

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 621*

Short Title: Durham Impact Tax.

(Local)

Sponsors: Senators Gulley; and Lucas.

Referred to: Finance.

March 22, 2001

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

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

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

"[] FOR [] AGAINST

A local tax on the impact of land development."

SECTION 3. Administration. – A tax levied under this act is due on the date 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.