

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 518

Short Title: County Sales Tax Flexibility. (Public)

Sponsors: Representatives Hunter, Saine, Hanes, and Setzer (Primary Sponsors).

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

Referred to: Local Government, if favorable, Finance.

April 2, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO GIVE COUNTIES INCREASED FLEXIBILITY WITHIN THEIR CURRENT
3 AUTHORITY FOR LOCAL SALES AND USE TAX AND TO MAKE OTHER
4 CHANGES TO LOCAL SALES AND USE TAX LAWS.

5 The General Assembly of North Carolina enacts:

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

8 "Article 43A.

9 "County Sales and Use Tax.

10 **"§ 105-513.1. Short title; purpose.**

11 This Article is the County Sales and Use Tax. Article 43 of this Chapter, Article 46 of this
12 Chapter, and this Article give the counties of this State an opportunity to choose a flexible mix
13 of sales tax revenues with which to meet their needs. A county may choose to use this source of
14 revenue to finance local public transportation systems, as provided in Article 43 of this
15 Chapter, or for general purposes, as provided in this Article and Article 46 of this Chapter.

16 **"§ 105-513.2. Levy.**

17 (a) Authority. – The board of county commissioners may levy a local sales and use tax
18 at the rate of one-quarter percent (0.25%) upon the occurrence of any of the following:

19 (1) By resolution, if a majority of those voting in a special election held
20 pursuant to subsection (b) of this section approve the levy of the local sales
21 and use tax and the county has given not less than 10 days' public notice.

22 (2) By resolution, if no election has been held within five years under the
23 provisions of subsection (b) of this section in which the tax has been
24 defeated and the county has given not less than 10 days' public notice of and
25 held a public hearing.

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

28 [] FOR [] AGAINST

29 Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to the current
30 local sales and use taxes."

31 **"§ 105-513.3. Administration.**

32 Except as provided in this Article, the adoption, levy, collection, administration, and repeal
33 of these additional taxes must be in accordance with Article 39 of this Chapter. In applying the
34 provisions of Article 39 of this Chapter to this Article, references to "this Article" mean
35 "Article 43A of Chapter 105 of the General Statutes." G.S. 105-468.1 is an administrative



1 provision that applies to this Article. A tax levied under this Article does not apply to the sales
2 price of food that is exempt from tax pursuant to G.S. 105-164.13B or to the sales price of a
3 bundled transaction taxable pursuant to G.S. 105-467(a)(5a). The Secretary shall not divide the
4 amount allocated to a county between the county and the municipalities within the county.

5 **"§ 105-513.4. Limitation.**

6 A tax levied by a county under this Article shall reduce, by the amount levied, the tax
7 authorized to be levied by the county under Article 43 of this Chapter."

8 **SECTION 2.** G.S. 105-506 reads as rewritten:

9 **"§ 105-506. Short title; purpose.**

10 This Article is the Local Government Public Transportation Sales Tax Act and may be cited
11 by that name. ~~This Article gives Article, Article 43A of this Chapter, and Article 46 of this~~
12 ~~Chapter give the counties and transportation authorities of this State an opportunity to obtain an~~
13 ~~additional source of revenue with which to meet their needs for financing needs. Counties and~~
14 ~~transportation authorities may choose to use this source of revenue to finance local public~~
15 ~~transportation systems, systems under this Article or for general purposes, as provided in~~
16 ~~Articles 43A and 46 of this Chapter. It provides them with authority to levy sales and use~~
17 ~~taxes. All such taxes~~ A tax levied under this Article must be approved in a referendum."

18 **SECTION 3.** G.S. 105-537 reads as rewritten:

19 **"§ 105-537. Levy.**

20 (a) Authority. – ~~If~~ The board of county commissioners may levy a local sales and use
21 tax at the rate of one-quarter percent (0.25%) upon the occurrence of any of the following:

22 (1) By resolution, if the majority of those voting in a referendum held pursuant
23 to this Article ~~vote for the levy of the tax, the board of county~~
24 ~~commissioners may, by resolution and after 10 days' public notice, levy a~~
25 ~~local sales and use tax at a rate of one quarter percent (0.25%).~~ approve the
26 levy of the local sales and use tax and the county has given not less than 10
27 days' public notice.

28 (2) By resolution, if no election has been held within five years under the
29 provisions of this section in which the tax has been defeated and the county
30 has given not less than 10 days' public notice of and held a public hearing.

31 (b) Vote. – The board of county commissioners may direct the county board of
32 elections to conduct an advisory referendum on the question of whether to levy a local sales
33 and use tax in the county as provided in this Article. The election shall be held in accordance
34 with the procedures of G.S. 163-287.

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

37 "[] FOR [] AGAINST

38 Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other
39 State and local sales and use taxes."

40 (d) Repealed by Session Laws 2014-3, s. 14.22, effective May 29, 2014."

41 **SECTION 4.** This act is effective when it becomes law.