

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 134

Short Title: Modify Carteret County Occupancy Tax. (Local)

Sponsors: Representative McElraft (Primary Sponsor).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Government, if favorable, Finance.

February 21, 2011

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE CARTERET COUNTY OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Section 2 of S.L 2007-112, as rewritten by Section 40 of S.L. 2007-484, reads as rewritten:

**"SECTION 2.** Occupancy Tax. – (a) Authorization and Scope. – The Carteret County Board of Commissioners may levy a room occupancy and tourism development tax of five percent (5%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by any hotel, motel, inn, tourist camp, condominium, cottage, campground, rental agency, or other similar place within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by the following:

- (1) Religious organizations.
- (2) Educational organizations.
- (3) Any business that offers to rent fewer than five units.
- (4) Summer camps.
- (5) Charitable, benevolent, and other nonprofit organizations.

**"SECTION 2.(g)** Use and Distribution of five percent (5%) Occupancy Tax Revenue. – If Carteret County levies only the room occupancy and tourism development tax authorized by subsection (a) of Section 2 of this act, the net proceeds of the tax must be distributed as follows:

- (2) Beach nourishment. – Carteret County must retain the remainder to be used only for beach nourishment on Bogue Banks. Any idle funds that are not spent for beach nourishment must be remitted to the Carteret County Tourism Development Authority and must be used only to promote travel and tourism in Carteret County. ~~The county may not accumulate a balance of tax proceeds for beach nourishment in excess of fifteen million dollars (\$15,000,000).~~

**"SECTION 2.(h)** Use and Distribution of six percent (6%) Occupancy Tax Revenue. – If the conditions in subsection (b) of Section 2 of this act are met and Carteret County levies the room occupancy tax at a rate of six percent (6%) as authorized by subsections (a) and (b) of Section 2 of this act, the net proceeds must be distributed as follows:

...



- 1           (2) Beach nourishment. – Carteret County must use thirty-three percent (33%)  
2           only for beach nourishment on Bogue Banks. Any idle funds that are not  
3           spent for beach nourishment must be remitted to the Carteret County  
4           Tourism Development Authority and must be used only to promote travel  
5           and tourism in Carteret County. ~~The county may not accumulate a balance of~~  
6           ~~tax proceeds for beach nourishment in excess of fifteen million dollars~~  
7           ~~(\$15,000,000).~~
- 8           (3) Convention center financing. – Any remaining proceeds, up to a maximum  
9           of ten million dollars (\$10,000,000), must be used for the financing of debt  
10          service, operating costs, or both associated with the construction of a new  
11          convention center in Carteret County."

12          **SECTION 2.** This act is effective when it becomes law.