

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2009**

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**HOUSE DRH10511-MC-20 (1/15)**

Short Title:    Modify Onslow County Sales Tax Distribution. (Local)

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Sponsors:     Representatives Cleveland, Grady, and Tucker (Primary Sponsors).

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Referred to:

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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  
36 administrative unit described in G.S. 115C-513 in the part of the unit located



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

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

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

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