

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE DRS65117-MC-244A (04/17)

Short Title: Amend Durham County Occupancy Tax Uses. (Local)

Sponsors: Senators McKissick and Atwater (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE PURPOSES FOR WHICH OCCUPANCY TAX PROCEEDS  
3 REMITTED TO THE DURHAM CONVENTION AND VISITORS BUREAU MAY BE  
4 USED.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Section 9(c) of S.L. 2001-480, as amended by S.L. 2002-36, reads as  
7 rewritten:

8 "**SECTION 9.(c)** Use of Proceeds From Additional Two Percent (2%) Tax. – Durham  
9 County shall, on a monthly basis, remit the net proceeds of the tax levied under Section 6(b) of  
10 this act to the Durham Convention and Visitors Bureau as set out in Section 10 of this act.

11 The Bureau may use the funds remitted to it under this subsection only to promote travel,  
12 tourism, and conventions in Durham ~~County~~ County, for tourism-related expenditures, and to  
13 retire debt incurred to finance tourism-related expenditures."

14 **SECTION 2.** Section 9(e) of S.L. 2001-480, as amended by S.L. 2002-36 and S.L.  
15 2005-233, reads as rewritten:

16 "**SECTION 9.(e)** Use of Proceeds From Additional One Percent (1%) Tax After First 24  
17 Months. – The net proceeds of the tax collected under Section 6(c) of this act after the first 24  
18 months that the tax is levied shall be remitted monthly to the Durham Convention and Visitors  
19 Bureau as set out in Section 10 of this act. The Bureau shall use and distribute these net  
20 proceeds in the following priority order:

21 (1) To the City of Durham, the first one million four hundred thousand dollars  
22 (\$1,400,000) collected annually to finance the debt service associated with  
23 the construction of the Performing Arts Theater and for the design and  
24 engineering costs associated with the construction of the Theater. But no  
25 more than two million seven hundred fifty-two thousand dollars  
26 (\$2,752,000) of those proceeds may be used for design and engineering costs  
27 associated with the construction of the Theater. Until those funds are  
28 distributed to the City of Durham for that purpose, they shall be held by the  
29 Durham Convention and Visitors Bureau in a capital reserve fund as  
30 provided by Part 2 of Article 3 of Chapter 159 of the General Statutes except  
31 they may be expended as provided by the last sentence of Section 7(a) of this  
32 act if the tax is repealed as provided by Section 7(a) of this act. Any interest  
33 earned by that fund shall be credited to the fund.

34 (2) Thirty-two years after the levy of the tax authorized under Section 6(c) of  
35 this act, instead of the allocation under subdivision (1) of this subsection, the



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- 1 first one million four hundred thousand dollars (\$1,400,000) collected  
2 annually shall be used by the Bureau to promote travel and tourism or for  
3 tourism related expenditures.
- 4 (3) To Durham County, the next five hundred thousand dollars (\$500,000)  
5 collected annually to be used for improvements to the Museum of Life and  
6 Science. This may include the financing of debt service. Any of these funds  
7 that are not needed for this purpose shall be returned to the Bureau and used  
8 to promote travel and tourism.
- 9 (4) The Bureau shall use any net proceeds in excess of that provided by  
10 subdivisions (1), (2), and (3) of this subsection to promote travel, tourism,  
11 and conventions in Durham ~~County~~County, for tourism-related  
12 expenditures, and to retire debt incurred to finance tourism-related  
13 expenditures.

14 As used in this subsection, "annually" means the 12-month period beginning after the first  
15 24 months that the tax authorized under Section 6(c) of this act is levied."

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