

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 71

Short Title: Restore Certain Hold Harmless Sales Tax Funds. (Local)

Sponsors: Representative Baskerville (Primary Sponsor).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Government, if favorable, Finance.

February 6, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO RESTORE THE LOCAL GOVERNMENT HOLD HARMLESS FOR
3 REPEALED REIMBURSEMENTS FOR VANCE, WARREN, AND GRANVILLE
4 COUNTIES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-521 reads as rewritten:

7 "**§ 105-521. Transitional local government hold harmless for repealed reimbursements.**

8 ...

9 (b) Distributions. – On or before August 15, 2008, and every August 15 ~~through August~~
10 ~~15, 2012, thereafter,~~ the Secretary must multiply each local government's local sales tax share
11 by the estimated amount of replacement revenue that all local governments are expected to
12 receive during the current fiscal year. If the resulting amount is less than one hundred percent
13 (100%) of the local government's repealed reimbursement amount, the Secretary must pay the
14 local government the difference, but not less than one hundred dollars (\$100.00).

15 On or before May 1 of each fiscal year ~~through May 1, 2012, year,~~ the Department of
16 Revenue and the Fiscal Research Division of the General Assembly must each submit to the
17 Secretary and to the General Assembly a final projection of the estimated amount of
18 replacement revenue that all local governments would be expected to receive during the
19 upcoming fiscal year. If, after May 1 and before a distribution is made, a law is enacted that
20 would affect the projection, an updated projection must be submitted as soon as practicable. If
21 the Secretary does not use the lower of the two final projections to make the calculation
22 required by this subsection, the Secretary must report the reasons for this decision to the Joint
23 Legislative Commission on Governmental Operations within 60 days after receiving the
24 projections.

25 (c) Source of Funds. – The Secretary must draw the funds distributed under this section
26 from sales and use tax collections under Article 5 of this Chapter.

27 (d) Reports. – The Secretary must report to the Revenue Laws Study Committee by
28 January 31, 2004, and each January 31 ~~through January 31, 2013, thereafter,~~ the amount
29 distributed under this section for the current fiscal year."

30 **SECTION 2.** This act applies only to Vance, Warren, and Granville Counties.

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

