

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1403

Short Title: Rowan Sales Tax For Schools.

(Local)

Sponsors: Representatives McCombs and Gardner.

Referred to: Finance.

May 21, 1998

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE ROWAN COUNTY TO LEVY A TEMPORARY 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 Rowan 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 of tax.

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

13 **"§ 105-528. Administration of taxes.**

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. In applying the provisions of Article 39 of this Chapter to this
17 Article, references to 'this Article' mean 'Article 44 of Chapter 105 of the General
18 Statutes'.

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

23 **"§ 105-529. Expiration.**

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

31 **"§ 105-530. Distribution and use of taxes.**

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

38 (b) Use. – The proceeds of a tax levied under this Article may be used only for
39 public school capital outlay purposes or to retire debt incurred by the county for these
40 purposes after January 1, 1997."

41 Section 3. A tax levied under Article 44 of Chapter 105 of the General
42 Statutes, as enacted by this act, does not apply to construction materials purchased to
43 fulfill a lump-sum or unit price contract entered into or awarded before the effective date

1 of the levy or entered into or awarded pursuant to a bid made before the effective date of
2 the levy when the construction materials would otherwise be subject to the tax levied
3 under Article 44 of Chapter 105 of the General Statutes.

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