

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

FILED SENATE
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S.B. 913
PRINCIPAL CLERK

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SENATE BILL DRS45541-NIxfa-27

Short Title: Restrict Local Sales Tax/School Construction. (Local)

Sponsors: Senators Garrett and Robinson (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW GUILFORD COUNTY TO DEDICATE THE CHAPTER 105 ARTICLE
3 46 ONE-QUARTER CENT COUNTY SALES AND USE TAX TO PUBLIC SCHOOL
4 CAPITAL OUTLAY PURPOSES ONLY.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** This act applies to Guilford County only.

7 **SECTION 2.** G.S. 105-537 reads as rewritten:

8 "**§ 105-537. Levy.**

9 (a) Authority. – If the majority of those voting in a referendum held pursuant to this
10 Article vote for the levy of the tax, the board of county commissioners may, by resolution and
11 after 10 days' public notice, levy a local sales and use tax at a rate of one-quarter percent (0.25%).

12 (b) Vote. – The board of county commissioners may direct the county board of elections
13 to conduct an advisory referendum on the question of whether to levy a local sales and use tax in
14 the county as provided in this Article. The election shall be held in accordance with the
15 procedures of G.S. 163-287, except that the election shall not be held within one year from the
16 date of the last preceding election under this section.

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

19 "[] FOR [] AGAINST

20 Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State
21 and local sales and use taxes." taxes to be used for [the applicable use chosen from the options
22 listed in G.S. 105-538(b)]."

23 **SECTION 3.** G.S. 105-538 reads as rewritten:

24 "**§ 105-538. Administration and use of taxes.**

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

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



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1 not divide the amount allocated to a county between the county and the municipalities within the
2 county.

3 (b) Use. – A county must use the net proceeds of a tax levied under this Article only for
4 one of the following, as indicated on the ballot question presented pursuant to G.S. 105-537(c):

<u>Use</u>	<u>Ballot Language</u>
<u>Any public purpose</u>	<u>Any public purpose</u>
<u>Public school capital outlay purposes</u>	<u>Only public school capital outlay purposes</u>

9 If a tax is levied for public school capital outlay purposes, then a county must, using sources
10 other than this tax, maintain at least the same amount of public school capital outlay funding as
11 in the fiscal year prior to the fiscal year in which voters approve the ballot measure. As used in
12 this section, "public school capital outlay purposes" are those purposes defined in
13 G.S. 115C-426(f), including retiring any indebtedness for these purposes that was issued on or
14 after the date that voters approve the ballot measure."

15 **SECTION 4.** There is appropriated from the General Fund to Guilford County the
16 sum of twenty-five thousand dollars (\$25,000) in nonrecurring funds for the 2022-2023 fiscal
17 year for preparing for a referendum on this issue of the levy of the tax authorized in this act.

18 **SECTION 5.** Sections 1, 2, and 3 of this act are effective when they become law.
19 Section 4 of this act becomes effective July 1, 2022. The remainder of this act is effective when
20 it becomes law.