

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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SENATE BILL 267  
Finance Committee Substitute Adopted 6/13/19  
State and Local Government Committee Substitute Adopted 6/25/19

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

(Local)

Sponsors:

Referred to:

March 18, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO RESTRICT THE USE OF THE QUARTER-CENT SALES TAX PROCEEDS IN  
3 BUNCOMBE COUNTY FOR COMMUNITY COLLEGE NEEDS AT  
4 ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE.

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

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

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

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

21 The General Assembly of North Carolina enacts:

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

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

25 "**§ 105-538.1. Use of taxes.**

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

29 (1) The county shall appropriate for each fiscal year the amount necessary to  
30 satisfy the debt service obligations existing as of March 12, 2019, for  
31 construction and improvements to real property owned by an eligible  
32 community college and to real property owned by the county if directly related  
33 to services and educational programs offered by the community college.

34 (2) The county shall appropriate a deferred capital repair amount to an eligible  
35 community college. The community college shall use appropriations under



1 this subdivision for deferred capital repairs and renovation-needs projects on  
2 existing buildings at the community college. For the 2019-2020 fiscal year,  
3 the deferred capital repair amount is three million one hundred twenty-five  
4 thousand dollars (\$3,125,000). For fiscal years 2020-2021 through  
5 2026-2027, the deferred capital repair amount is one hundred five and  
6 fifty-four hundredths percent (105.54%) of the amount for the preceding fiscal  
7 year.

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

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

19 (5) The county shall use the remainder only for new construction of or repair and  
20 improvements to real property owned by an eligible community college or to  
21 retire any indebtedness incurred by the county for these purposes."

22 **SECTION 3.** This act is effective for the fiscal year beginning July 1, 2019, and  
23 expires June 30, 2027. Funds appropriated to the reserve pursuant to G.S. 105-538.1(4), as  
24 enacted by this act, that are unexpended and unencumbered as of the expiration date of this act  
25 shall be used for new construction of or repair and improvements to real property owned by the  
26 eligible community college or to retire any indebtedness incurred by the county for these  
27 purposes.