

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1626

Short Title: Halifax Local Sales Tax.

(Local)

Sponsors: Representatives Hardaway; Allen and Crawford.

Referred to: Finance.

May 28, 1998

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE HALIFAX COUNTY TO LEVY A ONE-CENT LOCAL SALES AND USE TAX FOR CAPITAL PROJECTS OF THE COUNTY AND ITS MUNICIPALITIES, IF APPROVED BY THE VOTERS OF THE COUNTY.

The General Assembly of North Carolina enacts:

Section 1. This act applies to Halifax 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.

"§ 105-525. Short title.

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

"§ 105-526. 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.

"§ 105-527. Levy of tax.

(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,

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

3 (b) Vote. – The board of commissioners of a county may direct the county board
4 of elections to conduct an advisory referendum on the question of whether to levy local
5 one percent (1%) sales and use taxes in the county as provided in this Article. The
6 election shall be held on a date jointly agreed upon by the two boards and shall be held in
7 accordance with the procedures of G.S. 163-287. Before the election, the board of
8 commissioners shall hold a public hearing at which the county shall identify the capital
9 needs of the county and the municipalities in the county, including an estimate of their
10 projected cost.

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

13 **[] FOR [] AGAINST**

14 one percent (1%) local sales and use taxes, in addition to the current two percent (2%)
15 local sales and use taxes, to be used only for capital projects.

16 **"§ 105-528. Administration of taxes.**

17 Except as provided in this Article, the adoption, levy, collection, administration, and
18 repeal of the additional taxes authorized by this Article shall be in accordance with
19 Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this
20 Article, references to 'this Article' mean 'Article 44 of Chapter 105 of the General
21 Statutes'.

22 A tax levied under this Article does not apply to the sales price of food that is not
23 otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from the
24 State sales and use tax pursuant to G.S. 105-164.13 if it were purchased with coupons
25 issued under the Food Stamp Program, 7 U.S.C. § 51.

26 **"§ 105-529. Distribution and use of taxes.**

27 (a) Distribution. – The Secretary shall, on a quarterly basis, allocate to each taxing
28 county the net proceeds of the tax collected in that county under this Article. If the
29 Secretary collects taxes under this Article in a month and the taxes cannot be identified as
30 being attributable to a particular taxing county, the Secretary shall allocate these taxes
31 among the taxing counties in proportion to the amount of taxes collected in each county
32 under this Article in that month. The amount allocated to each taxing county shall then
33 be divided among the county and its municipalities in accordance with the method by
34 which the one percent (1%) sales and use taxes levied in that county pursuant to Article
35 39 of this Chapter or Chapter 1096 of the 1967 Session Laws are distributed.

36 (b) Use. – The proceeds of a tax levied under this Article may be used only for
37 capital outlay purposes or to retire debt incurred by the county or municipality for these
38 purposes after January 1, 1997."

39 Section 3. A tax levied under Article 44 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 date
42 of the levy or entered into or awarded pursuant to a bid made before the effective date of

- 1 the levy when the construction materials would otherwise be subject to the tax levied
- 2 under Article 44 of Chapter 105 of the General Statutes.
- 3 Section 4. This act is effective when it becomes law.