

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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SENATE DRS55043-MC-55 (2/4)

Short Title: Modify Onslow County Sales Tax Distribution.

(Local)

Sponsors: Senator Brown.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE OPTIONS FOR DISTRIBUTION OF THE LOCAL SALES
3 TAXES IN ONSLOW COUNTY.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** This act applies to Onslow County only.

6 **SECTION 2.** G.S. 105-472(b) reads as rewritten:

7 "(b) Distribution Between Counties and Cities. – The Secretary shall divide the amount
8 allocated to each taxing county among the county and its municipalities in accordance with the
9 method determined by the county. The board of county commissioners shall, by resolution,
10 choose one of the following methods of distribution:

11 (1) Per Capita Method. – The net proceeds of the tax collected in a taxing
12 county shall be distributed to that county and to the municipalities in the
13 county on a per capita basis according to the total population of the taxing
14 county, plus the total population of the municipalities in the county. In the
15 case of a municipality located in more than one county, only that part of its
16 population living in the taxing county is considered its "total population". In
17 order to make the distribution, the Secretary shall determine a per capita
18 figure by dividing the amount allocated to each taxing county by the total
19 population of that county plus the total population of all municipalities in the
20 county. The Secretary shall then multiply this per capita figure by the
21 population of the taxing county and by the population of each municipality
22 in the county; each respective product shall be the amount to be distributed
23 to the county and to each municipality in the county. To determine the
24 population of each county and each municipality, the Secretary shall use the
25 most recent annual estimate of population certified by the State Budget
26 Officer.

27 (2) Ad Valorem Method. – The net proceeds of the tax collected in a taxing
28 county shall be distributed to that county and the municipalities in the county
29 in proportion to the total amount of ad valorem taxes levied by each on
30 property having a tax situs in the taxing county during the fiscal year next
31 preceding the distribution. For purposes of this section, the amount of the ad
32 valorem taxes levied by a county or municipality includes ad valorem taxes
33 levied by the county or municipality in behalf of a taxing district and
34 collected by the county or municipality. In addition, the amount of taxes
35 levied by a county includes ad valorem taxes levied by a merged school



1 administrative unit described in G.S. 115C-513 in the part of the unit located
2 in the county. In computing the amount of tax proceeds to be distributed to
3 each county and municipality, the amount of any ad valorem taxes levied but
4 not substantially collected shall be ignored. Each county and municipality
5 receiving a distribution of the proceeds of the tax levied under this Article
6 shall in turn immediately share the proceeds with each district in behalf of
7 which the county or municipality levied ad valorem taxes in the proportion
8 that the district levy bears to the total levy of the county or municipality.
9 Any county or municipality that fails to provide the Department of Revenue
10 with information concerning ad valorem taxes levied by it adequate to
11 permit a timely determination of its appropriate share of tax proceeds
12 collected under this Article may be excluded by the Secretary from each
13 monthly distribution with respect to which the information was not provided
14 in a timely manner, and those tax proceeds shall then be distributed only to
15 the remaining counties or municipalities, as appropriate. For the purpose of
16 computing the distribution of the tax under this subsection to any county and
17 the municipalities located in the county for any month with respect to which
18 the property valuation of a public service company is the subject of an
19 appeal and the Department of Revenue is restrained by law from certifying
20 the valuation to the county and the municipalities in the county, the
21 Department shall use the last property valuation of the public service
22 company that has been certified.

23 (3) Combined Method. – The net proceeds of the tax collected in a taxing
24 county shall be distributed to that county and to the municipalities in the
25 county by using both the per capita and the ad valorem methods with neither
26 method being used to distribute less than forty percent (40%) of the net
27 proceeds of the tax.

28 The board of county commissioners in each taxing county shall, by resolution adopted
29 during the month of April of each year, determine which of the ~~two~~-foregoing methods of
30 distribution shall be in effect in the county during the next succeeding fiscal year. In order for
31 the resolution to be effective, a certified copy of it must be delivered to the Secretary in Raleigh
32 within 15 calendar days after its adoption. If the board fails to adopt a resolution choosing a
33 method of distribution not then in effect in the county, or if a certified copy of the resolution is
34 not timely delivered to the Secretary, the method of distribution then in effect in the county
35 shall continue in effect for the following fiscal year. The method of distribution in effect on the
36 first of July of each fiscal year shall apply to every distribution made during that fiscal year."

37 **SECTION 3.** This act becomes effective July 1, 2009, and applies to resolutions
38 adopted by boards of county commissioners on or after that date.