

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE DRS75258-LYx-136A (12/15)

Short Title: Pitt County Local Option Sales Tax. (Public)

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Sponsors: Senators Kerr, and Jenkins.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE PITT COUNTY TO LEVY A ONE-CENT LOCAL SALES AND USE TAX FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES OR COMMUNITY COLLEGE PLANT FUND PURPOSES, IF APPROVED BY THE VOTERS OF THE COUNTY.

The General Assembly of North Carolina enacts:

**SECTION 1.** Subchapter VIII of Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 46.

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

**"§ 105-535. Short title.**

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

**"§ 105-536. Limitations.**

This Article applies only to counties that levy the first one-cent (1¢) local 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, the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter, and the third one-half cent (1/2¢) local sales and use tax under Article 44 of this Chapter.

**"§ 105-537. Levy.**

(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, by resolution, levy one percent (1%) local sales and use taxes in addition to any other State and local sales and use taxes levied pursuant to law.

(b) Vote. – The board of commissioners of a county may direct the county board of elections to conduct an advisory referendum on the question of whether to levy local one percent (1%) sales and use taxes in the county as provided in this Article. The

1 election shall be held on a date jointly agreed upon by the two boards and shall be held  
2 in accordance with the procedures of G.S. 163-287.

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

5 ' [ ] FOR [ ] AGAINST

6 One percent (1%) local sales and use taxes, in addition to the current local  
7 sales and use taxes, to be used only for public school capital outlay purposes or  
8 community college plant fund purposes.'

9 **"§ 105-538. 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 **"§ 105-539. 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) or for  
24 community college plant fund purposes as defined in G.S. 115D-32 and to retire  
25 indebtedness incurred by the county for these purposes.

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

33 **SECTION 2.** A tax levied under Article 46 of Chapter 105 of the General  
34 Statutes, as enacted by this act, does not apply to construction materials purchased to  
35 fulfill a lump-sum or unit-price contract entered into or awarded before the effective  
36 date of the levy or entered into or awarded pursuant to a bid made before the effective  
37 date of the levy when the construction materials would otherwise be subject to the tax  
38 levied under Article 46 of Chapter 105 of the General Statutes.

39 **SECTION 3.** This act is effective when it becomes law.