

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 631  
Committee Substitute Favorable 4/23/97

Short Title: Forsyth Room Tax Distribution.

(Local)

Sponsors:

Referred to:

March 26, 1997

A BILL TO BE ENTITLED  
AN ACT TO MODIFY THE FORMULA FOR DISTRIBUTING THE PROCEEDS OF  
THE FORSYTH COUNTY OCCUPANCY TAXES.

The General Assembly of North Carolina enacts:

Section 1. Section 28 of Chapter 908 of the 1983 Session Laws, as amended,  
reads as rewritten:

"Sec. 28. Disposition of ~~Taxes Collected.~~ Two Percent (2%) and One Percent (1%)  
Taxes. (a) Forsyth County shall remit the net proceeds of the occupancy ~~tax~~ taxes  
levied under Sections 24, 25, and 30.1 of this Part on a quarterly basis as follows: ~~(i) five~~

(1) Five percent (5%) of the net proceeds shall be divided among the  
municipalities in Forsyth County, other than Winston-Salem, on a pro  
rata basis; and (ii) the basis.

(2) If ninety-five percent (95%) of the net proceeds of the taxes levied on  
businesses located in a municipality in Forsyth County, other than  
Winston-Salem, for a calendar quarter exceeds the amount the  
municipality receives under subdivision (1) of this subsection, then the  
excess shall be distributed to that municipality.

(3) The remaining net proceeds shall be remitted to the Forsyth County  
Tourism Development Authority.

1 'Net proceeds' means gross proceeds less the cost to the county of administering and  
2 collecting the tax.

3 (b) A municipality may expend funds distributed to it pursuant to subsection  
4 (a) only for economic development and cultural and recreational purposes. The Forsyth  
5 County Tourism Development Authority shall expend the funds distributed to it pursuant  
6 to subsection (a) to further the development of travel, tourism, and conventions within  
7 Forsyth County. The Forsyth County Tourism Development Authority may not use more  
8 than ten percent (10%) of the funds distributed to it pursuant to subsection (a) for  
9 administrative expenses."

10 Section 2. Section 30.2 of Part VII of Chapter 908 of the 1983 Session Laws,  
11 as enacted by Chapter 870 of the 1989 Session Laws, reads as rewritten:

12 "Sec. 30.2. Additional Tax. (a) In addition to the taxes authorized by Sections  
13 24, 25, and 30.1 of this Part, the Forsyth County Board of Commissioners may levy a  
14 room occupancy and tourism development tax of three percent (3%) of the gross receipts  
15 derived from the rental of accommodations taxable under those sections. The levy,  
16 collection, administration, and repeal of the tax authorized by this section shall be in  
17 accordance with Sections 24 through 27 and 29 through 30 of this Part. Forsyth County  
18 may not levy a tax under this section unless it also levies taxes under Sections 24, 25, and  
19 30.1 of this Part.

20 (b) The net proceeds of the tax levied under this section shall be distributed as  
21 follows:

22 (1) ~~(i) five~~ Five percent (5%) of the net proceeds shall be divided among the  
23 municipalities in Forsyth County, other than Winston-Salem, on a pro  
24 rata ~~basis; and (ii) the~~ basis.

25 (2) If ninety-five percent (95%) of the net proceeds of the taxes levied on  
26 businesses located in a municipality in Forsyth County, other than  
27 Winston-Salem, for a calendar quarter exceeds the amount the  
28 municipality receives under subdivision (1) of this subsection, then the  
29 excess shall be distributed to that municipality.

30 (3) The remaining net proceeds shall be divided among Forsyth County, the  
31 City of Winston-Salem, and the Forsyth County Tourism Development  
32 Authority on a pro rata basis.

33 'Net proceeds' means gross proceeds less the cost to the county of administering and  
34 collecting the tax.

35 (c) Forsyth County or a municipality may expend funds distributed to it  
36 pursuant to subsection (b) only for economic development and cultural and recreational  
37 purposes. The Forsyth County Tourism Development Authority shall expend the funds  
38 distributed to it pursuant to subsection (b) in accordance with Section 28(b) of this Part."

39 Section 3. This act becomes effective July 1, 1997, and applies to taxes levied  
40 on or after that date.