

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 33

Short Title: Cumberland Sales Tax for Schools.

(Local)

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Sponsors: Representatives Warner, Hurley, Kinney; and Yongue.

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Referred to: Finance.

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February 4, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CUMBERLAND COUNTY TO LEVY ONE-CENT  
LOCAL SALES AND USE TAXES FOR PUBLIC SCHOOL BUILDINGS.

The General Assembly of North Carolina enacts:

Section 1. This act applies to Cumberland 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.**

The board of commissioners of a 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. Before adopting a resolution under this section, the board of

1 commissioners must give at least 10 days' public notice of its intent to adopt the  
2 resolution and must hold a public hearing on the issue of adopting the resolution.

3 **"§ 105-528. Administration of taxes.**

4 Except as provided in this Article, the adoption, levy, collection, administration, and  
5 repeal of the additional taxes authorized by this Article shall be in accordance with  
6 Article 39 of this Chapter. In applying the provisions of Article 39 of this Chapter to this  
7 Article, references to 'this Article' mean 'Article 44 of Chapter 105 of the General  
8 Statutes'.

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

13 **"§ 105-529. Expiration.**

14 A tax levied under this Article expires 10 years after the effective date of its levy. A  
15 county's authorization to levy a tax under this Article expires 10 years after the effective  
16 date of the first tax a county levies under this Article, even if the tax has not remained in  
17 effect for the entire 10-year period. The expiration of a tax pursuant to this Article does  
18 not affect the rights or liabilities of a county, a taxpayer, or another person arising under  
19 the expired tax; nor does it affect the right to any refund or credit of a tax that would  
20 otherwise have been available under the expired tax before its expiration.

21 If the Secretary receives a valid request for a refund of a tax levied under this Article  
22 after the tax has expired and the net proceeds have been distributed, the Secretary shall  
23 draw the refund from the taxing county's share of the net proceeds of the tax it levies  
24 under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, as  
25 applicable.

26 **"§ 105-530. Distribution and use of taxes.**

27 (a) Distribution. – The Secretary shall, on a quarterly basis, distribute to each  
28 taxing 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 and shall include them in the quarterly distribution.

33 (b) Use. – The proceeds of a tax levied under this Article may be used only for  
34 public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire any  
35 indebtedness incurred by the county for these purposes after January 1, 1997."

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

42 Section 4. This act is effective when it becomes law.