

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

H

D

HOUSE DRH80122-MBx-15 (2/9)

Short Title: Local Tax Menu with Voter Approval. (Public)

Sponsors: Representative Michaux.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE COUNTIES AND CITIES TO LEVY A MENU OF  
LOCAL OPTION TAXES IF APPROVED BY THE VOTERS.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Subchapter VIII of Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 46.

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

**"§ 105-532. Short title.**

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

**"§ 105-532.1. Definitions.**

The following definitions apply in this Article:

(1) City. – Defined in G.S. 153A-1.

(2) Taxing unit. – A city or a county.

**"§ 105-532.2. 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 governing body of a taxing unit may, by resolution, levy local sales and use taxes up to the rate approved in the referendum, in addition to any other State and local sales and use taxes levied pursuant to law.

(b) Vote. – The governing body of a taxing unit may direct the county board of elections to conduct an advisory referendum on the question of whether to levy local sales and use taxes in the taxing unit as provided in this Article. The election shall be held on a date jointly agreed upon by the governing body 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 taxes authorized by this Article shall be:

[ ] FOR [ ] AGAINST

1           [X] percent (X%) local sales and use taxes, in addition to the current local  
 2 sales and use taxes.'

3           (d) Effect on Local Act. – If a taxing unit levies sales and use taxes under this  
 4 Article, that taxing unit may not also levy sales and use taxes under a local act. This  
 5 section does not repeal any local act authorizing a taxing unit to levy local sales and use  
 6 taxes. However, a taxing unit's levy of sales and use taxes under this Article  
 7 automatically removes the taxing unit's authority to levy sales and use taxes under a  
 8 local act. Repeal of a taxing unit's sales and use taxes levied under this Article does not  
 9 revive the taxing unit's authority to levy sales and use taxes under a local act.

10 **"§ 105-532.3. 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.

14           A tax levied under this Article does not apply to the sales price of food that is  
 15 exempt from tax pursuant to G.S. 105-164.13B.

16 **"§ 105-532.4. Distribution.**

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

23           If the taxing unit is a county, the Secretary shall divide the tax proceeds between the  
 24 county and its municipalities in the same manner as the tax proceeds distributed under  
 25 G.S. 105-472."

26           **SECTION 1.(b)** A tax levied under Article 46 of Chapter 105 of the General  
 27 Statutes, as enacted by this act, does not apply to construction materials purchased to  
 28 fulfill a lumpsum or unit-price contract entered into or awarded before the effective date  
 29 of the levy or entered into or awarded pursuant to a bid made before the effective date  
 30 of the levy when the construction materials would otherwise be subject to the tax levied  
 31 under Article 46 of Chapter 105 of the General Statutes.

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

34   "Article 47.

35   "Local Government Impact Tax.

36 **"§ 105-533. Short title.**

37           This Article is the Local Government Impact Tax Act.

38 **"§ 105-533.1. Definitions.**

39           The following definitions apply in this Article:

40                   (1) City. – Defined in G.S. 153A-1.

41                   (2) Commercial building enclosed floor space. – All enclosed floor space  
 42 used for any purpose except:

43                   a. Dwelling units and accessory structures to dwelling units.

- 1            b. Recreational facilities constructed as part of a residential  
2            development and used primarily by residents of the  
3            development.
- 4            c. Buildings owned by the United States, the State of North  
5            Carolina, any county, or any municipal corporation.
- 6            d. Buildings owned and operated by nonprofit entities for  
7            noncommercial and nonresidential purposes.
- 8            e. Schools or day care centers.
- 9            (3) Dwelling unit. – An enclosure containing sleeping, kitchen, and  
10           bathroom facilities designed for and used or held ready for use as a  
11           permanent residence by one family.
- 12           (4) Land development. –
- 13           a. Land development includes any of the following:
- 14               1. Construction of any dwelling unit, other than one  
15               excluded under sub-subdivision b. of this subdivision,  
16               for which a building permit was issued or should have  
17               been issued after the effective date of a tax adopted  
18               under this Article.
- 19               2. Construction of any commercial building enclosed floor  
20               space for which a building permit was issued or should  
21               have been issued after the effective date of a tax adopted  
22               under this Article.
- 23               3. Conversion of a building that adds one or more new  
24               dwelling units or that creates new commercial building  
25               enclosed floor space.
- 26               4. The initial location of a manufactured home or other  
27               dwelling or commercial structure within the taxing unit.
- 28           b. For purposes of determining the impact of land development for  
29           this Article, land development does not include:
- 30               1. Construction of an addition to a dwelling unit.
- 31               2. The relocation within a taxing unit of any structure  
32               located within the taxing unit on the effective date of a  
33               tax adopted pursuant to this Article or of any structure  
34               with respect to which an impact tax pursuant to this  
35               Article has been paid.
- 36               3. Within the taxing unit, the reconstruction or replacement  
37               of one dwelling unit by another or the replacement or  
38               reconstruction of commercial building enclosed floor  
39               space that was in existence on the effective date of a tax  
40               adopted pursuant to this Article or of any such floor  
41               space with respect to which an impact tax adopted  
42               pursuant to this Article has been paid.
- 43           (5) Net proceeds. – The gross proceeds of the tax less the cost to the  
44           taxing unit of collecting and administering the tax.

