

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 230

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

Sponsors: Representative West.

Referred to: Local Government I, if favorable, Finance.

February 23, 2009

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.

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



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

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

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