

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1096

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

Sponsors: Representative Walker.

Referred to: Finance.

March 28, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE WILKES COUNTY TO LEVY A ONE-HALF CENT
3 LOCAL 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 Wilkes 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 (a) Authority. – If the majority of those voting in a referendum held pursuant to
23 this Article vote for the levy of the taxes, the board of commissioners of the county
24 may, by resolution, levy one-half percent (1/2%) local sales and use taxes in addition to
25 any other State and local sales and use taxes levied pursuant to law.

26 (b) Vote. – The board of commissioners of a county may direct the county board
27 of elections to conduct an advisory referendum on the question of whether to levy local
28 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 (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-half percent (1/2%) local sales and use taxes, in addition to the current
7 local sales and use taxes, to be used only for public school capital outlay purposes.'

8 **"§ 105-538. Administration.**

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

13 **"§ 105-539. Distribution and use.**

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

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

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

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

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