

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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SENATE BILL 267  
Finance Committee Substitute Adopted 6/13/19

Short Title: Buncombe 1/4 Cent Sales Tax Use Restriction.

(Local)

Sponsors:

Referred to:

March 18, 2019

A BILL TO BE ENTITLED

AN ACT TO RESTRICT THE USE OF THE QUARTER-CENT SALES TAX PROCEEDS IN  
BUNCOMBE COUNTY FOR COMMUNITY COLLEGE NEEDS AT  
ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE.

Whereas, the voters of Buncombe County previously approved a quarter-cent increase in local sales and use tax with the informal understanding that it would be used to fund construction at the Asheville-Buncombe Technical Community College; and

Whereas, question arose in the community whether the proceeds of the sales tax increase had been used by the Buncombe County Board of Commissioners consistently with the purpose of the tax; and

Whereas, the Trustees of Asheville-Buncombe Technical Community College (A-B Tech) and the Buncombe County Board of Commissioners have reached an agreement as to how the proceeds shall be used and both sides request the General Assembly to enact legislation binding both A-B Tech and the Buncombe County Board of Commissioners to their agreement; and

Whereas, while the General Assembly does not regularly direct the expenditure of local sales tax revenue, in this instance the General Assembly is uniquely positioned to assist its local partners and is willing to enact the requested legislation to encourage all sides to build good will and a positive working relationship in the furtherance of the educational mission of A-B Tech; Now, therefore,

The General Assembly of North Carolina enacts:

**SECTION 1.** This act applies to Buncombe County only.

**SECTION 2.** Article 46 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-538.1. Use of taxes.**

A county shall use the net proceeds of a tax allocated to it under this Article for the items and in the priority order set forth in this section. For purposes of this section, an eligible community college is a community college with a main campus located in the county.

(1) The county shall appropriate for each fiscal year to an eligible community college an amount equal to the community college's debt service obligations for that fiscal year to be used for such obligations.

(2) The county shall appropriate a deferred capital repair amount to an eligible community college. The eligible community college shall use appropriations under this subdivision for deferred capital repairs and renovation-needs projects on existing buildings at the community college. For the 2019-2020 fiscal year, the deferred capital repair amount is three million one hundred



1 twenty-five thousand dollars (\$3,125,000). For fiscal years 2020-2021  
2 through 2026-2027, the deferred capital repair amount is one hundred five and  
3 fifty-four hundredths percent (105.54%) of the amount for the preceding fiscal  
4 year.

5 (3) The county shall appropriate for each fiscal year an amount up to five million  
6 dollars (\$5,000,000) annually to an eligible community college for operating  
7 costs of the community college.

8 (4) The county shall appropriate a reserve of two million dollars (\$2,000,000) for  
9 the benefit of an eligible community college. An eligible community college  
10 may only allocate moneys from the reserve for repairs and renovations  
11 necessitated by damage the community college deems as resulting from an  
12 unexpected emergency occurrence. In any year in which funds are disbursed  
13 from the reserve, the county shall restore the balance of the reserve to the  
14 amount required in this subdivision in the succeeding fiscal year.

15 (5) The county, by resolution and after 10 days' public notice, may use the  
16 remainder in conformity with the ballot question presented to the voters  
17 pursuant to Article 46 of Chapter 105 of the General Statutes."

18 **SECTION 3.** This act is effective for the fiscal year beginning July 1, 2019, and  
19 expires June 30, 2027.