

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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SENATE BILL 746

Short Title: Expand Local Option Sales Tax for Education. (Local)

Sponsors: Senator Newton (Primary Sponsor).

Referred to: Rules and Operations of the Senate

May 29, 2018

1 A BILL TO BE ENTITLED  
2 AN ACT TO GIVE CABARRUS COUNTY GREATER FLEXIBILITY TO USE LOCAL  
3 OPTION SALES TAX REVENUES FOR EDUCATION.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Subchapter VIII of Chapter 105 of the General Statutes is amended by  
6 adding a new Article to read:

7 "Article 43A.

8 "County Sales and Use Tax for Public Education.

9 **"§ 105-513.1. Short title; purpose.**

10 This Article is the County Sales and Use Tax for Public Education. This Article gives the  
11 counties of this State an opportunity to obtain an additional source of revenue with which to meet  
12 their public education needs.

13 **"§ 105-513.2. Levy.**

14 (a) Referendum. – A tax levied under this Article must be approved in a referendum. The  
15 board of commissioners of a county may direct the county board of elections to conduct an  
16 advisory referendum on the question of whether to levy a local sales and use tax in the county at  
17 a rate of one-quarter percent (1/4%) or one-half percent (1/2%) as provided in this section. The  
18 applicable rate must meet all of the conditions listed in this subsection. The election shall be held  
19 in accordance with the procedures of G.S. 163-287. The conditions are:

20 (1) The rate must be equal to the rate that could be levied in that county under  
21 Article 43 of this Chapter.

22 (2) A tax levied under this Article may not be in effect in a county at the same  
23 time as a tax levied by that county or in that county under Article 43 of this  
24 Chapter.

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

27 "[ ] FOR [ ] AGAINST

28 Local sales and use tax at [the applicable rate stated in both words and as a percentage] in  
29 addition to the current local sales and use taxes, to be used only for public education."

30 (c) Authority. – If the majority of those voting in a referendum held pursuant to this  
31 Article vote for the levy of the tax, the board of commissioners of the county may, by resolution  
32 and after 10 days' public notice, levy a local sales and use tax at the applicable rate.

33 **"§ 105-513.3. Administration.**

34 Except as provided in this Article, the adoption, levy, collection, administration, and repeal  
35 of these additional taxes must be in accordance with Article 39 of this Chapter. In applying the  
36 provisions of Article 39 of this Chapter to this Article, references to "this Article" mean "Article



1 43A of Chapter 105 of the General Statutes." G.S. 105-468.1 is an administrative provision that  
2 applies to this Article. A tax levied under this Article does not apply to the sales price of food  
3 that is exempt from tax pursuant to G.S. 105-164.13B or to the sales price of a bundled  
4 transaction taxable pursuant to G.S. 105-467(a)(5a). The Secretary shall not divide the amount  
5 allocated to a county between the county and the municipalities within the county.

6 **"§ 105-513.4. Use.**

7 A county may use the proceeds of a tax levied under this Article only for public school capital  
8 outlay purposes, as defined in G.S. 115C-426(f), and to retire any indebtedness incurred by the  
9 county for these purposes."

10 **SECTION 2.** Part 1 of Article 43 of Chapter 105 of the General Statutes is amended  
11 by adding a new section to read:

12 **"§ 105-506.3. Limitation on levy.**

13 A tax levied under this Article may not be in effect in a county at the same time as a tax levied  
14 by that county under Article 43A of this Chapter."

15 **SECTION 3.** G.S. 105-164.3(4a) reads as rewritten:

16 "(4a) Combined general rate. – The sum of all of the following:

- 17 a. The State's general rate of tax set in ~~G.S. 105-164.4(a)~~ plus the  
18 G.S. 105-164.4(a).  
19 b. The sum of the rates of the local sales and use taxes authorized for  
20 every county in this State by ~~Subchapter VIII~~ Article 39 of this Chapter  
21 or Chapter 1096 of the 1967 Session Laws, Article 40 of this Chapter,  
22 and Article 42 of this Chapter for every county in this State.  
23 c. One-half of the maximum rate of tax authorized by Article 46 of this  
24 Chapter."

25 **SECTION 4.** This act applies to Cabarrus County only.

26 **SECTION 5.** This act is effective when it becomes law.