(6) Person. – Defined in G.S. 105-228.90.

(7) Person responsible for the impact of land development. – The owner of any dwelling unit or commercial building enclosed floor space on the date an occupancy permit is issued for the dwelling unit or commercial floor space or, if no occupancy permit is issued, the date the dwelling unit or commercial floor space is occupied.

(8) Taxing unit. – A city or a county.

**"§ 105-533.2. 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 governing body of a taxing unit may, by resolution, levy a local tax on the impact of land development, up to the rates approved in the referendum.

(b) Vote. – The governing body of a taxing unit may direct the county board of elections to conduct an advisory referendum on the question of whether to levy a local impact tax in the taxing unit as provided in this Article. The election shall be held on a date jointly agreed upon by the governing body 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

A local tax on the impact of land development, at rates not to exceed [X] per square foot of dwelling space and [X] per square foot of commercial building enclosed floor space.'

(d) Effect on Local Act. – If a taxing unit levies an impact tax under this Article, that taxing unit may not also levy an impact tax under a local act. This section does not repeal any local act authorizing a taxing unit to levy an impact tax. However, a taxing unit's levy of an impact tax under this Article automatically removes the taxing unit's authority to levy an impact tax under a local act. Repeal of a taxing unit's impact tax levied under this Article does not revive the taxing unit's authority to levy an impact tax under a local act.

**"§ 105-533.3. Rates.**

The taxing unit shall establish annually at the time of the adoption of its annual budget the tax rate to be levied per square foot of dwelling space and per square foot of commercial building enclosed floor space for the ensuing fiscal year. Different tax rates may be established for different types of dwelling units and different types of commercial building enclosed floor space.

**"§ 105-533.4. Liability and administration.**

A resolution levying a tax pursuant to this Article must provide that:

(1) The person responsible for the impact of land development shall pay an impact tax for each square foot of dwelling space and commercial building enclosed floor space for which an occupancy permit is issued or, if no occupancy permit is issued, for each square foot of dwelling space in an occupied dwelling and for each square foot of occupied enclosed floor space in a commercial building.

- 1           (2)    The tax is due on or before the date an occupancy permit is initially  
2               issued for the dwelling unit or commercial building enclosed floor  
3               space in question or, if no occupancy permit is issued, the date the  
4               dwelling unit or commercial floor space is initially occupied.  
5               However, no tax due is considered delinquent until 60 days after it  
6               becomes due. Interest is due on delinquent taxes at the legal rate.  
7           (3)    Taxes authorized by this Article may be collected pursuant to  
8               G.S. 153A-147 or G.S. 160A-207. In addition, taxes authorized by this  
9               Article may be recovered in a civil action in the nature of debt  
10              including an award of reasonable attorneys' fees as part of costs.

11   **"§ 105-533.5. Disclosure requirements.**

12       Whenever the sale of real property located in a taxing unit involves new  
13       construction, the seller must prepare and sign, and the buyer must receive and sign, a  
14       disclosure statement. The disclosure statement must either be included in a contract or  
15       sale or contained in a separate document executed before the execution of a sales  
16       contract. This disclosure statement must completely disclose that the owner of the  
17       property at the time an occupancy permit issued for the new construction or, if no  
18       occupancy permit is issued, the date the new construction is occupied, may be subject to  
19       a tax levied by the taxing unit on the impact of land development. If a seller fails to  
20       make this disclosure and the buyer suffers injury as a result of the seller's failure to  
21       disclose, the seller is liable to the buyer to the extent of the buyer's injury."

