

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 932

Short Title: Gates Land Transfer Tax.

(Local)

Sponsors: Representative Hunter.

Referred to: Finance.

March 28, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE GATES COUNTY TO LEVY A ONE PERCENT EXCISE
3 TAX ON INSTRUMENTS CONVEYING REAL PROPERTY.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** This act applies to Gates County only.

6 **SECTION 2.** Vote. – The Gates County Board of Commissioners may direct
7 the county board of elections to conduct a special election on the question of whether to
8 levy a local excise tax on conveyances in the county as provided in this act. The
9 election must be held on a date jointly agreed upon by the two boards and must be held
10 in accordance with the procedures of G.S. 163-287.

11 **SECTION 3.** Ballot Question. – The question may either restrict the use of
12 the tax proceeds to specific purposes designated by the Board of Commissioners or may
13 contain no use restrictions. If the county wishes to restrict the use of the tax proceeds,
14 the question to be presented on a ballot for a special election in the county concerning
15 the levy of a tax authorized by this act must be in the following form:

16 FOR AGAINST

17 One percent (1%) county excise tax on conveyances of real property, in
18 addition to the current State excise tax on conveyances of real property, to be used only
19 for [specify purposes].'

20 If the county does not wish to restrict the use of the tax proceeds, the question
21 to be presented on a ballot for a special election in the county concerning the levy of a
22 tax authorized by this Article must be in the following form:

23 FOR AGAINST

24 One percent (1%) county excise tax on conveyances of real property, in
25 addition to the current State excise tax on conveyances of real property.'

26 **SECTION 4.** Levy. – If the majority of those voting in an election pursuant
27 to this act vote for the levy of the tax in the county, the Gates County Board of
28 Commissioners may, by resolution, levy a local excise tax on conveyances at a rate of

1 one percent (1%) on instruments conveying interests in real property located in the
2 county.

3 **SECTION 5.** Basis and Effective Date. – The tax applies to the
4 consideration or value, whichever is greater, of the interest conveyed, including the
5 value of any lien or encumbrance remaining on the property at the time of sale. The levy
6 of the tax may become effective only on the first day of a calendar month set in the
7 resolution levying the tax, which may not be earlier than the first day of the second
8 succeeding calendar month after the date the resolution is adopted.

9 **SECTION 6.** Resolution. – The Gates County Board of Commissioners
10 must, upon adoption of a resolution levying a tax under this act, immediately deliver a
11 certified copy of the resolution to the Gates County Register of Deeds. Upon receipt of
12 this document, the Register of Deeds must administer the tax in the county as provided
13 in this act.

14 **SECTION 7.** Scope. – A tax levied under this act does not apply to a
15 transfer exempt pursuant to G.S. 105-228.28 or G.S. 105-228.29 from the tax levied by
16 Article 8E of this Chapter. In addition, the tax does not apply to a transfer to the owner's
17 spouse, siblings, parents, grandparents, children, or grandchildren.

18 The tax is in addition to the tax levied by Article 8E of the General Statutes.
19 A tax levied under this act applies to transfers of interests in real property located within
20 the county. If the property is located in two or more counties, a transfer of an interest in
21 the property is taxable only by the county in which the greater part of the property, with
22 respect to value, lies.

23 **SECTION 8.** Collection. – A tax levied under this act is payable by the
24 transferor of the interest. Except as otherwise provided in this act, the provisions of
25 G.S. 105-228.32 through G.S. 105-228.37 apply to a tax levied under this act. The
26 county must provide metering or similar equipment for the collection of the tax in lieu
27 of the use of tax stamps.

28 **SECTION 9.** Repeal or Reduction. – Gates County may, by resolution,
29 repeal or reduce the rate of a tax levied under this act. Repeal or reduction of the tax
30 must become effective on the first day of a month and may not become effective until
31 the end of the fiscal year in which the repeal or reduction resolution was adopted.
32 Repeal of an excise tax on conveyances, or reduction of its rate, under this act does not
33 affect a liability for a tax that attached before the effective date of the repeal or
34 reduction, nor does it affect a right to a refund of a tax that accrued before the effective
35 date of the repeal or reduction.

36 **SECTION 10.** Use. – The proceeds of the tax may be used for any lawful
37 purpose. If the special election approved by the voters restricted the use of the tax
38 proceeds to specific purposes, the proceeds may be used only in accordance with those
39 restrictions.

40 **SECTION 11.** This act is effective when it becomes law.