

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 112

Short Title: Roanoke Rapids Local Option Sales Tax. (Local)

Sponsors: Representative Wray.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

February 20, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE LEVY OF A MUNICIPAL ONE PERCENT SALES AND
3 USE TAX.

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 47.

8 "First One Cent (1¢) Municipal Sales and Use Tax.

9 "**§ 105-540. Short title.**

10 This Article is the First One Cent (1¢) Municipal Sales and Use Tax Act.

11 "**§ 105-541. Levy.**

12 (a) Authority. – If the majority of those voting in a referendum held pursuant to this
13 Article vote for the levy of the tax, the governing body of the municipality may, by resolution
14 and after 10 days' public notice, levy a local sales and use tax at a rate of one percent (1%) in
15 addition to any other State and local sales and use taxes levied pursuant to law.

16 (b) Vote. – The governing body of the municipality may direct the county board of
17 elections to conduct an advisory referendum on the question of whether to levy a local sales and
18 use tax in the municipality as provided in this Article. The election shall be held on a date jointly
19 agreed upon by the governing body of the municipality and the county board of elections and
20 shall be held in accordance with the procedures of G.S. 163A-1592.

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

23 " FOR AGAINST

24 Local sales and use tax at the rate of one percent (1%) in addition to all other State
25 and local sales and use taxes."

26 "**§ 105-542. Administration.**

27 Except as provided in this Article, the adoption, levy, collection, administration, and repeal
28 of the additional taxes authorized by this Article shall be in accordance with Article 39 of this
29 Chapter. References to "county," "counties," or "board of county commissioners" within Article
30 39 of this Chapter shall be interpreted as referring to "municipality," "municipalities," or
31 "governing body of the municipality," respectively, for purposes of the tax authorized by this
32 Article. G.S. 105-468.1 is an administrative provision that applies to this Article. A tax levied
33 under this Article does not apply to the sales price of food that is exempt from tax pursuant to



1 G.S. 105-164.13B or to the sales price of a bundled transaction taxable pursuant to
2 G.S. 105-467(a)(5a).

3 **"§ 105-543. Distribution.**

4 The Secretary shall, on a monthly basis, distribute to each taxing municipality for which the
5 Secretary collects the tax the net proceeds, as defined in G.S. 105-472, of the tax collected in that
6 municipality under this Article. If the Secretary collects local sales or use taxes in a month and
7 the taxes cannot be identified as being attributable to a particular taxing municipality, the
8 Secretary shall allocate the taxes among the taxing municipalities in proportion to the amount of
9 taxes collected in each municipality under this Article during that month and shall include them
10 in the monthly distribution. Amounts collected by electronic funds transfer payments are
11 included in the distribution for the month in which the return that applies to the payment is
12 received."

13 **SECTION 2.** The City of Roanoke Rapids shall use the proceeds of a tax levied
14 pursuant to this act to provide for, when due, payments with respect to debt service or other
15 obligation or means of supporting capital costs, together with any related reserve requirements,
16 for the Roanoke Rapids Theatre. Notwithstanding the repeal provisions for the tax authorized in
17 G.S. 105-542, as enacted by Section 1 of this act, a tax levied by the Roanoke Rapids City
18 Council pursuant to this act may be repealed by a resolution adopted by the City Council, and
19 the City Council shall repeal the tax when the renegotiated loan payment on the Roanoke Rapids
20 Theatre has been paid. Repeal of a tax pursuant to this section shall become effective on the first
21 day of a month and may not become effective until the end of the fiscal year in which the repeal
22 resolution was adopted. Repeal of a tax pursuant to this section does not affect a liability for a
23 tax that has attached before the effective date of the repeal, nor does it affect a right to a refund
24 of a tax that accrued before the effective date of the repeal.

25 **SECTION 3.** This act applies to the City of Roanoke Rapids only.

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