

March 7, 2007

S 610. WAKE COUNTY REVENUE OPTIONS. Filed 3/7/07. *TO PROVIDE WAKE COUNTY WITH ADDITIONAL REVENUE OPTIONS.*

Enacts new Articles 46 and 60 of GS Chapter 105 and new GS Chapter 159J to authorize Wake County to levy the following if approved by the voters of the county: (1) an additional one-cent sales and use tax, (2) a land transfer tax up to 1%, and (3) a county impact fee. If an advisory referendum is held on any of these issues, the county must hold referenda on all three of these issues at the same time.

The sales and use tax is in addition to the existing 2½ cents of local sales tax under GS Chapter 105, Articles 39, 40, 42, and 44. The county board of commissioners may levy the tax by resolution only if approved by a majority of voters in a referendum. Levy, collection, and administration of the tax are governed by GS Chapter 105, Article 39, except that the tax does not apply to food. The tax proceeds will be distributed to the taxing county on a point-of-origin basis and the county is not required to share the tax proceeds with municipalities. One-half of the tax proceeds may be used only for public school capital outlay and to retire indebtedness incurred for these purposes in 2003 or later; the other half of the proceeds may be used only for transportation purposes.

The land transfer tax is 1% tax on the value or consideration of real property conveyed, whichever is greater, on instruments conveying interests in real property located in the county. If the tax is approved by a majority of those voting, the commissioners may levy the tax by resolution after providing 10 days' public notice. Upon adoption, a certified copy of the resolution must be immediately delivered to the county's register of deeds, who administers the tax. Provides for certain exempt transactions. A tax levied is payable by the transferor of the interest. Allows the county to reduce or repeal the tax.

The impact fee is a charge imposed on new construction to help provide the costs of providing new community service facilities, as defined. The amount of each impact fee imposed must be uniform throughout established zones and is based on the capital costs incurred by the county as a result of the new construction. Requires the county to prepare a report concerning costs, the new construction, and providing community service facilities before imposing an impact fee. Sets out the procedure for a developer to challenge an impact fee. Provides for the enactment of the ordinance after a public hearing, accounting for the fees collected, and for credits for improvements.

Intro. by Cowell.

WAKE