

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1721
Committee Substitute Favorable 6/10/04

Short Title: Currituck Occupancy Tax Changes.

(Local)

Sponsors:

Referred to:

May 27, 2004

A BILL TO BE ENTITLED

1
2 AN ACT TO ALLOW AN INCREASE IN THE CURRITUCK COUNTY
3 OCCUPANCY TAX AND TO CHANGE THE PURPOSES FOR WHICH THE
4 TAX MAY BE USED.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Section 1(a1) of Chapter 209 of the 1987 Session Laws, as
7 amended by Chapter 155 of the 1991 Session Laws, reads as rewritten:

8 "(a1) Additional occupancy tax. In addition to the tax authorized by subsection (a)
9 of this section, the Currituck County Board of Commissioners may levy a room
10 occupancy tax of ~~one percent (1%)~~ up to three percent (3%) of the gross receipts
11 derived from the rental of accommodations taxable under subsection (a). The levy,
12 collection, administration, and repeal of the tax authorized by this subsection shall be in
13 accordance with the provisions of this act. Currituck County may not levy a tax under
14 this subsection unless it also levies the tax under subsection (a)."

15 **SECTION 2.** Section 1(e) of Chapter 209 of the 1987 Session Laws, as
16 amended by Chapter 155 of the 1991 Session Laws, reads as rewritten:

17 "(e) Use of tax revenue. Currituck County shall use ~~at least seventy five percent~~
18 ~~(75%) of the net proceeds of the tax levied under subsection (a) of this section only for~~
19 ~~tourist related purposes, including construction and maintenance of public facilities and~~
20 ~~buildings, garbage, refuse, and solid waste collection and disposal, police protection,~~
21 ~~and emergency services. The remainder of the net proceeds of the tax levied under~~
22 ~~subsection (a) shall be deposited in the Currituck County General Fund and may be used~~
23 ~~for any lawful purpose.~~ tourism-related expenditures. Currituck County ~~may~~ shall use at
24 least two-thirds of the net proceeds of the tax levied under subsection (a1) of this
25 section, to the extent that they are needed, for capital costs, operation, and maintenance
26 of the Currituck Wildlife Museum. Whatever is not needed for the capital costs,
27 operation, and maintenance of the Currituck Wildlife Museum shall be used for
28 tourist related purposes. As used in this subsection, 'net proceeds' means gross proceeds
29 less the cost to the county of administering and collecting the tax, as determined by the

1 ~~finance officer.~~ section to promote travel and tourism and shall use the remainder of
2 those funds for tourism-related expenditures.

3 The following definitions apply in this subsection:

- 4 (1) Beach nourishment. – The placement of sand, from other sand sources,
5 on a beach or dune by mechanical means and other associated
6 activities that are in conformity with the North Carolina Coastal
7 Management Program along the shorelines of the Atlantic Ocean of
8 North Carolina and connecting inlets for the purpose of widening the
9 beach to benefit public recreational use and mitigating damage and
10 erosion from storms to inland property. The term includes
11 expenditures for any of the following:
- 12 a. Costs directly associated with qualifying for projects either
13 contracted through the U.S. Army Corps of Engineers or
14 otherwise permitted by all appropriate federal and State
15 agencies.
- 16 b. The nonfederal share of the cost required to construct these
17 projects.
- 18 c. The costs associated with providing enhanced public beach
19 access.
- 20 d. The costs of associated nonhardening activities such as the
21 planting of vegetation, the building of dunes, and the placement
22 of sand fences.
- 23 (2) Net proceeds. – Gross proceeds less the cost to the county of
24 administering and collecting the tax, as determined by the finance
25 officer, not to exceed three percent (3%) of the first five hundred
26 thousand dollars (\$500,000) of gross proceeds collected each year and
27 one percent (1%) of the remaining gross receipts collected each year.
- 28 (3) Promote travel and tourism. – To advertise or market an area or
29 activity, publish and distribute pamphlets and other materials, conduct
30 market research, or engage in similar promotional activities that attract
31 tourists or business travelers to the area; the term includes
32 administrative expenses incurred in engaging in these activities.
- 33 (4) Tourism-related expenditures. – Expenditures that, in the judgment of
34 the Currituck County Board of Commissioners, are designed to
35 increase the use of lodging facilities, meeting facilities, and convention
36 facilities in a county by attracting tourists or business travelers to the
37 county. The term includes tourism-related capital expenditures and
38 beach nourishment."

39 **SECTION 3.** This act is effective when it becomes law.