

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 647  
Finance Committee Substitute Adopted 5/23/89

Short Title: Mecklenburg Room Tax Changes.

(Local)

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Sponsors:

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Referred to:

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March 27, 1989

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE A MEANS FOR FINANCING ALL OR PART OF A  
2 CONVENTION CENTER IN CHARLOTTE.  
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4 The General Assembly of North Carolina enacts:

5 Section 1. Section 6 of Chapter 908 of the 1983 Session Laws reads as  
6 rewritten:

7 "**Sec. 6.** (a) Mecklenburg County is hereby authorized to impose and levy a tax  
8 not to exceed ~~three percent (3%)~~ six percent (6%) of the gross receipts of any person,  
9 firm, corporation or association derived from the rental of any sleeping room or lodging  
10 furnished in any hotel, motel, or inn located in Mecklenburg County and subject to the  
11 three percent (3%) sales tax levied by the State of North Carolina. The tax shall not  
12 apply, however, to any room or rooms, lodging or accommodations supplied to the same  
13 person for a period of 90 continuous days or more. The tax shall also not apply to  
14 sleeping rooms or lodgings furnished by charitable, educational, benevolent or religious  
15 institutions or organizations not operated for profit.

16 (b) Before adopting or amending an ordinance imposing and levying such a  
17 tax, the board of commissioners shall hold a public hearing on the ordinance or  
18 amendment. The Board shall cause notice of the hearing to be published not less than  
19 10 days nor more than 25 days before the date fixed for the hearing."

20 Sec. 2. Section 8 of Chapter 908 of the 1983 Session Laws reads as  
21 rewritten:

22 "**Sec. 8.** Mecklenburg County shall allocate the ~~net~~ proceeds collected as follows:

1 (a) Mecklenburg County shall retain from the gross proceeds of the tax collected  
2 an amount not to exceed three percent (3%) of the gross proceeds sufficient to pay its  
3 direct costs for administrative and collection expenses. For the purpose of this section,  
4 the term 'net proceeds' means ~~'Net proceeds' shall mean gross proceeds less direct costs for~~  
5 ~~administrative and collection expenses not to exceed three percent (3%).~~ the amount retained  
6 by the county under this subsection.

7 (a1) Mecklenburg County shall retain fifty percent (50%) of the net proceeds to be  
8 used only for capital costs, debt service, marketing, lease payments, and operating costs  
9 of a new or expanded convention center in the City of Charlotte.

10 (b) ~~At~~ Of the remaining net proceeds, at least fifty percent (50%) of the first  
11 one million dollars (\$1,000,000) of net proceeds from the tax in a fiscal year, at least  
12 thirty-five percent (35%) of the second one million dollars (\$1,000,000) of net proceeds  
13 ~~from the tax in a fiscal year, and at least twenty-five percent (25%) of the net proceeds~~  
14 amount in excess of two million dollars (\$2,000,000) from the tax in the fiscal year shall  
15 be allocated for activities and programs aiding and encouraging convention and visitor  
16 promotion. These amounts shall be transferred by Mecklenburg County to the City of  
17 Charlotte for allocation by the City of Charlotte for activities and programs aiding and  
18 encouraging convention and visitor promotion, and in so doing, the City of Charlotte  
19 shall be acting as agent for Mecklenburg County.

20 (c) ~~The amount of net proceeds remaining after allocation of the sums for~~  
21 ~~activities and programs aiding and encouraging convention and visitor promotion deducting~~  
22 the amounts provided in subsections (a), (a1), and (b) shall be allocated by Mecklenburg  
23 County among itself and each municipality in Mecklenburg County (presently  
24 Charlotte, Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville) using  
25 the following formula: the ratios of expenditures by the county and each municipality  
26 for acquiring, constructing, financing (including debt service), maintaining and  
27 operating convention centers, civic centers, performing arts centers, coliseums,  
28 auditoriums, and museums (including off-street parking facilities for use in conjunction  
29 therewith) and for visitor-related programs and activities including, but not limited to,  
30 museums and other art or cultural programs, events, or festivals as such bears to total  
31 county and municipal expenditures for such purposes. Such ratios shall be computed  
32 annually on the basis of the prior fiscal years's expenditures. As to the municipalities,  
33 the maximum amount payable by Mecklenburg County to each municipality shall be the  
34 net proceeds collected from hotels, motels and inns located within the corporate limits  
35 of said municipality.

36 (d) The proceeds distributed and retained pursuant to subsection (c) may be  
37 expended by Mecklenburg County and the municipalities only for acquiring,  
38 constructing, financing (including debt service), maintaining and operating convention  
39 centers, civic centers, performing arts centers, coliseums, auditoriums, and museums  
40 (including off-street parking facilities for use in conjunction therewith) and for visitor-  
41 related programs and activities including, but not limited to, museums and other art or  
42 cultural programs, events, or festivals.

43 (e) Mecklenburg County shall distribute the amounts due each municipality by the  
44 20th day of the month in which the tax is collected."

1           Sec. 3. This act is effective upon ratification.