

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019**

**SESSION LAW 2020-9  
SENATE BILL 267**

AN ACT TO RESTRICT THE USE OF THE QUARTER-CENT SALES TAX PROCEEDS IN  
BUNCOMBE COUNTY FOR COMMUNITY COLLEGE NEEDS AT  
ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE.

Whereas, the voters of Buncombe County previously approved a quarter-cent increase in local sales and use tax with the informal understanding that it would be used to fund construction at the Asheville-Buncombe Technical Community College; and

Whereas, question arose in the community whether the proceeds of the sales tax increase had been used by the Buncombe County Board of Commissioners consistently with the purpose of the tax; and

Whereas, the Trustees of Asheville-Buncombe Technical Community College (A-B Tech) and the Buncombe County Board of Commissioners have reached an agreement as to how the proceeds shall be used, and both sides request the General Assembly to enact legislation binding both A-B Tech and the Buncombe County Board of Commissioners to their agreement; and

Whereas, while the General Assembly does not regularly direct the expenditure of local sales tax revenue, in this instance the General Assembly is uniquely positioned to assist its local partners and is willing to enact the requested legislation to encourage all sides to build goodwill and a positive working relationship in the furtherance of the educational mission of A-B Tech; Now, therefore,

The General Assembly of North Carolina enacts:

**SECTION 1.** This act applies to Buncombe County only.

**SECTION 2.** Article 46 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-538.1. Use of taxes.**

A county shall use the net proceeds of a tax allocated to it under this Article for the items and in the priority order set forth in this section. For purposes of this section, an eligible community college is a community college with a main campus located in the county.

- (1) The county shall appropriate for each fiscal year the amount necessary to satisfy the debt service obligations existing as of March 12, 2019, for construction and improvements to real property owned by an eligible community college and to real property owned by the county if directly related to services and educational programs offered by the community college.
- (2) The county shall appropriate a deferred capital repair amount to an eligible community college. The community college shall use appropriations under this subdivision for deferred capital repairs and renovation-needs projects on existing buildings at the community college. For the 2019-2020 fiscal year, the deferred capital repair amount is three million one hundred twenty-five thousand dollars (\$3,125,000). For fiscal years 2020-2021 through 2026-2027, the deferred capital repair amount is one hundred five and



fifty-four hundredths percent (105.54%) of the amount for the preceding fiscal year.

- (3) The county shall appropriate for each fiscal year an amount up to five million dollars (\$5,000,000) annually to an eligible community college for operating costs of the community college.
- (4) The county shall appropriate to a reserve an amount equal to two million dollars (\$2,000,000) for the benefit of an eligible community college. An eligible community college may only allocate moneys from the reserve for repairs and renovations necessitated by damage the community college deems as resulting from an unexpected emergency occurrence. In any year in which funds are disbursed from the reserve, the county shall restore the balance of the reserve to the amount required in this subdivision in the succeeding fiscal year.
- (5) The county shall use the remainder only for new construction of or repair and improvements to real property owned by an eligible community college or to retire any indebtedness incurred by the county for these purposes."

**SECTION 3.** This act is effective for the fiscal year beginning July 1, 2019, and expires June 30, 2027. Funds appropriated to the reserve pursuant to G.S. 105-538.1(4), as enacted by this act, that are unexpended and unencumbered as of the expiration date of this act shall be used for new construction of or repair and improvements to real property owned by the eligible community college or to retire any indebtedness incurred by the county for these purposes.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of June, 2020.

s/ Philip E. Berger  
President Pro Tempore of the Senate

s/ Tim Moore  
Speaker of the House of Representatives