



# SENATE BILL 727: Moore Cnty Local Sales Tax Use Restriction.

2016-2017 General Assembly

<b>Committee:</b>	Senate Finance	<b>Date:</b>	May 26, 2016
<b>Introduced by:</b>	Sen. Tillman	<b>Prepared by:</b>	Nicholas Giddings Committee Co-Counsel
<b>Analysis of:</b>	PCS to First Edition S727-CSBAx-1		

**SUMMARY:** Senate Bill 727 would limit how Moore County could use the funds received if the voters approved a referendum authorizing a ¼ cent sales tax under Article 46 of Chapter 105 of the General Statutes. Under the bill, Moore County would only be able to use the funds for financing and constructing public schools. The act also would state expressly in the ballot question that the funds could be used only for public school construction purposes. The act is effective when it becomes law and applies only to Moore County.

*The Proposed Committee Substitute clarifies the ballot question language.*

**CURRENT LAW:** Counties may issue a ¼ cent sales tax under Article 46 of Chapter 105 of the General Statutes. Under G.S. 105-537, a referendum is required to approve the tax. The proceeds of the tax can be used for any lawful purpose.

**BILL ANALYSIS:** Senate Bill 727 would limit how Moore County could use the funds received if the voters approved the referendum authorizing the ¼ cent sales tax under Article 46 of Chapter 105 of the General Statutes. Under the bill, Moore County would only be able to use the funds for financing and constructing public schools. Moore County also would be required to use the funds to supplement and not to replace existing funds for public school construction.

**EFFECTIVE DATE:** The act is effective when it becomes law and applies to Moore County only.

**BACKGROUND:** Voters in Moore County voted against a proposed quarter-cent sales tax increase on March 15, 2016. G.S. 105-465 does not permit a special election to be held within one year from the date of the last preceding special election. Special elections are governed by G.S. 163-287 and can only be held under certain circumstances, most prominently during general elections and primary elections in any even-numbered year; thus, the next point at which this referendum can be voted on will be in 2018. Senate Bill 727 was requested by the Moore County Board of Commissioners.

*Brad Krehely substantially contributed to this summary.*

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