

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**HOUSE BILL 633\***

Short Title: Durham County School Capital Tax.

(Local)

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Sponsors: Representatives Luebke and Miller (Primary Sponsors).

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Referred to: Finance.

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March 24, 2003

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE DURHAM COUNTY TO LEVY A TAX ON LAND  
2 DEVELOPMENT TO PAY PART OF THE COSTS OF SCHOOL CAPITAL  
3 FACILITIES.  
4

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** The board of commissioners of a county may adopt an  
7 ordinance levying a tax on the impact of land development within the county regardless  
8 of whether or not the land development is within a municipality.

9 **SECTION 2.** Any ordinance enacted pursuant to Section 1 of this act may  
10 require the person responsible for the impact of land development to pay an impact tax  
11 for each square foot of residential space or commercial, institutional, office, or  
12 industrial building enclosed floor space for which a building permit is issued or could  
13 have been issued. The tax rate may vary depending on the value of the building.

14 **SECTION 3.** The tax shall be due on the date a building permit is issued or,  
15 if no building permit is issued, on the date construction begins.

16 **SECTION 4.** Taxes authorized pursuant to this act may be collected  
17 pursuant to G.S. 153A-147. In addition, the taxes authorized pursuant to this act shall  
18 be a lien on the real property constituting the land development for which the tax is  
19 levied. The lien on the real property may be foreclosed by the county using the  
20 procedures contained in G.S. 105-374. Provided, however, that no foreclosure  
21 proceeding may be instituted until 60 days after the tax becomes due.

22 **SECTION 5.** The net proceeds generated by the tax authorized by this act  
23 shall be used by the county only for capital improvements related to schools or for  
24 paying debt service on bonds for capital improvements related to schools.

25 **SECTION 6.** No ordinance enacted pursuant to Section 1 of this act shall be  
26 effective until it is approved by a majority of the voters in the county in a referendum  
27 held for the purpose of approving or disapproving the ordinance. A referendum shall be  
28 called by a majority of members of the board of commissioners approving an ordinance  
29 levying a tax on land development. The referendum may be held on the same day as

1 any other referendum or election in the county, but may not otherwise be held during  
2 the period beginning 30 days before and ending 30 days after the day of any other  
3 referendum or election to be conducted by the board of elections conducting the  
4 referendum and already validly called or scheduled by law. The election shall be  
5 conducted in accordance with Chapter 163 of the General Statutes.

6 **SECTION 7.** This act applies to Durham County only.

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