

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH70051-MCx-67 (1/23)

Short Title: Clay County Local Sales Tax Modification. (Local)

Sponsors: Representative West.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ENABLE CLAY COUNTY TO MEET ITS PUBLIC SCHOOL CAPITAL NEEDS BY AUTHORIZING THE COUNTY TO IMPOSE A ONE-CENT SALES TAX DEDICATED TO THESE NEEDS.

The General Assembly of North Carolina enacts:

SECTION 1. This act applies to Clay County only.

SECTION 2. Article 46 of Subchapter VIII of Chapter 105 of the General Statutes reads as rewritten:

"Article 46.

~~"One Quarter Cent (1/4¢) One-Cent (1¢) County Sales and Use Tax.~~

"§ 105-535. Short title.

This Article is the ~~One Quarter Cent (1/4¢) One-Cent (1¢) County Sales and Use Tax Act.~~

"§ 105-536. 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.

"§ 105-537. Levy.

(a) Authority. – If the majority of those voting in a referendum held pursuant to this Article vote for the levy of the tax, the board of county commissioners may, by resolution and after 10 days' public notice, levy a local sales and use tax ~~at up to a rate of one-quarter percent (0.25%)~~ one percent (1%), in increments of one-quarter percent (0.25%).

(b) Vote. – The board of county commissioners may direct the county board of elections to conduct an advisory referendum on the question of whether to levy a local sales and use tax in the county as provided in this Article. The election shall be held on a date jointly agreed upon by the board of county commissioners and the board of elections and shall be held in accordance with the procedures of G.S. 163-287.

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

"[] FOR [] AGAINST

Local sales and use tax at the rate of ~~one-quarter~~[X] percent ~~(0.25%)~~[X%] in addition to all other State and local sales and use ~~taxes~~taxes, to be used only for public school capital outlay purposes."

(d) Limitation. – A tax levied under this Article may not be in effect in a county at the same time as a tax levied under Article 60 of this Chapter.



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1 "§ 105-538. Administration and use of taxes.

2 (a) Administration. – Except as provided in this Article, the adoption, levy, collection,
3 administration, and repeal of these additional taxes must be in accordance with Article 39 of
4 this Chapter. G.S. 105-468.1 is an administrative provision that applies to this Article. A tax
5 levied under this Article does not apply to the sales price of food that is exempt from tax
6 pursuant to G.S. 105-164.13B. The Secretary shall not divide the amount allocated to a county
7 between the county and the municipalities within the county. Notwithstanding the provisions of
8 G.S. 105-466(c), during the 2008 calendar year a tax levied under this Article may become
9 effective on the first day of any calendar quarter so long as the county gives the Secretary at
10 least 60 days' advance notice of the new tax levy.

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

14 **SECTION 3.** This act is effective when it becomes law.