

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 580
Finance Committee Substitute Adopted 5/29/91

Short Title: Raise Durham Occupancy Tax.

(Local)

Sponsors:

Referred to:

April 11, 1991

A BILL TO BE ENTITLED

1 AN ACT AUTHORIZING DURHAM COUNTY TO INCREASE ITS ROOM
2 OCCUPANCY TAX FROM THREE PERCENT TO FIVE PERCENT AND
3 PROVIDING FOR THE USE OF THE PROCEEDS OF THE TAX.
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5 The General Assembly of North Carolina enacts:

6 Section 1. (a) Levy of Additional Occupancy Tax. In addition to the tax
7 authorized by Chapter 969 of the 1985 Session Laws, the Durham County Board of
8 Commissioners may levy a room occupancy tax of two percent (2%) of the gross
9 receipts derived from the rental of accommodations taxable under that Chapter. The
10 levy, collection, administration, and repeal of the tax authorized by this act shall be in
11 accordance with the provisions of Section 1 of Chapter 969 of the 1985 Session Laws.
12 Durham County may not levy a tax under this act unless it also levies the tax authorized
13 under Chapter 969 of the 1985 Session Laws.

14 (b) Use of Proceeds of Additional Tax. Durham County shall, on a monthly
15 basis, remit the net proceeds of the tax levied under this act to the Durham Convention
16 & Visitors Bureau, a joint agency established by interlocal cooperation agreement
17 between Durham County and the City of Durham. The Bureau may use funds remitted
18 to it under this subsection only to promote travel and tourism in Durham County. If the
19 interlocal cooperation agreement expires or the Bureau is otherwise dissolved, Durham
20 County shall use the net proceeds of the tax levied under this section only to promote
21 travel and tourism in Durham County. As used in this subsection, "net proceeds" means
22 gross proceeds less the cost to the county of administering and collecting the tax, as
23 determined by the finance officer.

1 Sec. 2. Section 2 of Chapter 969 of the 1985 Session Laws reads as
2 rewritten:

3 "Sec. 2. Use and Distribution of Tax Revenue in Durham County. Durham County
4 shall retain fifty-seven and one-half percent (57½%) of the revenue collected from a tax
5 levied under this act and shall distribute the remaining forty-two and one-half percent
6 (42½%) of the revenue to the City of Durham. Funds retained by the county or
7 distributed to the City of Durham may be used for any purpose authorized by law. ~~law,~~
8 ~~except that at least twenty-five percent (25%) of the funds so retained or distributed must be~~
9 ~~used for promotion of travel and tourism."~~

10 Sec. 3. Section 2 of this act is effective upon ratification and applies to taxes
11 that accrue on or after the date of ratification. The remainder of this act is effective
12 upon ratification.