

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

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HOUSE BILL 1023

Short Title: Spouse Emp. & Loc. Sales Tax/Certain Counties. (Local)

Sponsors: Representative Clampitt.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government I, if favorable, Finance

May 30, 2018

A BILL TO BE ENTITLED

1 AN ACT TO PERMIT SPOUSES OF THE SUPERINTENDENTS TO BE EMPLOYED BY A
2 LOCAL BOARD OF EDUCATION LOCATED IN SWAIN COUNTY OR JACKSON
3 COUNTY AND TO MODIFY THE QUARTER CENT LOCAL OPTION SALES TAX
4 FOR SWAIN COUNTY.
5

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** G.S. 14-234 is amended by adding a new subsection to read:

8 "(d7) This section does not apply to employment contracts between a local board of
9 education of a local school administrative unit and the spouse of the superintendent of the local
10 school administrative unit."

11 **SECTION 1.(b)** This section applies only to employment contracts between Swain
12 County Schools or Jackson County Schools and the spouse of the respective school system's
13 superintendent.

14 **SECTION 2.(a)** This section applies to Swain County only.

15 **SECTION 2.(b)** G.S. 105-537(c) reads as rewritten:

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

18 "[] FOR [] AGAINST

19 Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State
20 and local sales and use ~~taxes~~taxes, to be used only for public school capital outlays for
21 construction, repair, renovation, and safety and security purposes."

22 **SECTION 2.(c)** G.S. 105-538 reads as rewritten:

23 "**§ 105-538. Administration and use of taxes.**

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

31 Except as provided in this Article, the adoption, levy, collection, administration, and repeal
32 of these additional taxes must be in accordance with Article 39 of this Chapter. G.S. 105-468.1
33 is an administrative provision that applies to this Article. A tax levied under this Article does not
34 apply to the sales price of food that is exempt from tax pursuant to G.S. 105-164.13B or to the
35 sales price of a bundled transaction taxable pursuant to G.S. 105-467(a)(5a). The Secretary shall



1 not divide the amount allocated to a county between the county and the municipalities within the
2 county.
3 (b) Use. – A county may use funds received under this Article only for funding public
4 school capital outlays for construction, repair, renovation, and safety and security purposes. A
5 county shall use funds to supplement and not to supplant or replace existing funds or other
6 resources for public school construction."
7 **SECTION 3.** This act is effective when it becomes law.