22       **SECTION 3.** Subchapter VIII of Chapter 105 of the General Statutes is  
23       amended by adding a new Article to read:

24    "Article 48.

25    "Local Government Meals Tax.

26   **"§ 105-534. Short title.**

27       This Article is the Local Government Meals Tax Act.

28   **"§ 105-534.1. Definitions.**

29       The definitions in G.S. 105-164.3 apply to this Article. In addition, the following  
30       definitions apply in this Article:

- 31           (1)    City. – Defined in G.S. 153A-1.  
32           (2)    Person. – Defined in G.S. 105-228.90.  
33           (3)    Prepared food and drink. – The same meaning as "prepared food"  
34               under G.S. 105-164.3.  
35           (4)    Taxing unit. – A city or a county.

36   **"§ 105-534.2. Levy.**

37       (a)    Authority. – If the majority of those voting in a referendum held pursuant to  
38       this Article vote for the levy of the tax, the governing body of a taxing unit may, by  
39       resolution, levy a local meals tax up to the rate approved in the referendum, in addition  
40       to any other State and local sales and use taxes levied pursuant to law. The tax applies to  
41       the sales price of prepared food and drink sold within the taxing unit at retail, for  
42       consumption on or off the premises, by a retailer within the county that is subject to  
43       sales tax under G.S. 105-164.4(a)(1). A meals tax must become effective on the date  
44       specified in the resolution levying the tax. That date must be the first day of a calendar

1 month, however, and may not be earlier than the first day of the second month after the  
2 date the resolution is adopted.

3 (b) Vote. – The governing body of a taxing unit may direct the county board of  
4 elections to conduct an advisory referendum on the question of whether to levy a local  
5 meals tax in the taxing unit as provided in this Article. The election shall be held on a  
6 date jointly agreed upon by the governing body and the board of elections and shall be  
7 held in accordance with the procedures of G.S. 163-287.

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

10  FOR  AGAINST

11  percent (X%) local meals tax, in addition to the current local sales and  
12 use taxes.'

13 (d) Effect on Local Act. – If a taxing unit levies a meals tax under this Article,  
14 that taxing unit may not also levy a meals tax under a local act. This section does not  
15 repeal any local act authorizing a taxing unit to levy a meals tax. However, a taxing  
16 unit's levy of a meals tax under this Article automatically removes the taxing unit's  
17 authority to levy a meals tax under a local act. Repeal of a taxing unit's meals tax levied  
18 under this Article does not revive the taxing unit's authority to levy a meals tax under a  
19 local act.

20 "**§ 105-534.3. Exemptions.**

21 A meals tax levied under this Article does not apply to the following sales of  
22 prepared food and drink:

- 23 (1) Prepared food and drink served to residents in boarding houses and  
24 sold together on a periodic basis with rental of a sleeping room or  
25 lodging.
- 26 (2) Retail sales exempt from taxation under G.S. 105-164.13.
- 27 (3) Retail sales through or by means of vending machines.
- 28 (4) Prepared food and drink served by a retailer subject to the local  
29 occupancy tax if the charge for the prepared food and drink is included  
30 in a single, nonitemized sales price together with the charge for rental  
31 of a room, lodging, or accommodation furnished by the retailer.
- 32 (5) Prepared food and drink furnished without charge by an employer to  
33 an employee.
- 34 (6) Retail sales by grocers or by grocery sections of supermarkets or other  
35 diversified retail establishments, other than sales of prepared food and  
36 drink in the delicatessen or similar department of the grocer or grocery  
37 section.

38 "**§ 105-534.4. Collection.**

39 Every retailer subject to a tax levied under this Article must, on and after the  
40 effective date of the levy of the tax, collect the tax. This tax must be collected as part of  
41 the charge for furnishing prepared food and drink. The tax must be stated and charged  
42 separately from the sales records and must be paid by the purchaser to the retailer as  
43 trustee for and on account of the taxing unit. The tax must be added to the sales price  
44 and passed on to the purchaser instead of being borne by the retailer. The taxing unit

1 must design, print, and furnish to all appropriate businesses and persons in the taxing  
2 unit the necessary forms for filing returns and instructions to ensure the full collection  
3 of the tax.

