

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 312*
Finance Committee Substitute Adopted 6/7/11

Short Title: Roanoke Rapids Local Option Sales Tax. (Local)

Sponsors:

Referred to:

March 10, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE CITY OF ROANOKE RAPIDS TO LEVY A ONE-CENT
3 LOCAL SALES AND USE TAX TO REPAY TAX INCREMENT FINANCING BONDS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** This act applies to the City of Roanoke Rapids only. The City of
6 Roanoke Rapids may only place on the ballot initiative and may only use the proceeds to repay
7 the tax increment financing bonds issued for the construction of the Roanoke Rapids Theatre,
8 formerly known as the Randy Parton Theatre.

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

11 "Article 47.

12 "One-Cent (1¢) Municipality Sales and Use Tax.

13 "**§ 105-539. Short title.**

14 This Article is the One-Cent (1¢) Municipality Sales and Use Tax.

15 "**§ 105-540. Levy.**

16 (a) Authority. – If the majority of those voting in a referendum held pursuant to this
17 Article vote for the levy of the tax, the city council may, by resolution and after 10 days' public
18 notice, levy a local sales and use tax at a rate of one percent (1%).

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

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

26 [] FOR [] AGAINST

27 Local sales and use tax at the rate of one percent (1%) in addition to all other State and
28 local sales and use taxes for the sole purpose of repaying debt related to [insert name of
29 project].'

30 "**§ 105-541. Administration.**

31 Except as provided in this Article, the adoption, levy, collection, administration, and repeal
32 of the additional taxes authorized by this Article shall be in accordance with Article 39 of this
33 Chapter. References to 'county' or 'counties' within Article 39 of this Chapter shall be
34 interpreted as referring to 'municipality' or 'municipalities,' respectively, for purposes of the tax
35 authorized by this Article.

36 "**§ 105-542. Distribution and use of taxes.**



1 (a) Distribution. – The Secretary shall, on a monthly basis, distribute to each taxing
2 municipality for which the Secretary collects the tax the net proceeds of the tax collected in that
3 municipality under this Article. If the Secretary collects local sales or use taxes in a month and
4 the taxes cannot be identified as being attributable to a particular taxing municipality, the
5 Secretary shall allocate the taxes among the taxing municipalities in proportion to the amount
6 of taxes collected in each municipality under this Article during that month and shall include
7 them in the monthly distribution. Amounts collected by electronic funds transfer payments are
8 included in the distribution for the month in which the return that applies to the payment is
9 received.

10 (b) Use. – A municipality may use the net proceeds of a tax levied under this Article
11 only for the repayment of tax increment financing bonds for the project listed on the ballot
12 initiative.

13 **§ 105-543. Expiration.**

14 A tax levied under this Article expires upon the repayment of the tax increment financing
15 bonds for the project listed on the ballot initiative that existed as of the date of the ballot
16 initiative. The expiration of a tax pursuant to this Article does not affect the rights or liabilities
17 of a municipality, a taxpayer, or another person arising under the expired tax; nor does it affect
18 the right to any refund or credit of a tax that would otherwise have been available under the
19 expired tax before its expiration. If the Secretary receives a valid request for a refund of a tax
20 levied under this Article after the tax has expired and the net proceeds have been distributed,
21 the Secretary shall draw the refund from the taxing municipality's share of the net proceeds of
22 the tax it levies under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session
23 Laws, as applicable.

24 **SECTION 3.** This act is effective when it becomes law.