

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1487

Local Government & Regional Affairs Committee Substitute Adopted 6/27/90

Short Title: Modify Pender Tax Distribution.

(Local)

Sponsors:

Referred to:

June 4, 1990

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A THIRD OPTION FOR DISTRIBUTION OF LOCAL SALES TAX REVENUE WITHIN PENDER COUNTY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-472 reads as rewritten:

"§ 105-472. Disposition and distribution of taxes collected.

With respect to the counties in which he shall collect and administer the tax, the Secretary of Revenue shall, on a quarterly basis, distribute to each taxing county and to the municipalities therein the net proceeds of the tax collected in that county under this Article which amount shall be determined by deducting taxes refunded, the cost to the State of collecting and administering the tax in the taxing county and such other deductions as may be properly charged to the taxing county, from the gross amount of the tax remitted to the Secretary of Revenue from the taxing county. The Secretary shall determine the cost of collection and administration, and that amount shall be retained by the State before distribution of the net proceeds of the tax. For the purposes of this Article, 'municipalities' shall mean cities as defined by G.S. 153A-1(1).

The board of county commissioners shall, in the resolution levying the tax, determine that the net proceeds of the tax shall be distributed in one of the following methods and thereafter ~~said the~~ proceeds shall be distributed in accordance therewith: that method:

- (1) The amount distributable to a taxing county and to the municipalities therein from the net proceeds of the tax collected therein shall be determined upon the following basis: The net proceeds of the tax

1 collected in a taxing county shall be distributed to that taxing county
2 and to the municipalities therein upon a per capita basis according to
3 the total population of the taxing county, plus the total population of
4 the municipalities therein; provided, however, that 'total population' of
5 a municipality lying within more than one county shall be only that
6 part of its population which lives within the taxing county. For this
7 purpose, the Secretary of Revenue shall determine a per capita figure
8 by dividing the net proceeds of the tax collected under this Article for
9 the preceding quarter within a taxing county by the total population of
10 that taxing county plus the total population of all municipalities therein
11 according to the most recent annual estimates of population as certified
12 to the Secretary of Revenue by the State Budget Officer. The per
13 capita figure thus derived shall be multiplied by the population of the
14 taxing county and each respective municipality therein according to
15 the most recent annual estimates of population as certified to the
16 Secretary of Revenue by the State Budget Officer, and each respective
17 product shall be the amount to be distributed to each taxing county and
18 to each municipality therein. The State Budget Officer shall annually
19 cause to be prepared and shall certify to the Secretary of Revenue such
20 reasonably accurate population estimates of all counties and
21 municipalities in the State as may be practicably ~~developed;~~ or
22 developed.

- (2) The net proceeds of the tax collected in a taxing county shall be
23 divided between the county and the municipalities therein in
24 proportion to the total amount of ad valorem taxes levied by each on
25 property having a tax situs in the taxing county during the fiscal year
26 next preceding such distribution. For purposes of this section, the
27 amount of the ad valorem taxes levied by such county or municipality
28 shall include any ad valorem taxes levied by such county or
29 municipality in behalf of a taxing district or districts and collected by
30 the county or municipality. In computing the amount of tax proceeds
31 to be distributed to any county or municipality, the amount of any ad
32 valorem taxes levied but not substantially collected shall be ignored.
33 Each county and municipality receiving a distributable share of the
34 sales and use tax levied under this Article shall in turn immediately
35 share the proceeds with any district or districts in behalf of which the
36 county or municipality levied ad valorem taxes in the proportion that
37 the district levy bears to the total levy of the county or municipality.
38 Any county or municipality which fails to provide the Department of
39 Revenue with information concerning ad valorem taxes levied by that
40 county or municipality adequate to permit a timely determination of
41 the appropriate share of that county or municipality of tax proceeds
42 collected under this Article may be excluded by the Secretary from
43 each quarterly distribution with respect to which such information was
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1 not provided in a timely manner, and such tax proceeds shall then be
2 distributed only to the governmental unit or units whose information
3 was provided in a timely manner. For the purpose of computing the
4 distribution of the tax under this subsection to any county and the
5 municipalities located therein for any quarter with respect to which the
6 property valuation of a public service company is the subject of an
7 appeal pursuant to the provisions of the Machinery Act, or to
8 applicable provisions of federal law, and the Department of Revenue is
9 restrained by operation of law or by a court of competent jurisdiction
10 from certifying such valuation to the county and the municipalities
11 therein, the Department shall use the last property valuation of such
12 public service company which has been so certified in order to
13 determine the ad valorem tax levies applicable to such public service
14 company in the county and the municipalities therein.

15 (3) Of the net proceeds of the tax collected in a taxing county, one-half
16 shall be distributed as provided in subdivision (1) and one-half shall be
17 distributed as provided in subdivision (2).

18 Where local use taxes, levied pursuant to this Article, or to any other local sales tax
19 act, which cannot be identified as being attributable to any particular taxing county are
20 collected and remitted to the Secretary, he shall apportion said taxes to the taxing
21 counties in the same proportion that the local sales and use taxes collected each month
22 in a taxing county bears to the total local sales and use taxes collected in all taxing
23 counties each month during the quarter for which a distribution is to be made, and the
24 total net proceeds shall then be distributed as above provided.

25 The board of county commissioners in each taxing county shall, by resolution
26 adopted during the month of April of each year, determine which of the ~~two~~-foregoing
27 methods of distribution shall be in effect in the county during the next succeeding fiscal
28 year. In order for such resolution to be effective, a certified copy thereof must be
29 delivered to the Secretary of Revenue at his office in Raleigh within 15 calendar days
30 after its adoption. If the board fails to adopt any resolution or if it fails to adopt a
31 method of distribution not then in effect in the county, or if a certified copy of the
32 resolution is not timely delivered to the Secretary, the method of distribution then in
33 effect in the county shall continue in effect for the following fiscal year. The method of
34 distribution in effect on the first of July of each fiscal year shall apply to every
35 distribution made during that fiscal year."

36 Sec. 2. This act applies to Pender County only.

37 Sec. 3. This act shall become effective July 1, 1990, and applies to sales
38 made on or after that date.