

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH80025-MC<sub>x</sub>-24 (1/31)

Short Title: Haywood County Sales Tax. (Local)

Sponsors: Representatives Rapp and Haire (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE HAYWOOD COUNTY TO LEVY A ONE-HALF CENT  
LOCAL SALES AND USE TAX FOR COMMUNITY COLLEGE CAPITAL  
OUTLAY PURPOSES.

The General Assembly of North Carolina enacts:

**SECTION 1.** This act applies to Haywood 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 community college capital outlay and  
9 infrastructure improvements.'

10 **"§ 105-538. Administration.**

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

15 **"§ 105-539. Distribution and use of taxes.**

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

23 (b) Use. – The proceeds of a tax levied under this Article may be used only for  
24 community college capital outlay and infrastructure improvements or to retire  
25 indebtedness incurred by the county for these purposes.

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

33 **"§ 105-540. Expiration.**

34 A tax levied under this Article expires seven years after the effective date of its levy.  
35 A county's authorization to levy a tax under this Article expires seven years after the  
36 effective date of the first tax a county levies under this Article, even if the tax has not  
37 remained in effect for the entire seven-year period. The expiration of a tax pursuant to  
38 this Article does not affect the rights or liabilities of a county, a taxpayer, or another  
39 person arising under the expired tax; nor does it affect the right to any refund or credit  
40 of a tax that would otherwise have been available under the expired tax before its  
41 expiration. If the Secretary receives a valid request for a refund of a tax levied under  
42 this Article after the tax has expired and the net proceeds have been distributed, the  
43 Secretary shall draw the refund from the taxing county's share of the net proceeds of the

1 tax it levies under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session  
2 Laws, as applicable."

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

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