

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 625

Short Title: Warren Land Transfer Tax.

(Local)

Sponsors: Senator Ballance.

Referred to: Finance.

April 15, 1991

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE WARREN COUNTY TO LEVY A ONE PERCENT LOCAL LAND TRANSFER TAX.

The General Assembly of North Carolina enacts:

Section 1. Chapter 105 of the General Statutes is amended by adding a new Article to read:

**“ARTICLE 8F.**

**“LOCAL GOVERNMENT EXCISE STAMP TAX ON CONVEYANCES.**

**“§ 105-228.50. Purpose.**

This Article gives the counties and cities of this State an opportunity to obtain an added source of revenue with which to meet their growing financial needs.

**“§ 105-228.51. Levy of county conveyance tax.**

The board of commissioners of a county may by resolution, after not less than 10 days' public notice and a public hearing held pursuant thereto, levy an excise tax on instruments conveying interests in real property located in that county at a rate not to exceed one percent (1%) of the consideration or value of the interest conveyed, including the value of any lien or encumbrance remaining on the property at the time of sale. This tax is in addition to the tax levied by Article 8E of this Chapter. Upon adoption of the resolution, the board of commissioners shall send a certified copy to the register of deeds of the county.

Collection of the tax, and liability therefor, shall begin and continue only on and after the first day of a calendar month set by the board of county commissioners in the resolution levying the tax, which may not be earlier than the first day of the second succeeding calendar month after the date the resolution is adopted.

1 **"§ 105-228.52. Scope and administration of tax.**

2 A tax levied under this Article does not apply to transfers exempt pursuant to G.S.  
3 105-228.28 or G.S. 105-228.29 from the tax levied by Article 8E of this Chapter. A tax  
4 levied under this Article applies to transfers of interests in real property located within  
5 the taxing county, except that if the property is located in two or more counties, a  
6 transfer of an interest in the property is taxable only by the county in which the greater  
7 part of the property, with respect to value, lies.

8 A tax levied under this Article is payable by the transferor of the interest. The  
9 provisions of G.S. 105-228.31 through G.S. 105-228.36 apply to a tax levied under this  
10 Article.

11 **"§ 105-228.53. Use of proceeds.**

12 For the first 10 fiscal years in which a tax levied under this Article is in effect, the  
13 net proceeds of the tax shall be retained by the county and shall be used only for capital  
14 expenditures, including retirement of debt incurred for capital projects.

15 Beginning with the eleventh fiscal year in which the tax is in effect, the county shall,  
16 on a quarterly basis, distribute one-third of the net proceeds of the tax among the  
17 municipalities of the county in proportion to the amount of ad valorem taxes levied by  
18 each for the preceding fiscal year. Revenue distributed to a municipality under this  
19 section may be used for any public purpose. The remaining net proceeds of the tax shall  
20 be retained by the county and may be used for any public purpose.

21 **"§ 105-228.54. Repeal or reduction of tax.**

22 A county may, by resolution, repeal or reduce the rate of a tax levied under this  
23 Article. Repeal or reduction of the tax shall become effective on the first day of a  
24 month and may not become effective until the end of the fiscal year in which the repeal  
25 or reduction resolution was adopted. Repeal of a conveyance tax, or reduction of its  
26 rate, under this Article does not affect a liability for a tax that attached before the  
27 effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that  
28 accrued before the effective date of the repeal or reduction."

29 Sec. 2. This act applies only to Warren County.

30 Sec. 3. This act is effective upon ratification.