

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE BILL 561\*

Short Title: Cabarrus County Local Option Sales Tax. (Local)

Sponsors: Representatives Johnson and Barnhart (Primary Sponsors).

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

March 12, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE CABARRUS COUNTY TO LEVY A ONE-QUARTER CENT  
3 LOCAL SALES AND USE TAX FOR ROAD CONSTRUCTION PURPOSES, IF  
4 APPROVED BY THE VOTERS OF THE COUNTY.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. This act applies to Cabarrus County only.

7 SECTION 2. Subchapter VIII of Chapter 105 of the General Statutes is amended  
8 by adding a new Article to read:

9 "Article 47.

10 "Second One-Quarter Cent (1/4¢) Local Government Sales and Use Tax.

11 "**§ 105-535. Short title.**

12 This Article is the Second One-Quarter Cent (1/4¢) Local Government Sales and Use Tax  
13 Act.

14 "**§ 105-536. Limitations.**

15 This Article applies only to counties that levy the first one-cent (1¢) local sales and use tax  
16 under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the first  
17 one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, the second  
18 one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter, and the first  
19 one-quarter cent (1/4¢) local sales and use tax under Article 46 of this Chapter.

20 "**§ 105-537. Levy.**

21 (a) Authority. – If the majority of those voting in a referendum held pursuant to this  
22 Article vote for the levy of the taxes, the board of commissioners of the county may, by  
23 resolution, levy one-quarter percent (1/4%) local sales and use taxes in addition to any other  
24 State and local sales and use taxes levied pursuant to law.

25 (b) Vote. – The board of commissioners of a county may direct the county board of  
26 elections to conduct an advisory referendum on the question of whether to levy local  
27 one-quarter percent (1/4%) sales and use taxes in the county as provided in this Article. The  
28 election shall be held on a date jointly agreed upon by the two boards and shall be held in  
29 accordance with the procedures of G.S. 163-287.

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

32 [ ] FOR [ ] AGAINST

33 One-quarter percent (1/4%) local sales and use taxes, in addition to the current local  
34 sales and use taxes, to be used only for road construction, improvement, or maintenance  
35 purposes.'

36 "**§ 105-538. Administration.**



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

5 **"§ 105-539. Distribution and use.**

6        (a) Distribution. – The Secretary shall, on a monthly basis, distribute to each taxing  
7 county the net proceeds of the tax collected in that county under this Article. If the Secretary  
8 collects taxes under this Article in a month and the taxes cannot be identified as being  
9 attributable to a particular taxing county, the Secretary shall allocate these taxes among the  
10 taxing counties in proportion to the amount of taxes collected in each county under this Article  
11 in that month and shall include them in the monthly distribution.

12        (b) Use. – Counties may use the proceeds of a tax levied under this Article only for  
13 participating in the cost of rights-of-way, construction, reconstruction, improvement, or  
14 maintenance of a road on the State highway system under agreement with the Department of  
15 Transportation as permitted under G.S. 136-98 and to retire indebtedness incurred by the  
16 county for these purposes."

17        **SECTION 3.** A tax levied under Article 46 of Chapter 105 of the General Statutes,  
18 as enacted by this act, does not apply to construction materials purchased to fulfill a lump-sum  
19 or unit-price contract entered into or awarded before the effective date of the levy or entered  
20 into or awarded pursuant to a bid made before the effective date of the levy when the  
21 construction materials would otherwise be subject to the tax levied under Article 46 of Chapter  
22 105 of the General Statutes.

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