## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2001

H HOUSE BILL 1633

Short Titl	e: A	accelerate Local Option Sales Tax.	(Public)	
Sponsors:	R	epresentatives Tucker; and Gibson.		
Referred t	to: F	inance.		
		June 13, 2002		
		A BILL TO BE ENTITLED  ACCELERATE THE ADDITIONAL ONE-HALF CENT  ALES AND USE TAX.	LOCAL	
The Gene		ssembly of North Carolina enacts:		
"(c) before <del>Jul</del>	Effec	TION 1. G.S. 105-517(c) reads as rewritten: etive Date. – A tax levied under this Article may not become 6003. August 1, 2002."	effective	
	SEC'	TION 2. G.S. 105-518(b) reads as rewritten:		
"(b)		ot Question The question to be presented on a ballot for a	_	
		rning the levy of the taxes authorized by this Article must be	e in the	
following	form			
[] FOR [] AGAINST				
one-half percent (½%) local sales and use taxes, to replace the current one half percent (½%) State sales and use taxes that end July 1, 2003. in addition to all current State and				
		use taxes.'''	tate and	
10car sarch		TION 3. G.S. 105-521 reads as rewritten:		
"§ 105-521. Transitional local government hold harmless.				
(a)		nitions. – The following definitions apply in this section:		
` ,	(1)	Local government. – A county or municipality that rec distribution of local sales taxes in the most recent fiscal year for a local sales tax share has been calculated.		
	(2)	Local sales tax share. – A local government's percentage share two-cent $(2\phi)$ sales taxes distributed during the most recent fisher which data are available.		
	(3)	Repealed reimbursement amount. – The total amount government would have been entitled to receive during the 20 2001-2002 fiscal year under G.S. 105-164.44C, 105-275.1, 10 105-277.001, and 105-277.1A, if the Governor had not with	<del>02-2003</del> 5-275.2,	

distributions under those sections.

- (4) Two-cent (2¢) sales taxes. The first one-cent (1¢) sales and use tax authorized in Article 39 of this Chapter and in Chapter 1096 of the 1967 Session Laws, the first one-half cent (½¢) local sales and use tax authorized in Article 40 of this Chapter, and the second one-half cent (½¢) local sales and use tax authorized in Article 42 of this Chapter.
- 7 <u>the</u> 8 <u>thi</u> 9 <u>If</u> 10 <u>go</u>

- (b) Distributions. 2002-2003 Distribution. On or before September 15, 2002, the Secretary must multiply each local government's local sales tax share by the sum of three hundred nine million ten thousand six hundred sixty-seven dollars (\$309,010,667). If the resulting amount is less than one hundred percent (100%) of the local government's repealed reimbursement amount, the Secretary must pay the local government the difference, but not less than one hundred dollars (\$100.00).
- (b1) <u>Subsequent Distributions.</u> On or before September 15, 2003, and each September 15 thereafter, the Secretary must multiply each local government's local sales tax share by the estimated amount that all local governments would be expected to receive during the current fiscal year under G.S. 105-520 if every county levied the tax under this Article for the year. If the resulting amount is less than one hundred percent (100%) of the local government's repealed reimbursement amount, the Secretary must pay the local government the difference, but not less than one hundred dollars (\$100.00).

On or before May 1, 2003, and each May 1 thereafter, the Office of State Budget and Management and the Fiscal Research Division of the General Assembly must each submit to the Secretary and to the General Assembly a final projection of the estimated amount that all local governments would be expected to receive during the upcoming fiscal year under G.S. 105-520 if every county levied the tax under this Article for the fiscal year. If the Secretary does not use the lower of the two final projections to make the calculation required by this subsection, the Secretary must report the reasons for this decision to the Joint Legislative Commission on Governmental Operations within 60 days after receiving the projections.

- (c) Source of Funds. The Secretary must draw the funds distributed under this section from sales and use tax collections under Article 5 of this Chapter.
- (d) Reports. The Secretary must report to the Revenue Laws Study Committee by January 31, 2004,2003, and each January 31 thereafter, the amount distributed under this section for the current fiscal year."

**SECTION 4.** Section 34.14(b) of S.L. 2001-424 reads as rewritten:

"SECTION 34.14.(b) Notwithstanding the provisions of G.S. 105-466(c), a tax levied during the 2003–2002 calendar year under Article 44 of Chapter 105 of the General Statutes, as enacted by this act, may become effective on the first day of any calendar month during 2002 beginning on or after July 1, 2003. August 1, 2002. Notwithstanding the provisions of G.S. 105-466(c), if a county levies a tax during the 2003–2002 calendar year under Article 44 of Chapter 105 of the General Statutes, as enacted by this act, that is to become effective on or before January 1, 2003, the county is required to give the Secretary of Revenue only the following notice:

(1) If the tax is to become effective August 1, 2002, the county must notify the Secretary on or before July 15, 2002.

1	(2) If the tax is to become effective on the first day of any other calendar
2	month beginning on or before January 1, 2003, the county must give
3	the Secretary 30 days' advance notice of the tax levy.
4	For taxes levied on orthat are to become effective after January 1, 2004,2003, the
5	provisions of G.S. 105-466(c) apply."
6	<b>SECTION 5.</b> Notwithstanding the provisions of G.S. 105-517(b), a county
7	may levy a tax by resolution that becomes effective on or before January 1, 2003, under
8	Article 44 of Chapter 105 of the General Statutes without giving at least 10 days' public
9	notice of its intent to adopt the resolution and without holding a public hearing on the
10	issue of adopting the resolution.
11	<b>SECTION 6.</b> Section 34.15(b) of S.L. 2001-424 reads as rewritten:
12	"SECTION 34.15.(b) This section becomes effective July 1, <del>2003.</del> 2002."
13	<b>SECTION 7.</b> This act is effective when it becomes law.