



# HOUSE BILL 664: County Service Districts/Early Childhood Ed.

2021-2022 General Assembly

<b>Committee:</b>	House Rules, Calendar, and Operations of the House	<b>Date:</b>	May 5, 2021
<b>Introduced by:</b>	Reps. Clemmons, Lambeth, Pickett, Lofton	<b>Prepared by:</b>	Billy R. Godwin
<b>Analysis of:</b>	First Edition		Staff Attorney

**OVERVIEW:** *House Bill 664 would add early childhood education programs to the list of purposes for which a county board of commissioners may create a service district.*

**CURRENT LAW:** Part 1 of Article 16 of Chapter 153A of the General Statutes authorizes a county board of commissioners (Board) to establish a special service district within the county and to levy an additional property tax within that district to fund the following services:<sup>1</sup>

- Beach erosion control and flood and hurricane protection works.
- Fire protection.
- Recreation.
- Sewage collection and disposal.
- Solid waste collection and disposal.
- Water supply and distribution.
- Ambulance and rescue.
- Watershed improvement, drainage, and water resources development.
- Cemeteries.

This additional tax qualifies as an exception to the uniform taxation rule under Article V, Sec. (2)(2) of the North Carolina Constitution. The Board sets the additional tax rate each year and when combined with the county's ad valorem rate, may not exceed \$1.50 per \$100 valuation unless approved by a majority of the qualified voters residing within the district. Funds raised from this additional tax may only be used to fund the service for which the district was created.

To create a service district, the Board must follow certain statutory procedures that include preparation of a report and map for public inspection, conducting a public hearing, and making certain findings on the need for the district and its economic feasibility. Once created by resolution of the Board, the district is effective beginning the next fiscal year and the county must provide the service for which the district was created within one year of that date.

**BILL ANALYSIS:** House Bill 664 would add early childhood education programs to the list of purposes for which a Board may create a service district.

**EFFECTIVE DATE:** The act would become effective July 1, 2021.

<sup>1</sup> G.S. 153A-301 also authorizes certain additional service districts for coastal counties, counties containing protected mountain ridges, and counties containing a lake, river, or tributary that has an identified noxious aquatic weed problem.

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