4 **"§ 105-534.5. Administration.**

5 The taxing unit must administer a tax levied under this Article. A tax levied under  
6 this Article is due and payable to the local finance officer in monthly installments on or  
7 before the 15th day of the month following the month in which the tax accrues. Every  
8 retailer liable for the tax must, on or before the 15th day of each month, prepare and file  
9 a return on a form prescribed by the taxing unit. The return must show the total gross  
10 receipts derived in the preceding month from sales to which the tax applies.

11 A return filed with the local finance officer under this Article is not a public record  
12 and may not be disclosed except as provided in G.S. 153A-148.1 or G.S. 160A-208.1.

13 **"§ 105-534.6. Refunds.**

14 The taxing unit must refund to a nonprofit or governmental entity the meals tax paid  
15 by the entity on eligible purchases of prepared food and drink. A nonprofit or  
16 governmental entity's purchase of prepared food and drink is eligible for a refund under  
17 this section if the entity is entitled to a refund under G.S. 105-164.14(b) or (c) of local  
18 sales and use tax paid on the purchase or if the sale is exempt under G.S. 105-164.13.  
19 The time limitations, application requirements, penalties, and restrictions provided in  
20 G.S. 105-164.14(b) and (d) apply to refunds to nonprofit entities; the time, limitations,  
21 application requirements, penalties, and restrictions provided in G.S. 105-164.14(c) and  
22 (d) apply to refunds to governmental entities. When an entity applies for a refund of the  
23 meals tax paid by it on purchases, it must attach to its application a copy of the  
24 application submitted to the Department of Revenue under G.S. 105-164.14 for a refund  
25 of the sales and use tax on the same purchases or a written statement that the purchases  
26 were exempt from the tax. An applicant for a refund under this subsection must provide  
27 any information required by the taxing unit to substantiate the claim.

28 **"§ 105-534.7. Penalties.**

29 A person that fails or refuses to file the return or pay a tax levied under this Article is  
30 subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a  
31 return for State sales and use taxes. The governing body of the taxing unit has the same  
32 authority to waive the penalties for a tax levied under this Article that the Secretary of  
33 Revenue has to waive the penalties for State sales and use taxes.

34 **"§ 105-534.8. Repeal or reduction.**

35 A meals tax levied under this Article may be repealed or reduced by a resolution  
36 adopted by the governing body of the taxing unit. Repeal or reduction of a meals tax  
37 must become effective on the first day of a month and may not become effective until  
38 the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a  
39 meals tax does not affect a liability for a tax that was attached before the effective date  
40 of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued  
41 before the effective date of the repeal or reduction."

42 **SECTION 4.** Subchapter VIII of Chapter 105 of the General Statutes is  
43 amended by adding a new Article to read:

44 "Article 49.

1 "Local Government Occupancy Tax.

2 **"§ 105-535. Short title.**

3 This Article is the Local Government Occupancy Tax Act.

4 **"§ 105-535.1. Definitions.**

5 The following definitions apply in this Article:

6 (1) City. – Defined in G.S. 153A-1.

7 (2) Taxing unit. – A city or a county.

8 **"§ 105-535.2. Levy.**

9 (a) Authority. – If the majority of those voting in a referendum held pursuant to  
10 this Article vote for the levy of the tax, the governing body of a taxing unit may, by  
11 resolution, levy a local occupancy tax up to the rate approved in the referendum. The  
12 tax applies to the gross receipts derived from the rental of any room, lodging, or  
13 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within  
14 the taxing unit that is subject to sales tax imposed by the State under  
15 G.S. 105-164.4(a)(3). The tax is in addition to any State or local sales tax.

16 (b) Vote. – The governing body of a taxing unit may direct the county board of  
17 elections to conduct an advisory referendum on the question of whether to levy a local  
18 occupancy tax in the taxing unit as provided in this Article. The election shall be held  
19 on a date jointly agreed upon by the governing body and the board of elections and shall  
20 be held in accordance with the procedures of G.S. 163-287.

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

23 ' [ ] FOR [ ] AGAINST

24 [X] percent (X%) local occupancy tax, in addition to the current local sales  
25 and use taxes.'

26 (d) Effect on Local Act. – If a taxing unit levies an occupancy tax under this  
27 Article, that taxing unit may not also levy an occupancy tax under a local act. This  
28 section does not repeal any local act authorizing a taxing unit to levy an occupancy tax.  
29 However, a taxing unit's levy of an occupancy tax under this Article automatically  
30 removes the taxing unit's authority to levy an occupancy tax under a local act. Repeal of  
31 a taxing unit's occupancy tax levied under this Article does not revive the taxing unit's  
32 authority to levy an occupancy tax under a local act.

