

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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HOUSE BILL 1571

Short Title: Anson Local Sales Tax for Medicaid. (Local)

Sponsors: Representative Gibson.

Referred to: Finance.

June 6, 2002

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE ANSON COUNTY TO LEVY A ONE-CENT SALES
3 AND USE TAX TO BE USED FOR MEDICAID ONLY.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** This act applies to Anson County only.

6 **SECTION 2.** Chapter 105 of the General Statutes is amended by adding a
7 new Article to read:

8 "Article 45.

9 "Second One-Cent (1¢) Local Government Sales and Use Tax.

10 **"§ 105-525. Short title.**

11 This Article is the Second One-Cent (1¢) Local Government Sales and Use Tax Act.

12 **"§ 105-526. Limitations.**

13 This Article applies only to counties that levy the first one-cent (1¢) sales and use
14 tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws,
15 the first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, the
16 second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter, and
17 the third one-half cent (1/2¢) local sales and use tax under Article 44 of this Chapter.

18 **"§ 105-527. Levy.**

19 (a) Levy. – The board of commissioners of a county may, by resolution, levy one
20 percent (1%) local sales and use taxes in addition to any other State and local sales and
21 use taxes levied pursuant to law. Before adopting a resolution under this subsection, the
22 board of commissioners must give at least 10 days' public notice of its intent to adopt
23 the resolution and must hold a public hearing on the issue of adopting the resolution.

24 (b) Expiration. – A tax levied under this Article expires one year after the
25 effective date of its levy. A county's authority to levy a tax under this Article does not
26 expire and a county may levy, in accordance with the provisions of subsection (a) of this
27 section, a successive tax under this Article annually. A county may not adopt a
28 resolution to levy a successive tax under this Article more than six months prior to the
29 expiration of a tax under this Article. The expiration of a tax under this Article does not

1 affect the rights or liabilities of the county, a taxpayer, or another person arising under
2 the expired tax before the effective date of its expiration; nor does it affect the right to
3 any refund or credit of a tax that would otherwise have been available under the expired
4 tax before the effective date of its expiration.

5 (c) Effective Date. – A tax levied under this Article may not become effective
6 before January 1, 2003.

7 **"§ 105-528. Administration of taxes.**

8 Except as provided in this Article, the adoption, levy, collection, administration, and
9 repeal of these additional taxes must be in accordance with Article 39 of this Chapter. A
10 tax levied under this Article does not apply to the sales price of food that is exempt from
11 tax pursuant to G.S. 105-164.13B.

12 **"§ 105-529. Distribution and use.**

13 (a) Distribution. – The Secretary shall, on a quarterly basis, distribute to each
14 taxing county the net proceeds of the tax collected in that county under this Article. If
15 the Secretary collects taxes under this Article in a month and the taxes cannot be
16 identified as being attributable to a particular taxing county, the Secretary shall allocate
17 these taxes among the taxing counties in proportion to the amount of taxes collected in
18 each county under this Article in that month and shall include them in the quarterly
19 distribution.

20 (b) Use. – The proceeds of a tax levied under this Article may be used only for
21 the county's share of the nonfederal share of medical assistance payments."

22 **SECTION 3.** G.S. 105-529(a), as enacted by this act, reads as rewritten:

23 "(a) Distribution. -The Secretary shall, on a ~~quarterly~~-monthly basis, distribute to
24 each taxing county the net proceeds of the tax collected in that county under this Article.
25 If the Secretary collects taxes under this Article in a month and the taxes cannot be
26 identified as being attributable to a particular taxing county, the Secretary shall allocate
27 these taxes among the taxing counties in proportion to the amount of taxes collected in
28 each county under this Article in that month and shall include them in the ~~quarterly~~
29 monthly distribution."

30 **SECTION 4.** A tax levied under Article 45 of Chapter 105 of the General
31 Statutes, as enacted by this act, does not apply to construction materials purchased to
32 fulfill a lump-sum or unit-price contract entered into or awarded before the effective
33 date of the levy or entered into or awarded pursuant to a bid made before the effective
34 date of the levy when the construction materials would otherwise be subject to the tax
35 levied under Article 45 of Chapter 105 of the General Statutes.

36 **SECTION 5.** Section 3 of this act becomes effective July 1, 2003, and
37 applies to sales made on or after that date. The remainder of this act is effective when it
38 becomes law.