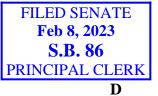
GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2023



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SENATE BILL DRS35038-NIxf-31

	Short Title:	Asheville Local Option Sales Tax for Transit.	(Local)	
	Sponsors:	Senator Mayfield (Primary Sponsor).		
	Referred to:			
1		A DILL TO DE ENTITLED		
1 2		A BILL TO BE ENTITLED		
2 3	AN ACT TO AUTHORIZE THE CITY OF ASHEVILLE TO LEVY A MUNICIPAL QUARTER-CENT SALES AND USE TAX FOR PUBLIC TRANSPORTATION UPON A			
4	VOTE OF	F THE MAJORITY OF VOTERS IN A REFERENDUM.		
5	The General A	Assembly of North Carolina enacts:		
6	SECTION 1. This act applies to the City of Asheville only.			
7	SECTION 2. Subchapter VIII of Chapter 105 of the General Statutes is amended by			
8	adding a new	Article to read:		
9		" <u>Article 47.</u>		
10	" <u>One-(</u>	Quarter Cent (1/4¢) Municipal Sales and Use Tax for Public Transportat	ion.	
11	" <u>§ 105-540.</u> §			
12	This Arti	cle is the One-Quarter Cent (1/4¢) Municipal Sales and Use Tax	for Public	
13	Transportation Act.			
14	" <u>§ 105-541. Definitions.</u>			
15	The definitions in G.S. 105-164.3 and the following definitions apply in this Article:			
16	(1)	• • • • • • • • • • • • • • • • • • • •		
17	$\overline{(2)}$		al property	
18		established for purposes of public transportation. The systems m		
19		one or more of the following: structures, improvements, buildings, e		
20		vehicle parking or passenger transfer facilities, railroads and		
21		rights-of-way, rights-of-way, bus services, shared-ride	services,	
22		high-occupancy vehicle facilities, carpool and vanpool programs	s, voucher	
23		programs, telecommunications and information systems, integ		
24		systems, and the interconnected bicycle and pedestrian infrastru		
25		supports public transportation, bus lanes, and busways. The tern		
26		include, however, streets, roads, or highways except to the exter		
27		dedicated to public transportation vehicles or to the extent they are	•	
28		for access to vehicle parking or passenger transfer facilities.		
29	"§ 105-542. I			
30		uthority. – If the majority of those voting in a referendum held pursu	ant to this	
31	Article vote for the levy of the tax, the governing body of the municipality may, by resolution			
32	and after 10 days' public notice, levy a local sales and use tax at a rate of one-quarter percent			
33	(0.25%) in addition to any other State and local sales and use taxes levied pursuant to law.			
34	(b) Vote. – The governing body of the municipality may direct the county board of			
35		onduct an advisory referendum on the question of whether to levy a loca		
36		municipality as provided in this Article. The election shall be held on a c		



General Assembly Of North Carolina Session 2023 agreed upon by the governing body of the municipality and the county board of elections and 1 shall be held in accordance with the procedures of G.S. 163-287, except that the election shall 2 3 not be held within one year from the date of the last preceding election under this section. 4 Ballot Question. – The form of the question to be presented on a ballot for a special (c) 5 election concerning the levy of the tax authorized by this Article shall be: 6 "[] FOR [] AGAINST 7 One-quarter percent (0.25%) local sales and use taxes, in addition to the current local 8 sales and use taxes, to be used only for public transportation systems." 9 '§ 105-543. Administration. Except as provided in this Article, the adoption, levy, collection, administration, and repeal 10 of the additional taxes authorized by this Article shall be in accordance with Article 39 of this 11 Chapter. In applying the provisions of Article 39 of this Chapter to this Article, references to 12 "this Article" mean Article 47 of this Chapter and references to "county," "counties," or "board 13 14 of county commissioners" within Article 39 of this Chapter shall be interpreted as referring to "municipality," "municipalities," or "governing body of the municipality," respectively, for 15 purposes of the tax authorized by this Article. G.S. 105-468.1 is an administrative provision that 16 17 applies to this Article. A tax levied under this Article does not apply to the sales price of food that is exempt from tax pursuant to G.S. 105-164.13B or to the sales price of a bundled 18 19 transaction taxable pursuant to G.S. 105-467(a)(5a). 20 "§ 105-544. Distribution and use of tax. 21 Distribution. - The Secretary shall, on a monthly basis, distribute to each taxing (a) municipality for which the Secretary collects the tax the net proceeds of the tax collected in that 22 municipality under this Article. If the Secretary collects local sales or use taxes in a month and 23 24 the taxes cannot be identified as being attributable to a particular taxing municipality, the 25 Secretary shall allocate the taxes among the taxing municipalities in proportion to the amount of 26 taxes collected in each municipality under this Article during that month and shall include them 27 in the monthly distribution. Amounts collected by electronic funds transfer payments are 28 included in the distribution for the month in which the return that applies to the payment is 29 received. 30 (b) Use. – A municipality may use the net proceeds of the tax levied under this Article only for financing, constructing, operating, and maintaining local public transportation systems. 31 32 A municipality shall use the net proceeds to supplement and not to supplant or replace existing 33 funds or other resources for public transportation systems." 34 **SECTION 3.** For the first two fiscal years, beginning with the fiscal year during 35 which the City of Asheville levies the tax authorized by this act, the Secretary may retain the 36 Department's cost of collecting and administering the tax as determined by the Secretary, not to 37 exceed three hundred thousand dollars (\$300,000), from the gross proceeds of the tax, as 38 reimbursement to the Department. All other costs of collecting and administering the tax shall be 39 deducted from the gross proceeds of the tax in accordance with G.S. 105-472(a). 40 SECTION 4. This act is effective when it becomes law. The provisions of 41 G.S. 105-466(c) apply to a tax levied under this act, except that the City must give the Secretary

42 at least six months' advance notice of a tax levied under this act.