of Roanoke Rapids only.

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

8 "Article 47.

9 "First One Cent (1¢) Municipal Sales and Use Tax.

10 **"§ 105-540. Short title.**

11 This Article is the First One Cent (1¢) Municipal Sales and Use Tax Act.

12 **"§ 105-541. Levy.**

13 (a) Authority. – If the majority of those voting in a referendum held pursuant to this  
14 Article vote for the levy of the tax, the governing body of the municipality may, by resolution  
15 and after 10 days' public notice, levy a local sales and use tax at a rate of one percent (1%) in  
16 addition to any other State and local sales and use taxes levied pursuant to law.

17 (b) Vote. – The governing body of the municipality may direct the county board of  
18 elections to conduct an advisory referendum on the question of whether to levy a local sales and  
19 use tax in the municipality as provided in this Article. The election shall be held on a date jointly  
20 agreed upon by the governing body of the municipality and the county board of elections and  
21 shall be held in accordance with the procedures of G.S. 163A-1592.

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

24  FOR  AGAINST

25 Local sales and use tax at the rate of one percent (1%) in addition to all other State  
26 and local sales and use taxes to be used exclusively for the payment of debt service on debt  
27 incurred to finance the Roanoke Rapids Theatre."

28 **"§ 105-542. Administration.**

29 Except as provided in this Article, the adoption, levy, collection, administration, and repeal  
30 of the additional taxes authorized by this Article shall be in accordance with Article 39 of this  
31 Chapter. References to "county," "counties," or "board of county commissioners" within Article  
32 39 of this Chapter shall be interpreted as referring to "municipality," "municipalities," or  
33 "governing body of the municipality," respectively, for purposes of the tax authorized by this  
34 Article. G.S. 105-468.1 is an administrative provision that applies to this Article. A tax levied  
35 under this Article does not apply to the sales price of food that is exempt from tax pursuant to



1 G.S. 105-164.13B or to the sales price of a bundled transaction taxable pursuant to  
2 G.S. 105-467(a)(5a).

3 **"§ 105-543. Distribution.**

4 The Secretary shall, on a monthly basis, distribute to each taxing municipality for which the  
5 Secretary collects the tax the net proceeds, as defined in G.S. 105-472, of the tax collected in that  
6 municipality under this Article. If the Secretary collects local sales or use taxes in a month and  
7 the taxes cannot be identified as being attributable to a particular taxing municipality, the  
8 Secretary shall allocate the taxes among the taxing municipalities in proportion to the amount of  
9 taxes collected in each municipality under this Article during that month and shall include them  
10 in the monthly distribution. Amounts collected by electronic funds transfer payments are  
11 included in the distribution for the month in which the return that applies to the payment is  
12 received."

13 **SECTION 3.** The City of Roanoke Rapids shall use the proceeds of a tax levied  
14 pursuant to this act in accordance with the ballot question set out in G.S. 105-541(c), as enacted  
15 by Section 2 of this act. Notwithstanding the repeal provisions for the tax authorized in  
16 G.S. 105-542, as enacted by Section 2 of this act, the Roanoke Rapids City Council shall, by  
17 resolution and without the necessity of an election, terminate the levy and the imposition of a tax  
18 levied under this Article the earlier of when the debt on the Roanoke Rapids Theatre has been  
19 paid or 15 years after the effective date of its levy. The termination of a tax levied and imposed  
20 under this Article shall become effective on the first day of a month and shall not become  
21 effective until the end of the fiscal year in which the repeal resolution was adopted. The City's  
22 authority to levy a tax under this Article expires when the levy and imposition of the tax under  
23 this Article is terminated under this section. The expiration of a tax under this Article does not  
24 affect the rights or liabilities of the City, a taxpayer, or another person arising under the expired  
25 tax before the effective date of its expiration; nor does it affect the right to any refund or credit  
26 of a tax that would otherwise have been available under the expired tax before the effective date  
27 of its expiration.

28 **SECTION 4.** This act is effective when it becomes law.