

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH80192-MC_x-95 (3/7)

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

Sponsors: Representative Walker.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE WILKES COUNTY TO LEVY A ONE-HALF CENT LOCAL SALES AND USE TAX FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES, IF APPROVED BY THE VOTERS OF THE COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. This act applies to Wilkes 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¢) local 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) 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, 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) Vote. – The board of commissioners of a county may direct the county board of elections to conduct an advisory referendum on the question of whether to levy local

1 one-half percent (1/2%) sales and use taxes in the county as provided in this Article.
2 The election shall be held on a date jointly agreed upon by the two boards and shall be
3 held in accordance with the procedures of G.S. 163-287.

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

6 FOR AGAINST

7 One-half percent (1/2%) local sales and use taxes, in addition to the current
8 local sales and use taxes, to be used only for public school capital outlay purposes.'

9 **"§ 105-538. Administration.**

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

14 **"§ 105-539. Distribution and use.**

15 (a) Distribution. – The Secretary shall, on a monthly basis, distribute to each
16 taxing county the net proceeds of the tax collected in that county under this Article. If
17 the Secretary collects taxes under this Article in a month and the taxes cannot be
18 identified as being attributable to a particular taxing county, the Secretary shall allocate
19 these taxes among the taxing counties in proportion to the amount of taxes collected in
20 each county under this Article in that month and shall include them in the monthly
21 distribution.

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

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

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

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