

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1031

Short Title: Yadkin County Local Option Sales Tax. (Local)

Sponsors: Representative Holmes.

Referred to: Finance.

March 27, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE YADKIN COUNTY TO LEVY A ONE-CENT LOCAL
3 SALES AND USE TAX FOR PUBLIC SCHOOL CAPITAL OUTLAY
4 PURPOSES, IF APPROVED BY THE VOTERS OF THE COUNTY.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** This act applies to Yadkin County only.

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

9 "Article 46.

10 "Second One-Cent (1¢) Local Government Sales and Use Tax.

11 "**§ 105-535. Short title.**

12 This Article is the Second One-Cent (1¢) Local Government Sales and Use Tax Act.

13 "**§ 105-536. Limitations.**

14 This Article applies only to counties that levy the first one-cent (1¢) local sales and
15 use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session
16 Laws, the first one-half cent (1/2¢) local sales and use tax under Article 40 of this
17 Chapter, the second one-half cent (1/2¢) local sales and use tax under Article 42 of this
18 Chapter, and the third one-half cent (1/2¢) local sales and use tax under Article 44 of
19 this Chapter.

20 "**§ 105-537. Levy.**

21 (a) Authority. – If the majority of those voting in a referendum held pursuant to
22 this Article vote for the levy of the taxes, the board of commissioners of the county
23 may, by resolution, levy one percent (1%) local sales and use taxes in addition to any
24 other State and local sales and use taxes levied pursuant to law.

25 (b) Vote. – The board of commissioners of a county may direct the county board
26 of elections to conduct an advisory referendum on the question of whether to levy local
27 one percent (1%) sales and use taxes in the county as provided in this Article. The
28 election shall be held on a date jointly agreed upon by the two boards and shall be held
29 in accordance with the procedures of G.S. 163-287.

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

3 [] FOR [] AGAINST

4 One percent (1%) local sales and use taxes, in addition to the current local
5 sales and use taxes, to be used only for public school capital outlay purposes.'

6 **"§ 105-538. Administration.**

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

11 **"§ 105-539. Distribution and use.**

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

19 (b) Use. – Counties may use the proceeds of a tax levied under this Article only
20 for public school capital outlay purposes as defined in G.S. 115C-426(f) and to retire
21 indebtedness incurred by the county for these purposes.

22 (c) Nonsupplant Restriction. – It is the purpose of this Article for counties to
23 appropriate funds generated under this Article to increase the level of county spending
24 for public school capital outlay purposes above the level of spending before the levy of
25 the tax authorized in this Article. A county that levies a tax under this Article must
26 continue to spend for public school capital outlay the same amount of money it would
27 have spent for those purposes if it had not levied the tax."

28 **SECTION 3.** A tax levied under Article 46 of Chapter 105 of the General
29 Statutes, as enacted by this act, does not apply to construction materials purchased to
30 fulfill a lump-sum or unit-price contract entered into or awarded before the effective
31 date of the levy or entered into or awarded pursuant to a bid made before the effective
32 date of the levy when the construction materials would otherwise be subject to the tax
33 levied under Article 46 of Chapter 105 of the General Statutes.

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