

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

FILED SENATE  
May 18, 2020  
S.B. 793  
PRINCIPAL CLERK

S

D

SENATE BILL DRS45417-MCxf-244A

Short Title: Expand Local Option Sales Tax for Education. (Local)

Sponsors: Senators Robinson, Tillman, and Garrett (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO GIVE GUILFORD COUNTY GREATER FLEXIBILITY TO USE LOCAL  
3 OPTION SALES TAX REVENUES FOR EDUCATION.

4 The General Assembly of North Carolina enacts:

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

6 "§ 105-537. Levy.

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

11 (b) Vote. – The board of county commissioners may direct the county board of elections  
12 to conduct an advisory referendum on the question of whether to levy a local sales and use tax in  
13 the county as provided in this Article. The election shall be held in accordance with the  
14 procedures of ~~G.S. 163A-1592~~ G.S. 163A-1592, except that the election shall not be held within  
15 one year from the date of the last preceding election under this section.

16 (c) Ballot Question. – ~~The~~ Except as provided in subsection (d) of this section, the form  
17 of the question to be presented on a ballot for a special election concerning the levy of the tax  
18 authorized by this Article shall be:

19 "[ ] FOR [ ] AGAINST

20 Local sales and use tax at the rate of ~~one-quarter percent (0.25%)~~ [The applicable rate stated  
21 in both words and as a percentage] in addition to all other State and local sales and use  
22 taxes. taxes to be used for [the applicable use or uses chosen from the options listed in  
23 G.S. 105-538(b)]."

24 (d) Combined Ballot Question. – The county may combine the question concerning the  
25 levy authorized by this Article and a bond referendum conducted pursuant to Part 2 of Article 4  
26 of Chapter 159 of the General Statutes. In addition to any other notice or information required  
27 by law, the county shall also provide notice of the intent to combine the tax and bond questions  
28 and include the anticipated revenue from the levy of the tax and the maximum amount of the  
29 bonds authorized to be issued. The form of the question to be presented on a ballot for a special  
30 election for the combined levy of the tax authorized by this Article and the bond referendum shall  
31 be:

32 "[ ] FOR [ ] AGAINST

33 Both of the following:

34 [The applicable language required by subsection (c) of this section.]



\* D R S 4 5 4 1 7 - M C X F - 2 4 4 A \*

1 An order authorizing \$ \_\_\_\_\_ bonds plus interest for (briefly stating the purpose) and
2 providing that additional taxes may be levied in an amount sufficient to pay the principal of and
3 interest on the bonds. ""

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

5 "§ 105-538. Administration and use of taxes.

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

13 Except as provided in this Article, the adoption, levy, collection, administration, and repeal
14 of these additional taxes must be in accordance with Article 39 of this Chapter. G.S. 105-468.1
15 is an administrative provision that applies to this Article. A tax levied under this Article does not
16 apply to the sales price of food that is exempt from tax pursuant to G.S. 105-164.13B or to the
17 sales price of a bundled transaction taxable pursuant to G.S. 105-467(a)(5a). The Secretary shall
18 not divide the amount allocated to a county between the county and the municipalities within the
19 county.

20 (b) Use. – A county must use the net proceeds of a tax levied under this Article only for
21 one or more of the following, as indicated on the ballot question presented pursuant to
22 G.S. 105-537(c):

23	<u>Use</u>	<u>Ballot Language</u>
24	<u>Any public purpose</u>	<u>Any public purpose</u>
25	<u>Public education purposes</u>	<u>Only public education purposes</u>
26	<u>Public school capital outlay purposes</u>	<u>Only public school capital outlay</u>
27		<u>purposes</u>
28	<u>Teacher salary supplements</u>	<u>Only supplements of classroom</u>
29		<u>teacher salaries</u>
30	<u>Community college support</u>	<u>Only financial support of community</u>
31		<u>colleges</u>

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

- 33 (1) Classroom teacher. – An employee of a local board of education employed as
- 34 a teacher who spends at least seventy percent (70%) of his or her work time
- 35 in classroom instruction.
- 36 (2) Net proceeds. – Defined in G.S. 105-472.
- 37 (3) Public education purposes. – Any of the following purposes:
- 38 a. Public school capital outlay purposes.
- 39 b. Supplements of classroom teacher salaries.
- 40 c. Financial support of community colleges, including funds to
- 41 supplement State financial support of community colleges.
- 42 (4) Public school capital outlay purposes. – Purposes defined in
- 43 G.S. 115C-426(f), including retiring any indebtedness incurred by the county
- 44 for these purposes."

45 SECTION 3. G.S. 159-61(d) reads as rewritten:

46 "(d) ~~The~~ Except as modified for combined ballot questions pursuant to G.S. 105-537(d),
47 the form of the question as stated on the ballot shall be in substantially the following words:

48 "Shall the order authorizing \$ \_\_\_\_\_ bonds plus interest for (briefly stating the purpose) and
49 providing that additional taxes may be levied in an amount sufficient to pay the principal of and
50 interest on the bonds be approved?

51 [ ] YES [ ] NO""

1  
2

**SECTION 4.** This act applies to Guilford County only.

**SECTION 5.** This act is effective when it becomes law.