

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 492

Short Title: Cumberland Cnty Sales Tax Mod and MLK Approp. (Local)

Sponsors: Senator Shaw.

Referred to: Finance.

March 10, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENABLE CUMBERLAND COUNTY TO INCREASE REVENUE  
3 RESULTING FROM TRAVEL AND TOURISM BY PROVIDING AN ADDITIONAL  
4 ONE-QUARTER CENT SALES TAX FOR ITS PROMOTION.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Section 2 of this act applies to Cumberland County only.

7 **SECTION 2.** Article 46 of Subchapter VIII of Chapter 105 of the General Statutes  
8 reads as rewritten:

9 "Article 46.

10 "~~One-Quarter Cent (1/4¢) Fourth One-Half Cent (1/2¢)~~ County Sales and Use Tax.

11 "**§ 105-535. Short title.**

12 This Article is the ~~One-Quarter Cent (1/4¢) Fourth One-Half Cent (1/2¢)~~ County Sales and  
13 Use Tax Act.

14 "**§ 105-536. Limitations.**

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

19 "**§ 105-537. Levy.**

20 (a) Authority. – If the majority of those voting in a referendum held pursuant to this  
21 Article vote for the levy of the tax, the board of county commissioners may, by resolution and  
22 after 10 days' public notice, levy a local sales and use tax at up to a rate of one-quarter percent  
23 ~~(0.25%), one-half percent (1/2%), in increments of one-quarter percent (0.25%).~~

24 (b) Vote. – The board of county commissioners may direct the county board of  
25 elections to conduct an advisory referendum on the question of whether to levy a local sales  
26 and use tax in the county as provided in this Article. The election shall be held on a date jointly  
27 agreed upon by the board of county commissioners and the board of elections and shall be held  
28 in accordance with the procedures of G.S. 163-287.

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

31 "[ ] FOR [ ] AGAINST

32 Local sales and use tax at the rate of ~~one-quarter percent (0.25%) one-half percent~~  
33 (1/2%) in addition to all other State and local sales and use taxes with taxes in excess of  
34 one-quarter percent (0.25%) authorized herein to be used only to promote travel and tourism."

35 (d) Limitation. – A tax levied under this Article may not be in effect in a county at the  
36 same time as a tax levied under Article 60 of this Chapter.

37 "**§ 105-538. Administration and use of taxes.**



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1       (a)     Administration. – Except as provided in this Article, the adoption, levy, collection,  
2 administration, and repeal of these additional taxes must be in accordance with Article 39 of  
3 this Chapter. G.S. 105-468.1 is an administrative provision that applies to this Article. A tax  
4 levied under this Article does not apply to the sales price of food that is exempt from tax  
5 pursuant to G.S. 105-164.13B. The Secretary shall not divide the amount allocated to a county  
6 between the county and the municipalities within the county. Notwithstanding the provisions of  
7 G.S. 105-466(c), during the 2008 calendar year a tax levied under this Article may become  
8 effective on the first day of any calendar quarter so long as the county gives the Secretary at  
9 least 60 days' advance notice of the new tax levy.

10       (b)     Use. – A county may use the proceeds of a tax in excess of one-quarter percent  
11 (0.25%) levied under this Article only for (i) tourism-related capital expenditures, (ii)  
12 expenditures that are designed to increase the use of lodging facilities, meeting facilities, or  
13 convention facilities in the county or to attract tourists or business travelers, or (iii) to retire  
14 indebtedness incurred by the county for these purposes."

15             **SECTION 3.** There is appropriated from the General Fund to the  
16 Fayetteville/Cumberland County Dr. Martin Luther King, Jr. Committee, a nonprofit  
17 organization, the sum of one million dollars (\$1,000,000) for the 2009-2010 fiscal year to  
18 complete the development of the Dr. Martin Luther King, Jr. Park in the City of Fayetteville.

19             **SECTION 4.** Section 3 of this act becomes effective July 1, 2009. The remainder  
20 of this act is effective when it becomes law.