

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 762*

Short Title: Chapel Hill Omnibus Act.

(Local)

Sponsors: Representatives Insko and Hackney.

Referred to: Local and Regional Government I, if favorable, Finance.

April 2, 1997

A BILL TO BE ENTITLED

1
2 AN ACT TO AUTHORIZE THE TOWN OF CHAPEL HILL TO LEVY AN
3 ENTERTAINMENT TAX ON EVENTS IN LARGE FACILITIES IN THE TOWN
4 OF CHAPEL HILL, TO AUTHORIZE THE TOWN TO REQUIRE THAT NEW
5 DEVELOPMENT INCLUDE HOUSING FOR A PERCENTAGE OF LOW- AND
6 MODERATE-INCOME FAMILIES OR PROVIDE LAND OR PAYMENT IN LIEU
7 OF PROVIDING SUCH HOUSING, TO PROVIDE AUTHORIZATION FOR
8 LOCAL REVENUE OPTIONS FOR TRANSIT FUNDING, AND TO PROVIDE
9 THAT THE TOWN'S OCCUPANCY TAX APPLY TO UNIVERSITY FACILITIES
10 ON THE SAME BASIS AS IT APPLIES TO PRIVATE ACCOMMODATIONS
11 FOR TRANSIENT OCCUPANCY.

12 The General Assembly of North Carolina enacts:

13 Section 1. (a) This section applies to the Town of Chapel Hill only.
14 (b) Authorization and scope. Notwithstanding the provisions of G.S. 105-37.1(b),
15 a town by resolution of its governing board may levy an entertainment tax on every
16 admission ticket purchased for admission to an entertainment, an amusement, or an
17 athletic or commercial event for which an admission is charged and which is presented in
18 that town in a facility having a seating capacity greater than 15,000. This tax does not
19 apply, however, to athletic events sponsored by the North Carolina High School Athletic
20 Association that involve participants at or below high school level. The tax shall be at a

1 rate of not more than one dollar (\$1.00) per admission ticket purchased. This tax is in
2 addition to any other State or local tax.

3 (c) Collection. Every person, firm, corporation, or organization selling admission
4 tickets taxable under this section shall collect the tax. This tax shall be collected at the
5 same time as the charge for furnishing a taxable admission ticket and shall be paid by the
6 purchaser to the seller of the admission ticket as trustee for and on account of the town.
7 The tax shall be stated and charged separately from the sales price. The tax shall be
8 added to the admission price and shall be passed on to the purchaser instead of being
9 borne by the seller.

10 (d) Administration. The town shall administer a tax levied under this section. A
11 tax levied and collected under this section is due and payable to the town tax collector on
12 or before the 15th day of the month following the month in which the tax accrues. Every
13 person, firm, or corporation liable for the tax shall, on or before the 15th day of each
14 month, prepare and render a return on a form prescribed by the town. The return shall
15 state the total number of admissions subject to the tax that were sold in the preceding
16 month. A return filed with the tax collector under this section is not a public record as
17 defined in G.S. 132-1 and may not be disclosed except as required by law. The town
18 may, by ordinance establish additional procedures for collection, reporting, remittance,
19 and use of a tax levied under this section.

20 (e) Penalties. A person, firm, or corporation who fails or refuses to file the
21 return required by this section shall pay a tax penalty of ten dollars (\$10.00) for each
22 day's omission. In case of failure or refusal to file the return or pay the tax for a period of
23 30 days after the time required for filing the return or for paying the tax, there shall be an
24 additional tax penalty of five percent (5%) of the tax due, with an additional tax penalty
25 of five percent (5%) for each additional month or fraction thereof until the tax is paid.
26 The town council may, for good cause shown, compromise or forgive the tax penalties
27 imposed by this section.

28 Any person who willfully attempts in any manner to evade a tax imposed
29 under this section or who willfully fails to pay the tax or make and file a return shall, in
30 addition to all other penalties provided by law, be guilty of a Class 3 misdemeanor.

31 (f) Use and distribution of tax revenue. The town shall use the proceeds
32 collected from this tax solely for the purpose of supporting the public transportation
33 system operated by the town, including services provided under agreement with the
34 University of North Carolina at Chapel Hill and with the Town of Carrboro.

35 (g) Effective date of the levy. A tax levied under this section shall become
36 effective on the date specified in the ordinance levying the tax. That date must be the
37 first day of a calendar month, however, and may not be earlier than the first day of the
38 second month after the date the ordinance is adopted.

39 (h) Repeal. A tax levied under this section may be repealed by an ordinance
40 adopted by the town council. Repeal of a tax levied under this section shall become
41 effective on the first day of a month and may not become effective until the end of the
42 fiscal year in which the repeal ordinance was adopted. Repeal of a tax levied under this
43 section does not affect liability for a tax, its collection, or its payment to the town that

1 was attached before the effective date of the repeal, nor does it affect a right to a refund
2 of a tax that accrued before the effective date of the repeal.

3 Section 2. The Charter of the Town of Chapel Hill, being Chapter 473,
4 Session Laws of 1975, is amended by adding the following section:

5 "Section 5.19. Ordinances requiring provision of housing for persons of low-
6 and moderate-income.

7 (a) Subject to the provisions of subsection (b) of this section, for the purpose of
8 increasing the availability of housing for persons of low- and moderate-income and
9 thereby promoting the public health, safety, and welfare, the Town of Chapel Hill may
10 enact ordinances which may require that subdividers of residentially zoned land and
11 developers of housing within the town and its extraterritorial planning jurisdiction and
12 including the planning jurisdiction established through a joint planning agreement with
13 Orange County jurisdiction(s):

- 14 (1) Construct up to but no more than twenty-five percent (25%) of the total
15 dwelling units of a housing development for persons of low- or
16 moderate-income; or
- 17 (2) Construct up to but no more than ten percent (10%) of the total units of
18 a housing development for lower-income persons; or
- 19 (3) Dedicate land in the immediate area of the subdivision or development
20 for use by the Town for housing for persons of low- and moderate-
21 income, or provide funds to the Town whereby the Town may acquire
22 other lands or areas for the purpose of providing additional housing
23 opportunities for persons of low- and moderate-income. Any formula
24 enacted to determine the amount of funds that are to be provided under
25 this subsection shall be based on the value of the development or
26 subdivision for property tax purposes.

27 (b) The authority of subsection (a) of this section may only be exercised when a
28 proposed development or subdivision contains at least 10 dwelling units or is at least 10
29 acres in size, or both.

30 (c) The Town may exercise the authority granted in subsection (a) of this section
31 only if the Town either grants an equivalent density bonus or provides other incentives of
32 equivalent financial value to a developer required to provide low- or moderate-income
33 housing."

34 Section 3. This section provides local option transit revenue sources.

35 Section 4. This section modifies the Chapel Hill room occupancy tax.

36 Section 5. This act is effective when it becomes law.