

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 987
HOUSE BILL 1619

AN ACT CHANGING THE METHOD OF DISTRIBUTION OF THE NEW
HANOVER COUNTY OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

Section 1. Section 35 of Chapter 908 of the 1983 Session Laws is amended as follows:

(1) by rewriting subsection (a) to read:

"(a) New Hanover County shall distribute the net proceeds of the occupancy tax as follows:

- (1) Eighty percent (80%) of the net proceeds shall be deposited in a special fund, the cash balance of which shall be deposited at interest or invested in accordance with G.S. 159-30; and
- (2) Twenty percent (20%) of the net proceeds shall be distributed on a quarterly basis to the county and its municipalities in accordance with the method by which the one percent (1%) local sales and use taxes levied in the county pursuant to Article 39 of Chapter 105 of the General Statutes are distributed.

'Net proceeds' means gross proceeds less the cost to the county of administering and collecting the tax.

Unless a change in the use of occupancy tax revenue is authorized pursuant to subsection (b), the revenue deposited in a special fund in accordance with subdivision (1) shall be used by the county to control beach erosion, and the revenue distributed between the county and its municipalities in accordance with subdivision (2) shall be used to promote travel and tourism. No revenue distributed under subdivision (2), however, may be used to plan, construct, operate, maintain, or in any way promote a civic center, convention center, public auditorium, or like facility."; and

(2) by deleting the first sentence of subsection (b).

Sec. 2. All revenue received by a city in New Hanover County from the occupancy tax to control beach erosion before the effective date of this act that has not been disbursed, encumbered, or obligated by the city as of that date shall be remitted to New Hanover County within 10 days of the effective date of this act, to be placed in the special county fund established under subdivision (a)(1) of Section 35 of Chapter 908 of the 1983 Session Laws, as amended by this act.

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 26th day of June, 1984.