

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**HOUSE BILL 945**

Short Title: Durham Occupancy Tax. (Local)

Sponsors: Representatives Luebke, Michaux, Miller, and Wilkins (Primary Sponsors).

Referred to: Finance.

March 29, 2005

A BILL TO BE ENTITLED

AN ACT TO AMEND THE DURHAM COUNTY OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

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

"**SECTION 7.(a)** If a plan for financing a Performing Arts Theater has not been approved by the Durham City Council and has been disapproved by the Durham County Commissioners within ~~42~~54 months after the levy of the one percent (1%) tax authorized under Section 6(c) of this act, the county's authority to levy the one percent (1%) tax described under Section 6(c) of this act and the levy of the one percent (1%) tax described in this subsection are repealed on the first day of the second month following the ~~42-month~~54-month period.

If construction on the Performing Arts Theater has not begun within ~~42~~54 months after the levy of the one percent (1%) tax authorized under Section 6(c) of this act, the county's authority to levy the one percent (1%) tax described in Section 6(c) of this act and the levy of the one percent (1%) tax described in Section 6(c) of this act are repealed on the first day of the second month following the ~~42-month~~54-month period.

It is the goal of the General Assembly that a plan for financing the Performing Arts Theater shall be adopted within ~~42~~54 months after the levy of the one percent (1%) tax authorized under Section 6(c) of this act, and construction of the Performing Arts Theater shall begin within ~~24~~54 months of the levy of the one percent (1%) tax described in Section 6(c) of this act.

Any funds collected but not spent before the repeal date shall be redistributed to the Durham Convention and Visitors Bureau to promote travel and tourism."

**SECTION 2.** Section 9(e) of S.L. 2001-480, as amended by Section 4 of S.L. 2002-36, reads as rewritten:

"**SECTION 9.(e)** Use of Proceeds From Additional One Percent (1%) Tax After First 24 Months. – The net proceeds of the tax collected under Section 6(c) of this act

1 after the first 24 months that the tax is levied shall be remitted monthly to the Durham  
2 Convention and Visitors Bureau as set out in Section 10 of this act. The Bureau shall  
3 use and distribute these net proceeds in the following priority order:

- 4 (1) To the City of Durham, the first one million four hundred thousand  
5 dollars (\$1,400,000) collected annually to finance the debt service  
6 associated with the construction of the Performing Arts  
7 ~~Theater.~~Theater and for the design and engineering costs associated  
8 with the construction of the Theater. But no more than two million  
9 seven hundred fifty-two thousand dollars (\$2,752,000) of those  
10 proceeds may be used for design and engineering costs associated with  
11 the construction of the Theater. Until those funds are distributed to the  
12 City of Durham for that purpose, they shall be held by the Durham  
13 Convention and Visitors Bureau in a capital reserve fund as provided  
14 by Part 2 of Article 3 of Chapter 159 of the General Statutes except  
15 they may be expended as provided by the last sentence of Section 7(a)  
16 of this act if the tax is repealed as provided by Section 7(a) of this act.  
17 Any interest earned by that fund shall be credited to the fund.
- 18 (2) Thirty-two years after the levy of the tax authorized under Section 6(c)  
19 of this act, instead of the allocation under subdivision (1) of this  
20 subsection, the first one million four hundred thousand dollars  
21 (\$1,400,000) collected annually shall be used by the Bureau to  
22 promote travel and tourism or for tourism related expenditures.
- 23 (3) To Durham County, the next five hundred thousand dollars (\$500,000)  
24 collected annually to be used for improvements to the Museum of Life  
25 and Science. This may include the financing of debt service. Any of  
26 these funds that are not needed for this purpose shall be returned to the  
27 Bureau and used to promote travel and tourism.
- 28 (4) The Bureau shall use any net proceeds in excess of that provided by  
29 subdivisions (1), (2), and (3) of this subsection to promote travel,  
30 tourism, and conventions in Durham County.

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

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