

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

**SESSION LAW 2004-122
HOUSE BILL 1520**

AN ACT TO AUTHORIZE GASTON COUNTY TO LEVY A TEMPORARY HALF CENT LOCAL SALES TAX FOR ECONOMIC DEVELOPMENT AND TOURISM PROJECTS, IF APPROVED BY THE VOTERS OF THE COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Levy. – If the majority of those voting in a special election held pursuant to this act vote for the levy of the taxes, the board of commissioners of Gaston 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.

SECTION 2. Vote. – The board of commissioners of Gaston County may direct the county board of elections to conduct a special election on the question of whether to levy local one-half percent (1/2%) sales and use taxes in the county as provided in this Article. The election must be held on November 2, 2004, and must be held in accordance with the procedures of G.S. 163-287.

SECTION 3. Ballot Question. – The question to be presented on a ballot for a special election concerning the levy of the taxes authorized by this act must be in the following form:

"[] FOR [] AGAINST

One half percent (1/2%) temporary local sales and use taxes, in addition to the current local sales and use taxes, to be used only for economic development projects and tourism projects."

SECTION 4. Administration. – Except as provided in this act, the adoption, levy, collection, administration, and repeal of the additional taxes authorized by this act must be in accordance with Article 39 of Chapter 105 of the General Statutes. A tax levied under this act does not apply to the sales price of food that is exempt from tax pursuant to G.S. 105-164.13B.

A tax levied under this act does not apply to construction materials purchased to fulfill a lump-sum or unit price contract entered into or awarded before the effective date of the levy or entered into or awarded pursuant to a bid made before the effective date of the levy when the construction materials would otherwise be subject to this tax.

SECTION 5. Distribution. – The Secretary of Revenue must monthly distribute to Gaston County the net proceeds of the tax levied under this act. Gaston County must monthly distribute the following percentages of the net proceeds among the following municipalities. Gaston County must retain the balance of the net proceeds.

Municipality	Percentage
City of Belmont	3.5
City of Bessemer City	2.05
City of Cherryville	2.15
Town of Cramerton	1.2
Town of Dallas	1.35
City of Gastonia	50
City of High Shoals	0.3
City of Kings Mountain	0.3
Town of Lowell	1.05
Town of McAdenville	.25

City of Mount Holly	3.9
Town of Ranlo	0.9
Town of Spencer Mountain	0.02054
Town of Stanley	1.25

SECTION 6. Use. – A unit of local government may spend the proceeds of the tax levied under this act only for economic development projects, tourism projects, or both.

SECTION 7. Expiration. – A tax levied under this act expires eight years after the effective date of its levy. Gaston County's authorization to levy a tax under this act expires eight years after the effective date of the first tax the county levies under this act, even if the tax has not remained in effect for the entire eight-year period. Gaston County cannot extend the temporary tax unless authorized to do so by an act of the General Assembly subject to another referendum.

The expiration of a tax pursuant to this act does not affect the rights or liabilities of the county, a taxpayer, or another person arising under the expired tax; nor does it affect the right to any refund or credit of a tax that would otherwise have been available under the expired tax before its expiration.

If the Secretary receives a valid request for a refund of a tax levied under this act after the tax has expired and the net proceeds have been distributed, the Secretary must draw the refund from Gaston County's share of the net proceeds of the tax it levies under Article 39 of this Chapter.

SECTION 8. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 18th day of July, 2004.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ Richard T. Morgan
Speaker of the House of Representatives