

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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HOUSE BILL 538

Short Title: Cumberland Local Sales Tax. (Local)

Sponsors: Representatives Hurley; Lucas and Warner.

Referred to: Rules, Calendar, and Operations of the House.

March 8, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CUMBERLAND COUNTY TO LEVY A ONE-CENT  
LOCAL SALES AND USE TAX.

The General Assembly of North Carolina enacts:

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

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

"Article 44.

"Second One-Cent (1¢) Local Government Sales and Use Tax.

**"§ 105-515. Short title.**

This Article is the Second One-Cent (1¢) Local Government Sales and Use Tax Act.

**"§ 105-516. Limitations.**

This Article applies only to counties that levy the first one-cent (1¢) sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter.

**"§ 105-517. Levy.**

Before levying the tax authorized by this Article, the board of commissioners must hold a public hearing on the question after at least 10 days' notice of the hearing. After the public hearing, the board of commissioners of the county may, by resolution, levy one percent (1%) local sales and use taxes in addition to any other State and local sales and use taxes levied pursuant to law.

**"§ 105-518. Administration and distribution.**

Except as provided in this Article, the adoption, levy, collection, administration, distribution, and repeal of the additional taxes authorized by this Article shall be in accordance with Article 39 of this Chapter.

**"§ 105-519. Expiration.**

1        A tax levied under this Article expires 10 years after the effective date of its levy. A  
2 county's authorization to levy a tax under this Article expires 10 years after the effective  
3 date of the first tax a county levies under this Article, even if the tax has not remained in  
4 effect for the entire 10-year period. The expiration of a tax pursuant to this Article does  
5 not affect the rights or liabilities of a county, a taxpayer, or another person arising under  
6 the expired tax; nor does it affect the right to any refund or credit of a tax that would  
7 otherwise have been available under the expired tax before its expiration.

8        If the Secretary receives a valid request for a refund of a tax levied under this Article  
9 after the tax has expired and the net proceeds have been distributed, the Secretary shall  
10 draw the refund from the taxing county's share of the net proceeds of the tax it levies  
11 under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, as  
12 applicable."

13        **SECTION 3.** A tax levied under Article 44 of Chapter 105 of the General  
14 Statutes, as enacted by this act, does not apply to construction materials purchased to  
15 fulfill a lump-sum or unit-price contract entered into or awarded before the effective  
16 date of the levy or entered into or awarded pursuant to a bid made before the effective  
17 date of the levy when the construction materials would otherwise be subject to the tax  
18 levied under Article 44 of Chapter 105 of the General Statutes.

19        **SECTION 4.** This act is effective when it becomes law.