

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**SENATE DRS65381-MCx-5 (4/19)**

Short Title: Gates Land Transfer Tax. (Local)

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Sponsors: Senator Holloman.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE GATES COUNTY TO LEVY A ONE PERCENT EXCISE  
TAX ON INSTRUMENTS CONVEYING REAL PROPERTY.

The General Assembly of North Carolina enacts:

**SECTION 1.** This act applies to Gates County only.

**SECTION 2.** Vote. – The Gates County Board of Commissioners may direct the county board of elections to conduct a special election on the question of whether to levy a local excise tax on conveyances in the county as provided in this act. The election shall be held on a date jointly agreed upon by the two boards and shall be held in accordance with the procedures of G.S. 163-287.

**SECTION 3.** Ballot Question. – The question may either restrict the use of the tax proceeds to specific purposes designated by the Board of Commissioners or may contain no use restrictions. If the county wishes to restrict the use of the tax proceeds, the question to be presented on a ballot for a special election in the county concerning the levy of a tax authorized by this act shall be in the following form:

"[ ] FOR [ ] AGAINST

One percent (1%) county excise tax on conveyances of real property, in addition to the current State excise tax on conveyances of real property, to be used only for [specify purposes]."

If the county does not wish to restrict the use of the tax proceeds, the question to be presented on a ballot for a special election in the county concerning the levy of a tax authorized by this Article shall be in the following form:

"[ ] FOR [ ] AGAINST

One percent (1%) county excise tax on conveyances of real property, in addition to the current State excise tax on conveyances of real property."

**SECTION 4.** Levy. – If the majority of those voting in an election pursuant to this act vote for the levy of the tax in the county, the Gates County Board of

1 Commissioners may, by resolution, levy a local excise tax on conveyances at a rate of  
2 one percent (1%) on instruments conveying interests in real property located in the  
3 county.

4 **SECTION 5.** Basis and Effective Date. – The tax applies to the  
5 consideration or value, whichever is greater, of the interest conveyed, including the  
6 value of any lien or encumbrance remaining on the property at the time of sale. The levy  
7 of the tax may become effective only on the first day of a calendar month set in the  
8 resolution levying the tax, which may not be earlier than the first day of the second  
9 succeeding calendar month after the date the resolution is adopted.

10 **SECTION 6.** Resolution. – The Gates County Board of Commissioners  
11 shall, upon adoption of a resolution levying a tax under this act, immediately deliver a  
12 certified copy of the resolution to the Gates County Register of Deeds. Upon receipt of  
13 this document, the Register of Deeds shall administer the tax in the county as provided  
14 in this act.

15 **SECTION 7.** Scope. – A tax levied under this act does not apply to a  
16 transfer exempt pursuant to G.S. 105-228.28 or G.S. 105-228.29 from the tax levied by  
17 Article 8E of Chapter 105 of the General Statutes. In addition, the tax does not apply to  
18 a transfer to the owner's spouse, siblings, parents, grandparents, children, or  
19 grandchildren.

20 The tax is in addition to the tax levied by Article 8E of Chapter 105 of the  
21 General Statutes. A tax levied under this act applies to transfers of interests in real  
22 property located within the county. If the property is located in two or more counties, a  
23 transfer of an interest in the property is taxable only by the county in which the greater  
24 part of the property, with respect to value, lies.

25 **SECTION 8.** Collection. – A tax levied under this act is payable by the  
26 transferor of the interest. Except as otherwise provided in this act, the provisions of  
27 G.S. 105-228.32 through G.S. 105-228.37 apply to a tax levied under this act. The  
28 county shall provide metering or similar equipment for the collection of the tax in lieu  
29 of the use of tax stamps.

30 **SECTION 9.** Repeal or Reduction. – Gates County may, by resolution,  
31 repeal or reduce the rate of a tax levied under this act. Repeal or reduction of the tax  
32 shall become effective on the first day of a month and may not become effective until  
33 the end of the fiscal year in which the repeal or reduction resolution was adopted.  
34 Repeal of an excise tax on conveyances, or reduction of its rate, under this act does not  
35 affect a liability for a tax that attached before the effective date of the repeal or  
36 reduction, nor does it affect a right to a refund of a tax that accrued before the effective  
37 date of the repeal or reduction.

38 **SECTION 10.** Use. – The proceeds of the tax may be used for any lawful  
39 purpose. If the special election approved by the voters restricted the use of the tax  
40 proceeds to specific purposes, the proceeds may be used only in accordance with those  
41 restrictions.

42 **SECTION 11.** This act is effective when it becomes law.