

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 876
Committee Substitute Favorable 8/23/05

Short Title: Haywood County Sales Tax. (Local)

Sponsors:

Referred to:

March 24, 2005

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE HAYWOOD COUNTY TO LEVY A ONE-HALF CENT
LOCAL SALES AND USE TAX FOR COMMUNITY COLLEGE CAPITAL
OUTLAY PURPOSES.

The General Assembly of North Carolina enacts:

SECTION 1. This act applies to Haywood County only.

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

"Article 46.

"Fourth One-Half Cent (1/2¢) Local Government Sales and Use Tax.

"§ 105-535. Short title.

This Article is the Fourth One-Half Cent (1/2¢) Local Government Sales and Use Tax Act.

"§ 105-536. Limitations.

This Article applies only to counties that levy the first one-cent (1¢) local 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, the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter, and the third one-half cent (1/2¢) local sales and use tax under Article 44 of this Chapter.

"§ 105-537. 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, by resolution, levy one-half percent (1/2%) local sales and use taxes in addition to any other State and local sales and use taxes levied pursuant to law.

(b) Vote. – The board of commissioners of a county may direct the county board of elections to conduct an advisory referendum on the question of whether to levy local one-half percent (1/2%) sales and use taxes in the county as provided in this Article.

1 The election shall be held on a date jointly agreed upon by the two boards and shall be
2 held in accordance with the procedures of G.S. 163-287.

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

5 **'[]FOR []AGAINST**

6 One-half percent (1/2%) local sales and use taxes, in addition to the current
7 local sales and use taxes, to be used only for community college capital outlay and
8 infrastructure improvements.'

9 **"§ 105-538. Administration.**

10 Except as provided in this Article, the adoption, levy, collection, administration, and
11 repeal of the additional taxes authorized by this Article shall be in accordance with
12 Article 39 of this Chapter. A tax levied under this Article does not apply to the sales
13 price of food that is exempt from tax pursuant to G.S. 105-164.13B.

14 **"§ 105-539. Distribution and use of taxes.**

15 (a) Distribution. – The Secretary shall, on a monthly basis, distribute to each
16 taxing county the net proceeds of the tax collected in that county under this Article. If
17 the Secretary collects taxes under this Article in a month and the taxes cannot be
18 identified as being attributable to a particular taxing county, the Secretary shall allocate
19 these taxes among the taxing counties in proportion to the amount of taxes collected in
20 each county under this Article in that month and shall include them in the monthly
21 distribution.

22 (b) Use. – The proceeds of a tax levied under this Article may be used only for
23 community college capital outlay and infrastructure improvements or to retire
24 indebtedness incurred by the county for these purposes.

25 (c) Nonsupplant Restriction. – It is the purpose of this Article for counties to
26 appropriate funds generated under this Article to increase the level of county spending
27 for community college capital outlay and infrastructure improvements above the level
28 of spending before the levy of the tax authorized in this Article. A county that levies a
29 tax under this Article must continue to spend for community college capital outlay and
30 infrastructure improvements the same amount of money it would have spent for those
31 purposes if it had not levied the tax.

32 **"§ 105-540. Expiration.**

33 A tax levied under this Article expires six years after the effective date of its levy. A
34 county's authorization to levy a tax under this Article expires six years after the effective
35 date of the first tax a county levies under this Article, even if the tax has not remained in
36 effect for the entire six-year period. The expiration of a tax pursuant to this Article does
37 not affect the rights or liabilities of a county, a taxpayer, or another person arising under
38 the expired tax; nor does it affect the right to any refund or credit of a tax that would
39 otherwise have been available under the expired tax before its expiration. If the
40 Secretary receives a valid request for a refund of a tax levied under this Article after the
41 tax has expired and the net proceeds have been distributed, the Secretary shall draw the
42 refund from the taxing county's share of the net proceeds of the tax it levies under
43 Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, as
44 applicable."

1 **SECTION 3.** A tax levied under Article 46 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
4 date of the levy or entered into or awarded pursuant to a bid made before the effective
5 date of the levy when the construction materials would otherwise be subject to the tax
6 levied under Article 46 of Chapter 105 of the General Statutes.

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