

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 408

Short Title: Cumberland Local Sales Tax.

(Local)

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Sponsors: Representative Hurley.

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Referred to: Rules, Calendar and Operations of the House.

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March 11, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CUMBERLAND COUNTY TO LEVY ONE-CENT  
LOCAL SALES AND USE TAXES FOR PUBLIC SCHOOL FACILITIES AND  
FOR MUNICIPAL CAPITAL NEEDS.

The General Assembly of North Carolina enacts:

Section 1. This act applies to Cumberland County only.

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

**"ARTICLE 44.**

**"SECOND ONE-CENT (1¢) LOCAL GOVERNMENT SALES AND USE TAX.**

**"§ 105-525. Short title.**

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

**"§ 105-526. 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.

**"§ 105-527. Levy of tax.**

The board of commissioners of a county may, by resolution, levy one percent (1%) local sales and use taxes in addition to any other State and local sales and use taxes levied

1 pursuant to law. Before adopting a resolution under this section, the board of  
2 commissioners must give at least 10 days' public notice of its intent to adopt the  
3 resolution and must hold a public hearing on the issue of adopting the resolution.

4 **"§ 105-528. Administration of taxes.**

5 Except as provided in this Article, the adoption, levy, collection, administration,  
6 distribution, and repeal of these additional taxes shall be in accordance with Article 39 of  
7 this Chapter. A tax levied under this Article does not apply to the sales price of food that  
8 is not otherwise exempt from tax pursuant to G.S. 105-164.13 but would be exempt from  
9 the State sales and use tax pursuant to G.S. 105-164.13 if it were purchased under the  
10 Food Stamp Program, 7 U.S.C. § 51.

11 **"§ 105-529. Use of taxes.**

12 (a) Counties. – A county may use the proceeds of a tax levied under this Article  
13 only for public school capital outlay purposes as defined in G.S. 115C-426(f) or to retire  
14 any indebtedness incurred by the county for these purposes after January 1, 1997.

15 (b) Municipalities. – A municipality may use the proceeds of a tax levied under  
16 this Article only for water and sewer capital outlay purposes, other capital outlay  
17 purposes, or to retire any indebtedness incurred by the municipality for these purposes  
18 after January 1, 1997."

19 Section 3. A tax levied under Article 44 of Chapter 105 of the General  
20 Statutes, as enacted by this act, does not apply to construction materials purchased to  
21 fulfill a lump-sum or unit-price contract entered into or awarded before the effective date  
22 of the levy or entered into or awarded pursuant to a bid made before the effective date of  
23 the levy when the construction materials would otherwise be subject to the tax levied  
24 under Article 44 of Chapter 105 of the General Statutes.

25 Section 4. This act is effective when it becomes law.