

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 591

Short Title: Haywood Local Sales Tax. (Local)

Sponsors: Senator Robinson.

Referred to: Finance.

March 22, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE HAYWOOD COUNTY TO LEVY A ONE-CENT  
LOCAL SALES AND USE TAX FOR INFRASTRUCTURE AND CAPITAL  
IMPROVEMENT PURPOSES.

The General Assembly of North Carolina enacts:

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

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

"Article 44.

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

**"§ 105-515. Short title.**

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

**"§ 105-516. Limitations.**

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

**"§ 105-517. Levy.**

Before levying the tax authorized by this Article, the board of commissioners must hold a public hearing on the question after at least 10 days' notice of the hearing. After the public hearing, 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.

**"§ 105-518. Administration.**

Except as provided in this Article, the adoption, levy, collection, administration, and repeal of the additional taxes authorized by this Article shall be in accordance with Article 39 of this Chapter.

**"§ 105-519. Distribution and use.**

1       (a) Distribution. – The Secretary shall, on a quarterly basis, distribute to each  
2 taxing county the net proceeds of the tax collected in that county under this Article. If  
3 the Secretary collects taxes under this Article in a month and the taxes cannot be  
4 identified as being attributable to a particular taxing county, the Secretary shall allocate  
5 these taxes among the taxing counties in proportion to the amount of taxes collected in  
6 each county under this Article in that month and shall include them in the quarterly  
7 distribution.

8       (b) Use. – The proceeds of the tax levied under this Article may be used only for  
9 infrastructure and capital improvement purposes.

10       (c) Nonsupplant Restriction. – It is the purpose of this Article for counties to  
11 appropriate funds generated under this Article to increase the level of county spending  
12 for infrastructure and capital improvement projects above the level of spending before  
13 the levy of the tax authorized in this Article. A county that levies a tax under this Article  
14 must continue to spend for infrastructure and capital improvement projects the same  
15 amount of money it would have spent for those purposes if it had not levied the tax."

16       **SECTION 3.** A tax levied under Article 44 of Chapter 105 of the General  
17 Statutes, as enacted by this act, does not apply to construction materials purchased to  
18 fulfill a lump-sum or unit-price contract entered into or awarded before the effective  
19 date of the levy or entered into or awarded pursuant to a bid made before the effective  
20 date of the levy when the construction materials would otherwise be subject to the tax  
21 levied under Article 44 of Chapter 105 of the General Statutes.

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