

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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HOUSE BILL 775

Short Title: Cumberland Local Sales Tax. (Local)

Sponsors: Representatives Morris, McAllister (Primary Sponsors); and Hurley.

Referred to: Rules, Calendar, and Operations of the House.

March 26, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO AUTHORIZE CUMBERLAND COUNTY TO LEVY A ONE-CENT
3 LOCAL SALES AND USE TAX TO BE USED ONLY FOR PUBLIC SCHOOL
4 AND OTHER CAPITAL IMPROVEMENT PURPOSES, IF APPROVED BY THE
5 VOTERS OF THE COUNTY.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** This act applies to Cumberland County only.

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

"Article 44.

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

12 **"§ 105-515. Short title.**

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

14 **"§ 105-516. Limitations.**

15 This Article applies only to counties that levy the first one-cent (1¢) sales and use
16 tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws,
17 the first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and
18 the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter.

19 **"§ 105-517. Levy.**

20 (a) Authority. – If the majority of those voting in a referendum held pursuant to
21 this Article vote for the levy of the taxes, the board of commissioners of the county
22 may, by resolution, levy one percent (1%) local sales and use taxes in addition to any
23 other State and local sales and use taxes levied pursuant to law.

24 (b) Vote. – The board of commissioners of a county may direct the county board
25 of elections to conduct an advisory referendum on the question of whether to levy local
26 one percent (1%) sales and use taxes in the county as provided in this Article. The
27 election shall be held on a date jointly agreed upon by the two boards and shall be held
28 in accordance with the procedures of G.S. 163-287.

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

3 '[] FOR [] AGAINST

4 one percent (1%) local sales and use taxes, in addition to the current local sales and use
5 taxes to be used only for public school capital projects and other infrastructure and
6 capital improvement projects.'

7 **"§ 105-518. Administration and distribution.**

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

11 **"§ 105-519. Expiration.**

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

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

24 **"§ 105-520. Use.**

25 The proceeds of a tax levied under this Article may be used only for public school
26 capital outlay purposes as defined in G.S. 115C-426(f) or for other infrastructure and
27 capital improvement projects."

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

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