

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 78

Short Title: Gaston County Tax for School Construction. (Local)

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Sponsors: Senators Forrester and Hoyle.

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Referred to: Finance.

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February 12, 2007

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE GASTON COUNTY TO LEVY A ONE-HALF CENT  
3 LOCAL SALES AND USE TAX FOR PUBLIC SCHOOL CAPITAL OUTLAY  
4 PURPOSES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** This act applies to Gaston 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 "Fourth One-Half Cent (1/2¢) Local Government Sales and Use Tax.

11 "**§ 105-535. Short title.**

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

14 "**§ 105-536. Limitations.**

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

21 "**§ 105-537. Levy.**

22 If a majority of those voting in a special election held pursuant to this Article vote  
23 for the levy of the taxes in a county, the board of commissioners of that county may, by  
24 resolution, levy one-half percent (1/2%) local sales and use taxes in addition to any  
25 other State and local sales and use taxes levied pursuant to law.

26 "**§ 105-538. County election on adoption of tax.**

27 (a) Resolution. – The board of commissioners of a county may direct the county  
28 board of elections to conduct a special election on the question of whether to levy local  
29 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 (b) Ballot Question. – The question to be presented on a ballot for a special  
4 election concerning the levy of the taxes authorized by this Article shall be in the  
5 following form:

6  FOR  AGAINST

7 One-half percent (1/2%) local sales and use taxes, in addition to all current State and  
8 local sales and use taxes.'

9 **"§ 105-539. 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 **"§ 105-540. Distribution and use.**

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. – Counties may use the proceeds of a tax levied under this Article only  
23 for public school capital outlay purposes as defined in G.S. 115C-426(f) and 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 public school capital outlay purposes above the level of spending before the levy of  
28 the tax authorized in this Article. A county that levies a tax under this Article shall  
29 continue to spend for public school capital outlay purposes the same amount of money it  
30 would have spent for those purposes if it had not levied the tax."

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

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