

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH80108-MC~~x~~-79 (2/27)

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

Sponsors: Representatives Yongue and Pierce (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE HOKE COUNTY TO LEVY A ONE-HALF CENT  
LOCAL SALES AND USE TAX FOR PUBLIC SCHOOL CAPITAL OUTLAY  
PURPOSES.

The General Assembly of North Carolina enacts:

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

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

"Article 46.

"Fourth One-Half Cent (1/2¢) Local Government Sales and Use Tax.

**"§ 105-535. Short title.**

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

**"§ 105-536. 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, 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) After Vote. – If a majority of those voting in a special election held pursuant to this Article vote for the levy of the taxes in a county, the board of commissioners of a county may, by resolution, levy one-half percent (1/2%) local sales and use taxes in addition to any other State and local sales and use taxes levied pursuant to law.

(b) Without Vote. – If the question of whether to levy taxes under this Article has not been defeated in a special election held in the county within two years, the board of commissioners of a county may, by resolution, levy one-half percent (1/2%) local sales

1 and use taxes in addition to any other State and local sales and use taxes levied pursuant  
2 to law. Before adopting a resolution under this subsection, the board of commissioners  
3 must give at least 10 days' public notice of its intent to adopt the resolution and must  
4 hold a public hearing on the issue of adopting the resolution.

5 **"§ 105-538. County election on adoption of tax.**

6 (a) Resolution. – The board of commissioners of a county may direct the county  
7 board of elections to conduct a special election on the question of whether to levy  
8 one-half percent (1/2%) local sales and use taxes in the county as provided in this  
9 Article. The election must be held on a date jointly agreed upon by the two boards and  
10 must be held in accordance with the procedures of G.S. 163-287.

11 (b) Ballot Question. – The question to be presented on a ballot for a special  
12 election concerning the levy of the taxes authorized by this Article must be in the  
13 following form:

14  FOR  AGAINST

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

17 **"§ 105-539. Administration of taxes.**

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

22 **"§ 105-540. Distribution and use of taxes.**

23 (a) Distribution. – The Secretary shall, on a monthly basis, distribute to each  
24 taxing county the net proceeds of the tax collected in that county under this Article. If  
25 the Secretary collects taxes under this Article in a month and the taxes cannot be  
26 identified as being attributable to a particular taxing county, the Secretary shall allocate  
27 the taxes among the taxing counties in proportion to the amount of taxes collected in  
28 each county under this Article in that month and shall include them in the monthly  
29 distribution.

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

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

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

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