

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 650

Short Title: New Hanover Room Tax Use.

(Local)

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Sponsors: Representatives McComas; Hill and Nye.

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Referred to: Local and Regional Government II, if favorable, Finance.

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March 30, 1995

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE ALLOCATION OF THE PROCEEDS OF THE NEW HANOVER OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

Section 1. Section 35 of Chapter 908 of the 1983 Session Laws, as amended by Chapter 987 of the 1983 Session Laws and Chapter 971 of the 1985 Session Laws, reads as rewritten:

"Sec. 35. Disposition of Taxes Collected. (a) New Hanover County shall distribute the net proceeds of the occupancy tax as follows:

(1) ~~Seventy-five percent (75%)~~ Sixty percent (60%) 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-five percent (25%)~~ Forty percent (40%) 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.

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

8 (b) The purposes for which revenue from the room occupancy tax may be used by  
9 the county and its municipalities may be changed only by resolution of the New Hanover  
10 Board of County Commissioners after being approved by a majority of the votes cast in  
11 an election held in New Hanover County on the question of how revenue from the room  
12 occupancy tax should be used. The ballot presented to the qualified voters of the county  
13 in an election concerning the use of revenue from the room occupancy tax shall state all  
14 the proposed uses of this revenue and the percentage of the revenue to be used for each  
15 purpose. Any change in use of revenue from the room occupancy tax made by the county  
16 commissioners after voter approval may likewise be changed only by resolution of the  
17 county commissioners after being approved by the voters in another election.

18 The question of how revenue from the room occupancy tax should be spent may be  
19 submitted to the qualified voters of the county only ~~in~~ at the time of a statewide general  
20 election. All elections under this section shall be conducted in accordance with the laws  
21 then governing elections in this State."

22 Sec. 2. This act is effective upon ratification and applies to taxes levied on or  
23 after the first day of the first month following ratification.