

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 373

Short Title: Extend State Hold Harmless Sales Tax Funds. (Public)

Sponsors: Representatives Wilkins, Warren, Blackwell, and Waddell (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Finance, if favorable, Appropriations.

March 21, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO EXTEND FOR TWO YEARS THE LOCAL GOVERNMENT HOLD
3 HARMLESS FOR REPEALED REIMBURSEMENTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-521 reads as rewritten:

6 "§ 105-521. Transitional local government hold harmless for repealed reimbursements.

7 ...

8 (b) Distributions. – On or before August 15, 2008, and every August 15 through August
9 15, ~~2012,2014~~, the Secretary must multiply each local government's local sales tax share by the
10 estimated amount of replacement revenue that all local governments are expected to receive
11 during the current fiscal year. If the resulting amount is less than one hundred percent (100%)
12 of the local government's repealed reimbursement amount, the Secretary must pay the local
13 government the difference, but not less than one hundred dollars (\$100.00).

14 On or before May 1 of each fiscal year through May 1, ~~2012,2014~~, the Department of
15 Revenue and the Fiscal Research Division of the General Assembly must each submit to the
16 Secretary and to the General Assembly a final projection of the estimated amount of
17 replacement revenue that all local governments would be expected to receive during the
18 upcoming fiscal year. If, after May 1 and before a distribution is made, a law is enacted that
19 would affect the projection, an updated projection must be submitted as soon as practicable. If
20 the Secretary does not use the lower of the two final projections to make the calculation
21 required by this subsection, the Secretary must report the reasons for this decision to the Joint
22 Legislative Commission on Governmental Operations within 60 days after receiving the
23 projections.

24 (c) Source of Funds. – The Secretary must draw the funds distributed under this section
25 from sales and use tax collections under Article 5 of this Chapter.

26 (d) Reports. – The Secretary must report to the Revenue Laws Study Committee by
27 January 31, 2004, and each January 31 through January 31, ~~2013,2015~~, the amount distributed
28 under this section for the current fiscal year."

29 SECTION 2. This act is effective when it becomes law.

