

GENERAL ASSEMBLY OF NORTH CAROLINA
1991 SESSION

CHAPTER 665
SENATE BILL 580

AN ACT AUTHORIZING DURHAM COUNTY TO INCREASE ITS ROOM
OCCUPANCY TAX FROM THREE PERCENT TO FIVE PERCENT AND
PROVIDING FOR THE USE OF THE PROCEEDS OF THE TAX.

The General Assembly of North Carolina enacts:

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

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

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

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

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

In the General Assembly read three times and ratified this the 13th day of July, 1991.

James C. Gardner
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives