

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 552

Short Title: Modify 1/4 Cent Sales Tax Ballot Question. (Public)

Sponsors: Senator Sanderson (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 3, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE BALLOT QUESTION FOR PURPOSES OF THE
3 REFERENDUM FOR THE ONE-QUARTER CENT COUNTY SALES AND USE TAX.
4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-537(c) reads as rewritten:

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

8 " [] FOR [] AGAINST

9 Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State
10 and local sales and use ~~taxes~~ taxes to be used for [use or uses chosen for inclusion in conformity
11 with the options listed in G.S. 105-538]."

12 **SECTION 2.** G.S. 105-538 reads as rewritten:

13 "**§ 105-538. Administration and use of taxes.**

14 (a) Administration. – The Secretary shall, on a monthly basis, allocate to each taxing
15 county the net proceeds of the tax levied under this Article. If the Secretary collects taxes under
16 this Article in a month and the taxes cannot be identified as being attributable to a particular
17 taxing county, the Secretary must allocate the net proceeds of these taxes among the taxing
18 counties in proportion to the amount of taxes collected in each county under this Article in that
19 month. For purposes of this Article, the term "net proceeds" has the same meaning as defined in
20 G.S. 105-472.

21 Except as provided in this Article, the adoption, levy, collection, administration, and repeal
22 of these additional taxes must be in accordance with Article 39 of this Chapter. G.S. 105-468.1
23 is an administrative provision that applies to this Article. A tax levied under this Article does not
24 apply to the sales price of food that is exempt from tax pursuant to G.S. 105-164.13B or to the
25 sales price of a bundled transaction taxable pursuant to G.S. 105-467(a)(5a). The Secretary shall
26 not divide the amount allocated to a county between the county and the municipalities within the
27 county.

28 (b) Use. – A county must use the net proceeds of a tax levied under this Article only for
29 one or more of the following in the county, as indicated on the ballot question presented pursuant
30 to G.S. 105-537(c):

<u>Use</u> <u>Any public purpose</u> <u>Beach nourishment</u> <u>Economic development</u> <u>Public school capital outlay</u> <u>purposes</u>	<u>Ballot language</u> <u>Any public purpose</u> <u>Beach nourishment</u> <u>Economic development</u> <u>Public education</u>
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- 1 Promote travel and tourism Tourism
2 (c) Definitions. – For purposes of this section, the following definitions apply:
3 (1) Beach nourishment. – The placement of sand, from other sand sources, on a
4 beach or dune by mechanical means and other associated activities that are in
5 conformity with the North Carolina Coastal Management Program, or which
6 have otherwise been authorized by the General Assembly, along the North
7 Carolina shorelines and connecting inlets for the purpose of widening the
8 beach to benefit public recreational use and mitigating damage and erosion
9 from storms to inland property and transportation routes. The term includes
10 expenditures for the following:
11 a. Costs directly associated with qualifying for projects either contracted
12 through the U.S. Army Corps of Engineers or otherwise permitted by
13 all appropriate federal and State agencies.
14 b. The nonfederal share of the costs required to construct these projects.
15 c. The costs associated with providing enhanced public beach access.
16 d. The costs of associated nonhardening activities such as the planting of
17 vegetation, the building of dunes, and the placement of sand fences.
18 e. Dredging.
19 (2) Economic development. – Activities to increase the population, taxable
20 property, agricultural industries, employment, industrial output, or business
21 prospects of the county.
22 (3) Net proceeds. – Defined in G.S. 105-472.
23 (4) Promote travel and tourism. – To advertise or market an area or activity,
24 publish and distribute pamphlets and other materials, conduct market research,
25 or engage in similar promotional activities that attract tourists or business
26 travelers to the area. The term includes administrative expenses incurred in
27 engaging in the listed activities.
28 (5) Public school capital outlay purpose. – A purpose included in
29 G.S. 115C-426(f) and the retirement of any indebtedness incurred by the
30 county for an included purpose."

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