

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 305
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40199-Nif-73

Short Title: Guilford County Sales Tax Distribution Mods. (Local)

Sponsors: Representative Blust.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROMOTE FAIRNESS IN SALES TAX DISTRIBUTIONS FOR
3 MUNICIPALITIES IN GUILFORD COUNTY BY ALLOWING MUNICIPALITIES
4 THAT DO NOT LEVY AD VALOREM TAXES TO RECEIVE A PERCENTAGE OF
5 LOCAL GOVERNMENT SALES AND USE TAX DISTRIBUTIONS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** Definitions. – The definitions in G.S. 105-472 apply to this section
8 to the extent they are not inconsistent with the provisions of this section. In addition, the
9 following definitions apply in this act:

- 10 (1) Council. – Defined in G.S. 160A-1.
11 (2) Net proceeds. – The product of a qualifying municipality's per capita
12 distribution multiplied by twenty-five percent (25%).
13 (3) Per capita distribution. – The net proceeds of the tax collected under Article
14 39 of Chapter 105 of the General Statutes and distributable to a qualifying
15 municipality as calculated using the per capita distribution method under
16 G.S. 105-472(b)(1).
17 (4) Qualifying municipality. – A municipality that meets all of the following
18 requirements:
19 a. Is in Guilford County.
20 b. Does not levy ad valorem taxes.
21 c. Does not receive distributions under G.S. 105-472(b)(2).

22 **SECTION 1.(b)** Authorization. – Notwithstanding G.S. 105-472, a qualifying
23 municipality may receive distributions of net proceeds in accordance with this section during any
24 year in which the Guilford County Board of Commissioners chooses the ad valorem distribution
25 method under G.S. 105-472.

26 **SECTION 1.(c)** Resolution Required. – The council of a qualifying municipality
27 shall adopt a resolution indicating its intent to receive net proceeds in accordance with this
28 section. For a resolution under this subsection to be effective, a certified copy of it must be
29 delivered to the Secretary in Raleigh. If the council of a qualifying municipality fails to adopt a
30 resolution under this subsection, or if a certified copy of the resolution is not delivered to the
31 Secretary, that qualifying municipality is prohibited from receiving net proceeds. A resolution
32 under this subsection is effective until either (i) the municipality no longer meets the criteria of
33 a "qualifying municipality" or (ii) the Guilford County Board of Commissioners chooses the per
34 capita distribution method under G.S. 105-472, after which time the municipality shall adopt and
35 submit a new resolution in accordance with this subsection.



1 **SECTION 1.(d)** Proportional Reduction. – The net proceeds of the taxes distributed
2 to Guilford County and to the municipalities in Guilford County under G.S. 105-472 shall be
3 proportionately reduced by the amount of net proceeds distributed to qualifying municipalities
4 under this section.

5 **SECTION 1.(e)** Service/Fire Districts Inapplicable. – Ad valorem taxes levied by
6 any service or fire district located in whole or in part within a qualifying municipality shall not
7 prohibit that municipality from receiving net proceeds under this section.

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