

FORSYTH COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: April 11, 2019 AGENDA ITEM NUMBER: 6

SUBJECT: RESOLUTION REQUESTING THE NORTH CAROLINA LEGISLATURE TO REVISE ARTICLE 46 OF CHAPTER 105 TO ALLOW COUNTIES TO SPECIFY A PURPOSE FOR THE PROCEEDS OF THE ARTICLE 46 ONE-QUARTER CENT COUNTY SALES AND USE TAX AND TO SUPPORT SENATE BILL 552

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:

SUMMARY OF INFORMATION: See Attached

ATTACHMENTS: YES NO

SIGNATURE: _____ COUNTY MANAGER DATE: April 10, 2019

**RESOLUTION REQUESTING THE NORTH CAROLINA LEGISLATURE TO REVISE
ARTICLE 46 OF CHAPTER 105 TO ALLOW COUNTIES TO SPECIFY
A PURPOSE FOR THE PROCEEDS OF THE ARTICLE 46
ONE-QUARTER CENT COUNTY SALES AND USE TAX
AND TO SUPPORT SENATE BILL 552**

WHEREAS Article 46 of Chapter 105 of the North Carolina General Statutes allows counties to levy a one-quarter cent sales and use tax, if such is approved by voters in an advisory referendum;

WHEREAS on the ballot for such referendum, N.C.G.S. 105-537 prohibits counties from specifying the purpose for which the proceeds of such local sales and use tax shall be used;

WHEREAS the Forsyth County Board of Commissioners believes that it should promote transparency in elections and desires to include on the ballot the purpose of such sales and use tax, so that voters can determine whether to support the tax; and

WHEREAS Senate Bill 552 would allow counties to choose one or more of the following purposes and list such purposes on the ballot for a local sales and use tax referendum: any public purpose, beach nourishment, economic development, public school capital outlays, and promoting travel and tourism;

NOW, THEREFORE, BE IT RESOLVED, that the Forsyth County Board of Commissioners hereby requests the North Carolina Legislature to revise Article 46 of Chapter 105, in a form substantially similar to the revised statute attached hereto or as set forth in Senate Bill 552, in order to allow counties to state the purpose for which they intend to use the proceeds of an Article 46 one-quarter cent county sales and use tax.

Adopted this 11th day of April 2019.

A BILL TO BE ENTITLED
AN ACT TO ALLOW COUNTIES TO SPECIFY A PURPOSE FOR THE ONE-QUARTER
CENT (1/4¢) COUNTY SALES AND USE TAX

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-537 reads as rewritten:

§105-537. Levy.

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

(b) Vote. – The board of county commissioners may direct the county board of elections to conduct an advisory referendum on the question of whether to levy a local sales and use tax in the county as provided in this Article, and the board of county commissioners may specify the purpose for which the net proceeds of the tax shall be used. The election shall be held in accordance with the procedures of G.S. 163A-1592.

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

“ FOR AGAINST

Local sales and use tax at the rate of one-quart percent (0.25%) in addition to all other State and local sales and use taxes.” If the board of county commissioners has specified a purpose for the net proceeds of the tax, the question to be presented on the ballot shall briefly state the purpose.

(d) Repealed by Session Laws 2014-3, s. 14.22, effective May 29, 2014.

SECTION 2. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 552

Short Title: Modify 1/4 Cent Sales Tax Ballot Question. (Public)

Sponsors: Senator Sanderson (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 3, 2019

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE BALLOT QUESTION FOR PURPOSES OF THE REFERENDUM FOR THE ONE-QUARTER CENT COUNTY SALES AND USE TAX.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-537(c) reads as rewritten:

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

"[] FOR [] AGAINST

Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State and local sales and use ~~taxes~~ taxes to be used for [use or uses chosen for inclusion in conformity with the options listed in G.S. 105-538]."

SECTION 2. G.S. 105-538 reads as rewritten:

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

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

Except as provided in this Article, the adoption, levy, collection, administration, and repeal of these additional taxes must be in accordance with Article 39 of this Chapter. G.S. 105-468.1 is an administrative provision that 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 transaction taxable pursuant to G.S. 105-467(a)(5a). The Secretary shall not divide the amount allocated to a county between the county and the municipalities within the county.

(b) Use. – A county must use the net proceeds of a tax levied under this Article only for one or more of the following in the county, 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>Beach nourishment</u>	<u>Beach nourishment</u>
<u>Economic development</u>	<u>Economic development</u>
<u>Public school capital outlay purposes</u>	<u>Public education</u>



Promote travel and tourism Tourism

(c) Definitions. – For purposes of this section, the following definitions apply:

(1) Beach nourishment. – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program, or which have otherwise been authorized by the General Assembly, along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property and transportation routes. The term includes expenditures for the following:

a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies.

b. The nonfederal share of the costs required to construct these projects.

c. The costs associated with providing enhanced public beach access.

d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.

e. Dredging.

(2) Economic development. – Activities to increase the population, taxable property, agricultural industries, employment, industrial output, or business prospects of the county.

(3) Net proceeds. – Defined in G.S. 105-472.

(4) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(5) Public school capital outlay purpose. – A purpose included in G.S. 115C-426(f) and the retirement of any indebtedness incurred by the county for an included purpose."

SECTION 3. This act is effective when it becomes law.