33 **"§ 105-535.3. Administration.**

34 A tax levied under this Article shall be levied, administered, collected, and repealed  
35 as provided in G.S. 160A-215 in the case of a city and as provided in G.S. 153A-155 in  
36 the case of a county. The penalties provided in G.S. 160A-215 and G.S. 153A-155  
37 apply to a tax levied under this Article."

38 **SECTION 5.** Subchapter VIII of Chapter 105 of the General Statutes is  
39 amended by adding a new Article to read:

40 "Article 49A.

41 "Local Government Income Tax.

42 **"§ 105-536. Short title.**

43 This Article is the Local Government Income Tax Act.

44 **"§ 105-536.1. Definitions.**



1       The definitions provided in G.S. 105-134.1 and the following definitions apply in  
2 this Article:

- 3           (1) City. – Defined in G.S. 153A-1.  
4           (2) North Carolina income tax. – The amount of tax imposed on the  
5 taxpayer under Part 2 of Article 4 of this Chapter for the taxable year  
6 before the subtraction of any credits allowed by this Chapter.  
7           (3) Taxing unit. – A city or a county.

8 **"§ 105-536.2. Levy.**

9           (a) Authority. – If the majority of those voting in a referendum held pursuant to  
10 this Article vote for the levy of the tax, the governing body of a taxing unit may, by  
11 resolution, levy a local income tax on residents of the taxing unit up to the rate approved  
12 in the referendum. The tax is calculated as a percentage of the North Carolina income  
13 tax of every individual who is a resident of the taxing unit as of the end of the taxable  
14 year. If the resolution is adopted before September 1, the tax becomes effective for  
15 taxable years beginning on or after the following January 1. If the resolution is adopted  
16 on or after September 1, the tax becomes effective for taxable years beginning on or  
17 after January 1 of the second calendar year following adoption of the resolution.

18           (b) Vote. – The governing body of a taxing unit may direct the county board of  
19 elections to conduct an advisory referendum on the question of whether to levy a local  
20 income tax on residents of the taxing unit as provided in this Article. The election shall  
21 be held on a date jointly agreed upon by the governing body and the board of elections  
22 and shall be held in accordance with the procedures of G.S. 163-287.

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

25                                   ' [ ] FOR [ ] AGAINST

26                   Local income tax on residents of [the taxing unit], up to [X] percent (X%) of  
27 each resident's North Carolina income tax.'

28 **"§ 105-536.3. Administration.**

29           (a) Resolution. – The governing body of the taxing unit must, upon adoption of a  
30 resolution levying a tax under this Article, immediately deliver a certified copy of the  
31 resolution to the Secretary of Revenue, accompanied by a certified statement from the  
32 county board of elections setting forth the results of the special election approving the  
33 tax in the taxing unit. Upon receipt of these documents, the Secretary of Revenue shall  
34 administer the tax in the taxing unit as provided in this Article.

35           (b) Credits. – No credits are allowed against a tax imposed by this Article.

36           (c) Distribution. – The Secretary of Revenue shall quarterly allocate to each  
37 taxing unit the net proceeds of the tax it levies under this Article. As used in this  
38 section, net proceeds means gross proceeds less refunds, less the cost to the State of  
39 collecting and administering the tax, and less any other deductions that may be properly  
40 charged to the taxing unit.

41           If the taxing unit is a county, the Secretary shall divide the net proceeds between the  
42 county and its municipalities in the same manner as the tax proceeds distributed under  
43 G.S. 105-472.

1 (d) Administration and Penalties. – The provisions of Article 9 of this Chapter  
2 apply to a tax levied under this Article.

3 (e) Repeal or Reduction. – A tax levied under this Article may be repealed or  
4 reduced by a resolution adopted by the governing body of the taxing unit. If the  
5 resolution is adopted before September 1, the repeal becomes effective for taxable years  
6 beginning on or after the following January 1. If the resolution is adopted on or after  
7 September 1, the repeal becomes effective for taxable years beginning on or after  
8 January 1 of the second calendar year following adoption of the resolution. Repeal or  
9 reduction of a local income tax does not affect a liability for a tax that was attached  
10 before the effective date of the repeal or reduction, nor does it affect a right to a refund  
11 of a tax that accrued before the effective date of the repeal or reduction."

