

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 574

Short Title: Earmark Sales Tax Growth for Onslow.

(Public)

Sponsors: Representatives Grady; Preston, Smith, Warwick, and Watson.

Referred to: Finance.

March 20, 1997

A BILL TO BE ENTITLED

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2 **AN ACT TO EARMARK FOR ONSLOW COUNTY AND THE MUNICIPALITIES IN**
3 **THE COUNTY INCREASES IN STATE SALES TAX COLLECTIONS FOR EACH**
4 **QUARTER IN THE 1997-99 FISCAL BIENNIUM OVER COLLECTIONS FOR**
5 **THE CORRESPONDING QUARTERS IN THE 1996-97 FISCAL YEAR.**

6 Whereas, Onslow County and the municipalities in the county were severely
7 devastated by Hurricanes Bertha and Fran, leaving thousands of homes and businesses
8 damaged or destroyed; and

9 Whereas, the property tax base for Onslow County and the municipalities in
10 the county has been reduced by at least \$1,500,000 due to the diminution of assessed
11 values throughout Onslow County resulting from Hurricanes Bertha and Fran; and

12 Whereas, in addition to the loss of ad valorem tax revenue, Onslow County and
13 the municipalities in the county anticipate a drastic reduction in other fees and licenses
14 outside of the construction industry; and

15 Whereas, Onslow County is currently ranked by the North Carolina
16 Department of Commerce as an economically distressed county; and

17 Whereas, the damage caused by Hurricanes Bertha and Fran puts Onslow
18 County and the municipalities in the county at fiscal peril absent relief from the State of
19 North Carolina; and

1 Whereas, the only reliable source of revenue expected for Onslow County and
2 the municipalities in the county is the sales tax, which is anticipated to increase as a
3 direct result of the rebuilding that is taking place and the surge of retail sales as
4 homeowners and businesses replace lost and damaged goods; and

5 Whereas, based upon the special and unique circumstances caused by
6 Hurricanes Bertha and Fran, it would not be inconsistent with the State policy of
7 minimizing the adverse effects of disasters to set a base for North Carolina State sales
8 taxes collected within Onslow County at the level collected for each calendar quarter in
9 the 1996-97 fiscal year and to disburse to Onslow County and the municipalities in the
10 county State sales taxes above those levels collected in the base period quarters for the
11 eight calendar quarters in the 1997-99 fiscal biennium; Now, therefore,

12 The General Assembly of North Carolina enacts:

13 Section 1. The Secretary of Revenue shall determine for each calendar quarter
14 in the 1997-99 fiscal biennium the amount by which collections in Onslow County under
15 Article 5 of Chapter 105 of the General Statutes have increased or decreased as compared
16 to the corresponding calendar quarter in the 1996-97 fiscal year. If collections in Onslow
17 County have increased, the Secretary of Revenue shall, as soon as practicable after the
18 end of the quarter, distribute to Onslow County and the municipalities in the county an
19 amount equal to the increase, less the cost of making the distribution as determined by the
20 Secretary of Revenue. The Secretary of Revenue shall allocate the funds between the
21 county and the municipalities on an ad valorem tax basis as provided in G.S. 105-
22 472(b)(2). The Secretary of Revenue shall draw from collections under Article 5 of
23 Chapter 105 of the General Statutes the amount of the distribution provided in this act
24 and the amount necessary to reimburse the Department of Revenue for the cost of
25 implementing this act.

26 Section 2. This act is effective when it becomes law.