

**Use of Proceeds of North Carolina “Meals” Taxes**

<b>Jurisdiction</b>	<b>Use of Proceeds of “Meals” Tax</b>
<b><i>Municipalities</i></b>	
Town of Hillsborough	<p>The Town must remit the net proceeds of the tax to the Hillsborough Tourism Board. The Board can deduct the cost of its annual audit, and must use the remainder as follows:</p> <ul style="list-style-type: none"> <li>(1) 60% shall be used to provide visitor services (as detailed in the local act);</li> <li>(2) 40% shall be used for facilities, programs, and services designed to attract tourists to the Town.</li> </ul> <p>The Board can change the percentages set out above, but must use the proceeds for these two purposes. The Board may not purchase real estate without Town approval, nor may it spend \$5,000 for any item covered by Item (2) without Town approval.</p> <p><a href="#">S.L. 1993-449, § 1(h).</a></p>
<b><i>Counties</i></b>	
Cumberland County	<p>County must transfer proceeds to Cumberland County Civic Center Commission, an agency of the County.</p> <p>The Commission must use the proceeds:</p> <ul style="list-style-type: none"> <li>(1) To provide for, when due, payments for the current fiscal year with respect to any financing for new arena facilities or for the expansion of the existing arena facilities, which may include off-street parking for use in conjunction with the facilities, and</li> <li>(2) To pay other costs of acquiring, constructing, maintaining, operating, marketing, and promoting the new arena or expanded arena facilities.</li> </ul> <p><a href="#">S.L. 1993-413, § 8.</a></p>
Dare County	<p>County may deduct cost of administering and collecting the tax.</p> <p>County must remit remainder of proceeds to Dare County Tourism Board. The Board can deduct the cost of its annual audit, and must use the remainder as follows:</p> <ul style="list-style-type: none"> <li>(1) 75% can be used for administration and to promote tourism. Expenditures may include (i) advertising to promote less-than-peak season events and programs, (ii) marketing research, (iii) a mail and telephone inquiry response program, and (iv) welcoming and response programs.</li> <li>(2) 25% can be used for services of programs needed due to the impact of tourism on Dare County.</li> </ul>

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Mecklenburg County	<p data-bbox="485 269 1967 302"><a href="#">S.L. 1991-177, § 7.</a></p> <p data-bbox="485 302 1967 367">County can use amount—not to exceed 3% of gross proceeds—as reimbursement for direct costs of administering and collecting the tax.</p> <p data-bbox="485 399 1967 431">County must remit remainder of proceeds to City of Charlotte. The City must apply the proceeds in the following order:</p> <ol data-bbox="537 464 1967 1040" style="list-style-type: none"> <li data-bbox="537 464 1967 529">(1) To pay debt service upon financing for new convention center facilities or the expansion of existing convention center facilities;</li> <li data-bbox="537 529 1967 626">(2) To pay costs that the City incurred in an amount equal to \$1.5 million in each fiscal year for “for marketing and promoting new or expanded convention center facilities and for activities and programs aiding and encouraging convention and visitor promotion.”</li> <li data-bbox="537 626 1967 967">(3) Effective beginning in FY2007 and each fiscal year thereafter, to pay the municipalities of Cornelius, Davidson, Huntersville, Matthews, Mint Hill, and Pineville (each, a “Mecklenburg Town”) an amount equal to the greater of (i) 50% of the net proceeds of the “meals” tax collected in each Mecklenburg Town during the preceding fiscal year and (ii) an amount agreed to by interlocal agreement by the City and each Mecklenburg Town. Each Mecklenburg Town must use these funds “for acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism-related programs and activities including art and cultural programs, events, and festivals.” The Towns of Cornelius, Davidson, and Huntersville must distribute 25% of the net proceeds received to the Lake Norman Convention and Visitors Bureau for tourism-marketing promotions.</li> <li data-bbox="537 967 1967 1040">(4) To pay other costs of acquiring, constructing, maintaining, operating, marketing, and promoting new or expanded convention center facilities and of activities and programs aiding and encouraging convention and visitor promotion.</li> </ol> <p data-bbox="485 1073 1967 1105"><a href="#">S.L. 2001-402, § 2</a> (amending S.L. 1983-908, § 9(a) of S.L. 1983-1989, as amended).</p> <p data-bbox="485 1105 1967 1138"><a href="#">S.L. 2011-160</a> (amending S.L. 1983-908, § 9(a) of S.L. 1983-1989, as amended).</p>

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Wake County	<p>County can use amount—not to exceed 3% of gross proceeds—as reimbursement for direct costs of administering and collecting the tax.</p> <p>County must distribute net proceeds in the following manner, on a monthly basis, for the purposes specified below.</p> <p>(1) Net Proceeds of Tax Up to \$4,500,000</p> <ul style="list-style-type: none"> <li>a. 47.75% to City of Raleigh               <ul style="list-style-type: none"> <li>i. Use of First \$680,000: Acquisition, construction, financing, debt servicing, renovation, maintenance, or operation of convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums; to provide off-street parking facilities for use in conjunction with such facilities; and to fund visitor-related programs and activities, including cultural programs, events or festivals, and convention and visitor programs and activities of the Raleigh Convention and Visitor Bureau.</li> <li>ii. Use of Remainder: For acquisition, construction, renovation, financing, debt service, maintenance, and operations of expansions and additions to the Raleigh Civic Center Complex, and (ii) construction of sports, cultural, and arts facilities, including a coliseum to be built in conjunction with North Carolina State University at Raleigh, a performing arts theater, a visual arts program, and a children’s museum.</li> </ul> </li> <li>b. 37.25% retained by Wake County               <ul style="list-style-type: none"> <li>i. Use: Planning, acquisition, renovation, or construction of the Raleigh Civic Center Complex or similar facilities or for construction of sports, cultural, and arts facilities, including a coliseum to be built in conjunction with North Carolina State University at Raleigh, a performing arts theater, a visual arts program, and a children’s museum.</li> </ul> </li> <li>c. 15% to Greater Raleigh Convention and Visitor Bureau               <ul style="list-style-type: none"> <li>i. Use: To promote travel, tourism, and conventions.</li> </ul> </li> </ul> <p>(2) Net Proceeds of Tax Between \$4,500,000 and \$6,500,000</p> <ul style="list-style-type: none"> <li>a. 75% to City of Raleigh               <ul style="list-style-type: none"> <li>i. Use: For any purpose specified under City of Raleigh in (1).</li> </ul> </li> <li>b. 25% retained by Wake County               <ul style="list-style-type: none"> <li>i. Use: For any purpose authorized by the local act.</li> </ul> </li> </ul> <p>(3) Net Proceeds of Tax Above \$6,500,000</p> <ul style="list-style-type: none"> <li>a. 60% to City of Raleigh               <ul style="list-style-type: none"> <li>i. Use: For any purpose authorized by the local act.</li> </ul> </li> <li>b. 40% retained by Wake County               <ul style="list-style-type: none"> <li>i. Use: For any purpose authorized by the local act.</li> </ul> </li> </ul>

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	<a href="#">S.L. 1995-458, § 5</a> (amending S.L. 1991-594, §§ 11, 13).