12 **SECTION 6.** Subchapter VIII of Chapter 105 of the General Statutes is  
13 amended by adding a new Article to read:

14 "Article 49B.

15 "Local Government Land Transfer Tax.

16 "**§ 105-537. Short title.**

17 This Article is the Local Government Land Transfer Tax Act.

18 "**§ 105-537.1. Definitions.**

19 The following definitions apply in this Article:

20 (1) City. – Defined in G.S. 153A-1.

21 (2) Taxing unit. – A city or a county.

22 "**§ 105-537.2. Levy.**

23 (a) Authority. – If the majority of those voting in a referendum held pursuant to  
24 this Article vote for the levy of the tax, the governing body of a taxing unit may, by  
25 resolution, levy a local land transfer tax on instruments conveying interests in real  
26 property located in the taxing unit, up to the rate approved in the referendum. The tax  
27 applies to the consideration or value, whichever is greater, of the interest conveyed,  
28 including the value of any lien or encumbrance remaining on the property at the time of  
29 sale. The levy of the tax may become effective only on the first day of a calendar month  
30 set in the resolution levying the tax, which may not be earlier than the first day of the  
31 second succeeding calendar month after the date the resolution is adopted.

32 (b) Vote. – The governing body of a taxing unit may direct the county board of  
33 elections to conduct an advisory referendum on the question of whether to levy a local  
34 land transfer tax in the taxing unit as provided in this Article. The election shall be held  
35 on a date jointly agreed upon by the governing body and the board of elections and shall  
36 be held in accordance with the procedures of G.S. 163-287.

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

39 [ ] FOR [ ] AGAINST

40 Real property transfer tax at the rate of [X] on each one hundred dollars  
41 (\$100.00) of value or consideration.'

42 (d) Effect on Local Act. – If a taxing unit levies a land transfer tax under this  
43 Article, that taxing unit may not also levy a land transfer tax under a local act. This  
44 section does not repeal any local act authorizing a taxing unit to levy a land transfer tax.

1 However, a taxing unit's levy of a land transfer tax under this Article automatically  
2 removes the taxing unit's authority to levy a land transfer tax under a local act. Repeal  
3 of a taxing unit's land transfer tax levied under this Article does not revive the taxing  
4 unit's authority to levy a land transfer tax under a local act.

5 **"§ 105-537.3. Administration.**

6 (a) Resolution. – The governing body of the taxing unit must, upon adoption of a  
7 resolution levying a tax under this Article, immediately deliver a certified copy of the  
8 resolution to the register of deeds of the county, accompanied by a certified statement  
9 from the county board of elections setting forth the results of the special election  
10 approving the tax in the taxing unit. Upon receipt of these documents, the register of  
11 deeds shall administer the tax in the taxing unit as provided in this Article.

12 (b) Scope. – A tax levied under this Article does not apply to transfers exempt  
13 pursuant to G.S. 105-228.28 or G.S. 105-228.29 from the tax levied by Article 8E of  
14 this Chapter.

15 The tax is in addition to the tax levied by Article 8E of this Chapter. A tax levied  
16 under this Article applies to transfers of interests in real property located within the  
17 taxing unit. If the property is located in two or more taxing units, a transfer of an  
18 interest in the property is taxable only by the taxing unit in which the greater part of the  
19 property, with respect to value, lies.

20 (c) Administration. – A tax levied under this Article is payable by the transferor  
21 of the interest. Except as otherwise provided in this Article, the provisions of  
22 G.S. 105-228.31 through G.S. 105-228.36 apply to a tax levied under this Article. The  
23 taxing unit must provide metering or similar equipment for the collection of the tax in  
24 lieu of the use of tax stamps.

25 (d) Repeal or Reduction. – A taxing unit may, by resolution, repeal or reduce the  
26 rate of a tax levied under this Article. Repeal or reduction of the tax must become  
27 effective on the first day of a month and may not become effective until the end of the  
28 fiscal year in which the repeal or reduction resolution was adopted. Repeal of a land  
29 transfer tax, or reduction of its rate, under this Article does not affect a liability for a tax  
30 that attached before the effective date of the repeal or reduction, nor does it affect a  
31 right to a refund of a tax that accrued before the effective date of the repeal or  
32 reduction."

33 **SECTION 7.** This act is effective when it becomes law.