

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**HOUSE BILL 718\***

Short Title: Durham Impact Tax.

(Local)

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Sponsors: Representatives Miller; Luebke and Weiss.

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Referred to: Rules, Calendar, and Operations of the House.

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March 22, 2001

A BILL TO BE ENTITLED

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2 AN ACT TO AUTHORIZE DURHAM COUNTY TO LEVY A TAX ON LAND  
3 DEVELOPMENT TO PAY PART OF THE COSTS OF SCHOOL CAPITAL  
4 FACILITIES.

5 The General Assembly of North Carolina enacts:

6       **SECTION 1.** Authority. – If the majority of those voting in a referendum  
7 held pursuant to this act vote for the levy of the tax, the board of commissioners of a  
8 county may adopt an ordinance levying a tax on the impact of land development within  
9 a county without regard to whether the land development is within a municipality. An  
10 ordinance adopted under this act may require the person responsible for the impact of  
11 land development to pay an impact tax for each square foot of residential space or  
12 commercial, institutional, office, or industrial building enclosed floor space for which a  
13 building permit is issued or could have been issued.

14       **SECTION 2.** Vote. – The board of commissioners of a county may direct  
15 the county board of elections to conduct an advisory referendum on the question of  
16 whether to levy a local impact tax in the county as provided in this act. The election  
17 shall be held on a date jointly agreed upon by the two boards, which may be the same  
18 day as any other referendum or election in the county, but may not otherwise be during  
19 the period beginning 30 days before and ending 30 days after the day of any other  
20 referendum or election to be conducted by the board of elections and already validly  
21 called or scheduled by law.

22       The election shall be held in accordance with the procedures of G.S. 163-287.  
23 The question to be presented on a ballot for a special election concerning the levy of the  
24 tax authorized by this act shall be in the following form:

25                               " FOR        AGAINST

26                               A local tax on the impact of land development."

27       **SECTION 3.** Administration. – A tax levied under this act is due on the date  
28 a building permit is issued, or if no building permit is issued, on the date construction

1 begins. The tax may be collected pursuant to G.S. 153A-147. In addition, the tax is a  
2 lien on the real property constituting the land development for which the tax is levied.  
3 The lien on the real property may be foreclosed by the county using the procedures  
4 provided in G.S. 105-374 except that the foreclosure proceeding shall not be instituted  
5 until 60 days after the tax becomes due.

6           **SECTION 4.** Use. – The county may use the net proceeds of a tax levied  
7 under this act only for capital improvements related to schools or for paying debt  
8 service on bonds for capital improvements related to schools.

9           **SECTION 5.** This act applies only to Durham County.

10           **SECTION 6.** This act is effective when it becomes law.