GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

S D SENATE DRS75033-MCx-32 (1/31) Short Title: Iredell County Tax for School Construction. (Local) Sponsors: Senator Forrester. Referred to: A BILL TO BE ENTITLED AN ACT TO AUTHORIZE IREDELL COUNTY TO LEVY A ONE-HALF CENT LOCAL SALES AND USE TAX FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES. The General Assembly of North Carolina enacts: **SECTION 1.** This act applies to Iredell 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 $(1/2\phi)$ Local Government Sales and Use Tax. "§ 105-535. Short title. This Article is the Fourth One-Half Cent (1/2c) Local Government Sales and Use Tax Act. "§ 105-536. Limitations. 14 This Article applies only to counties that levy the first one-cent (1ϕ) 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 $(1/2\phi)$ 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. If a majority of those voting in a special election held pursuant to this Article vote 23 for the levy of the taxes in a county, the board of commissioners of that county may, by resolution, levy one-half percent (1/2%) local sales and use taxes in addition to any 24 other State and local sales and use taxes levied pursuant to law.

"§ 105-538. County election on adoption of tax.

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- (a) Resolution. The board of commissioners of a 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 shall be held on a date jointly agreed upon by the two boards and shall be held in accordance with the procedures of G.S. 163-287.
- (b) Ballot Question. The question to be presented on a ballot for a special election concerning the levy of the taxes authorized by this Article shall be in the following form:

"[] FOR [] AGAINST

One-half percent (1/2%) local sales and use taxes, in addition to all current State and local sales and use taxes."

"§ 105-539. Administration.

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

"§ 105-540. Distribution and use.

- (a) Distribution. The Secretary shall, on a monthly basis, distribute to each taxing county the net proceeds of the tax collected in that county under this Article. If the Secretary collects taxes under this Article in a month and the taxes cannot be identified as being attributable to a particular taxing county, the Secretary shall allocate these taxes among the taxing counties in proportion to the amount of taxes collected in each county under this Article in that month and shall include them in the monthly distribution.
- (b) Use. Counties may use the proceeds of a tax levied under this Article only for public school capital outlay purposes as defined in G.S. 115C-426(f) and to retire indebtedness incurred by the county for these purposes.
- (c) Nonsupplant Restriction. It is the purpose of this Article for counties to appropriate funds generated under this Article to increase the level of county spending for public school capital outlay purposes above the level of spending before the levy of the tax authorized in this Article. A county that levies a tax under this Article shall continue to spend for public school capital outlay purposes the same amount of money it would have spent for those purposes if it had not levied the tax."
- **SECTION 3.** A tax levied under Article 46 of Chapter 105 of the General Statutes, as enacted by 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 the tax levied under Article 46 of Chapter 105 of the General Statutes.

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

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