

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

H.B. 442  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10187-SVf-14A

Short Title: Seasonally-Adjusted LOST Distrib./Carteret. (Local)

Sponsors: Representative McElraft.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW CARTERET COUNTY TO USE A SEASONALLY-ADJUSTED  
3 TOTAL POPULATION FIGURE FOR PURPOSES OF USING THE PER CAPITA  
4 METHOD OF LOCAL SALES TAX DISTRIBUTION.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. This act applies only to Carteret County.

7 SECTION 2. G.S. 105-472 reads as rewritten:

8 "§ 105-472. Disposition and distribution of taxes collected.

9 ...

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

14 (1) Seasonally-Adjusted Per Capita Method. – The net proceeds of the tax  
15 collected in a taxing county shall be distributed to that county and to the  
16 municipalities in the county on a per capita basis according to the total  
17 population of the taxing county, plus the total population of the municipalities  
18 in the county. ~~In the case of a municipality located in more than one county,~~  
19 ~~only that part of its population living in the taxing county is considered its~~  
20 ~~"total population".~~ In order to make the distribution, the Secretary shall  
21 determine a per capita figure by dividing the amount allocated to each taxing  
22 county by the total population of that county plus the total population of all  
23 municipalities in the county. The Secretary shall then multiply this per capita  
24 figure by the total population of the taxing county and by the total population  
25 of each municipality in the county; each respective product shall be the  
26 amount to be distributed to the county and to each municipality in the county.  
27 The term "total population" means the permanent population plus the seasonal  
28 population. To determine the permanent population of each county and each  
29 municipality, the Secretary shall use the most recent annual estimate of  
30 population certified by the State Budget Officer. To determine the seasonal  
31 population of each county and each municipality in the county, the Secretary  
32 shall use the estimates provided by a county in the resolution adopted and  
33 delivered to the Secretary in accordance with this subsection. A county shall  
34 annually estimate the seasonal population of the county and each municipality  
35 in the county based on the number of (i) rental properties, including beach  
36 houses, duplexes, condominiums, townhomes, and mobile homes; (ii) rooms



1 in hotels, motels, or bed and breakfast establishments; and (iii) campsites,  
2 multiplied by the average maximum capacity for each type of accommodation  
3 rental, plus an estimate of guests of permanent residents. A county must keep  
4 a record of the methodology, calculations, and sources of data used in  
5 determining the seasonal population estimates for three years, which may be  
6 subject to inspection by the Secretary.

- 7 (2) Ad Valorem Method. – The net proceeds of the tax collected in a taxing county  
8 shall be distributed to that county and the municipalities in the county in  
9 proportion to the total amount of ad valorem taxes levied by each on property  
10 having a tax situs in the taxing county during the fiscal year next preceding  
11 the distribution. For purposes of this section, the amount of the ad valorem  
12 taxes levied by a county or municipality includes ad valorem taxes levied by  
13 the county or municipality in behalf of a taxing district and collected by the  
14 county or municipality. In addition, the amount of taxes levied by a county  
15 includes ad valorem taxes levied by a merged school administrative unit  
16 described in G.S. 115C-513 in the part of the unit located in the county. In  
17 computing the amount of tax proceeds to be distributed to each county and  
18 municipality, the amount of any ad valorem taxes levied but not substantially  
19 collected shall be ignored. Each county and municipality receiving a  
20 distribution of the proceeds of the tax levied under this Article shall in turn  
21 immediately share the proceeds with each district in behalf of which the  
22 county or municipality levied ad valorem taxes in the proportion that the  
23 district levy bears to the total levy of the county or municipality. Any county  
24 or municipality that fails to provide the Department of Revenue with  
25 information concerning ad valorem taxes levied by it adequate to permit a  
26 timely determination of its appropriate share of tax proceeds collected under  
27 this Article may be excluded by the Secretary from each monthly distribution  
28 with respect to which the information was not provided in a timely manner,  
29 and those tax proceeds shall then be distributed only to the remaining counties  
30 or municipalities, as appropriate. For the purpose of computing the  
31 distribution of the tax under this subsection to any county and the  
32 municipalities located in the county for any month with respect to which the  
33 property valuation of a public service company is the subject of an appeal and  
34 the Department of Revenue is restrained by law from certifying the valuation  
35 to the county and the municipalities in the county, the Department shall use  
36 the last property valuation of the public service company that has been  
37 certified.

38 The board of county commissioners in each taxing county shall, by resolution adopted during  
39 the month of April of each year, determine which of the two foregoing methods of distribution  
40 shall be in effect in the county during the next succeeding fiscal year. In order for the resolution  
41 to be effective, a certified copy of it must be delivered to the Secretary in Raleigh within 15  
42 calendar days after its ~~adoption~~-adoption and, if choosing the method in subdivision (1) of this  
43 subsection, must also include the seasonally-adjusted total population estimates for the county  
44 and each of the municipalities in the county, which are final and not subject to review. If the  
45 board fails to adopt a resolution choosing a method of distribution not then in effect in the county,  
46 fails to update the seasonal population estimates, or if a certified copy of the resolution is not  
47 timely delivered to the Secretary, the method of distribution and previous seasonal population  
48 estimates then in effect in the county shall continue in effect for the following fiscal year. The  
49 method of distribution in effect on the first of July of each fiscal year shall apply to every  
50 distribution made during that fiscal year.

51 ...."

1           **SECTION 3.** For the first fiscal year that a county elects the seasonally-adjusted per  
2 capita method of distribution of its allocation of local sales and use tax, the Secretary may retain  
3 the Department's cost of administering the tax as determined by the Secretary, not to exceed  
4 seventy-five thousand dollars (\$75,000), from the county's allocation of tax as reimbursement to  
5 the Department in addition to all other costs of collecting and administering the tax that are  
6 deducted from the gross proceeds of the tax in accordance with G.S. 105-472(a).

7           **SECTION 4.** This act is effective when it becomes law.