

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 1181\*

Short Title: Emerald Isle Local Option Sales Tax. (Local)

Sponsors: Representative McElraft (Primary Sponsor).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Government, if favorable, Finance.

May 30, 2012

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE THE TOWN OF EMERALD ISLE TO LEVY AN ADDITIONAL  
3 ONE PERCENT SALES AND USE TAX, THE PROCEEDS OF WHICH SHALL BE  
4 USED FOR BEACH NOURISHMENT.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** This act applies to the Town of Emerald Isle only.

7 **SECTION 2.** Subchapter VIII of Chapter 105 of the General Statutes is amended  
8 by adding a new Article to read:

9 "Article 48.

10 "One Percent Sales and Use Tax for Emerald Isle.

11 **"§ 105-544. Short title.**

12 This Article is the "One Percent Sales and Use Tax for Emerald Isle."

13 **"§ 105-545. Definitions.**

14 The following definitions apply in this Article:

15 (1) Beach nourishment. – The placement of sand, from other sand sources, on a  
16 beach or dune by mechanical means, and other associated activities that are  
17 in conformity with the North Carolina Coastal Management Program, or  
18 which have otherwise been authorized by the General Assembly, along the  
19 North Carolina shorelines and connecting inlets for the purpose of widening  
20 the beach to benefit public recreational use and mitigating damage and  
21 erosion from storms to inland property and transportation routes. The term  
22 includes expenditures for the following:

23 a. Costs directly associated with qualifying for projects either  
24 contracted through the U.S. Army Corps of Engineers or otherwise  
25 permitted by all appropriate federal and State agencies.

26 b. The nonfederal share of the costs required to construct these projects.

27 c. The costs associated with providing enhanced public beach access.

28 d. The costs of associated nonhardening activities such as the planting  
29 of vegetation, the building of dunes, and the placement of sand  
30 fences.

31 (2) Net proceeds. – Defined in G.S. 105-472.

32 **"§ 105-546. Levy.**

33 (a) Authority. – If the majority of those voting in a referendum held pursuant to this  
34 Article vote for the levy of the tax, the municipality's board of commissioners may, by



1 resolution and after 10 days' public notice, levy a local sales and use tax at a rate of one percent  
2 (1%).

3 (b) Vote. – The municipality's board of commissioners may direct the county board of  
4 elections to conduct an advisory referendum on the question of whether to levy a local sales  
5 and use tax in the county as provided in this Article. The election shall be held on a date jointly  
6 agreed upon by the municipality's board of commissioners and the board of elections and shall  
7 be held in accordance with the procedures of G.S. 163-287.

8 (c) Ballot Question. – The form of the question to be presented on a ballot for a special  
9 election concerning the levy of the tax authorized by this Article shall be:

10  FOR  AGAINST

11 Local sales and use tax at the rate of one percent (1%) in addition to all other State and  
12 local sales and use taxes for the sole purpose of beach nourishment."

13 **"§ 105-547. Administration.**

14 Except as provided in this Article, the adoption, levy, collection, administration, and repeal  
15 of the additional taxes authorized by this Article shall be in accordance with Article 39 of this  
16 Chapter. References to "county" or "counties" within Article 39 of this Chapter shall be  
17 interpreted as referring to "municipality" or "municipalities," respectively, for purposes of the  
18 tax authorized by this Article. A tax levied under this Article does not apply to the sales price  
19 of food that is exempt from tax pursuant to G.S. 105-164.13B.

20 **"§ 105-548. Distribution and use of taxes.**

21 (a) Distribution. – The Secretary shall, on a monthly basis, distribute to each taxing  
22 municipality for which the Secretary collects the tax the net proceeds of the tax collected in that  
23 municipality under this Article. If the Secretary collects local sales or use taxes in a month and  
24 the taxes cannot be identified as being attributable to a particular taxing municipality, the  
25 Secretary shall allocate the taxes among the taxing municipalities in proportion to the amount  
26 of taxes collected in each municipality under this Article during that month and shall include  
27 them in the monthly distribution. Amounts collected by electronic funds transfer payments are  
28 included in the distribution for the month in which the return that applies to the payment is  
29 received.

30 (b) Use. – A municipality may use the net proceeds of a tax levied under this Article  
31 only for the sole purpose of beach nourishment."

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