

**DURHAM CITY COUNCIL
BOARD OF COUNTY COMMISSIONERS
DURHAM LEGISLATIVE DELEGATION
DURHAM, NORTH CAROLINA**

Monday, September 10, 2001

8:30 A.M. Joint Meeting—Hotel/Motel Tax

MINUTES

Place: Committee Room, second floor, Durham City Hall, 101 City Hall Plaza, Durham, NC

Present: Mayor Nick Tennyson, Mayor Pro Tempore Howard Clement III, and Members Brenda Burnette, Angela V. Langley, Lewis Cheek, Jacqueline Wagstaff, Tamra Edwards, Dan Hill III, Mary D. Jacobs, and Floyd McKissick, Jr.

Chairman MaryAnn E. Black, Vice-Chairman Ellen W. Reckhow, and Commissioners Philip R. Cousin, Jr. and Becky M. Heron

Senator Wilbur Gulley, Senator Jeanne Lucas, Representative Paul Luebke, Representative H. M. Michaux, Jr., and Representative Paul Miller

Presider: Mayor Nick Tennyson

Call To Order

Mayor Nick Tennyson called the Joint Session to order.

Mayor Tennyson said the purpose of the session was to bring forth some of the comments made in smaller groups, so that all can share that information. Background information was distributed to the elected officials.

Chairman Black made opening comments about the Occupancy Tax. She asked Representative Michaux to provide an update on the Sales Tax Bill and how it relates to the one-half cent sales tax. She expressed concern about the amount of taxing and revenues that will be asked of our citizens over this next year because of the County's property revaluation, the half-cent sales tax, the prepared food tax, and a number of other issues we have on the table related to taxing. We want the counties and cities to be held harmless relative to state revenues.

Mayor Tennyson said the City Council requested the Legislative Delegation to authorize an increase in the occupancy tax ceiling without regard to any specific revenue stream pledging. The general request was for the tax to be increased from 5 cents to 6 cents. Under the current model, the tax increase would be countywide.

Public Comments

Michael J. Martino, General Manager, Sheraton Imperial Hotel and Convention Center, said the Durham lodging operators are not in opposition to the tax to simply oppose the tax increase.

They are in opposition to the tax for five key reasons as follows:

1. The plan as chosen will tax a single industry—the lodging industry. It is not fair or equitable;
2. There is already an increase in the sales tax. The occupancy tax will affect industry in times it cannot afford the tax;
3. The theater should be a self-funding project. The theater could become a competitor to many lodging operators in the city;

4. This is the worst time to request an occupancy tax increase. The timing is not right; and
5. Taxes will affect the lodging operators. The time is not right to increase taxes. Do not approve the plan supported by the City Council at this time.

Dr. Anita Keith-Faust made remarks about the occupancy tax, but the remarks were not audible on the tape recording.

Dr. Lavonia I. Allison, 1315 McLaurin Avenue, spoke about the occupancy tax, but the remarks were not audible on the tape recording.

The elected officials on the Board of County Commissioners, City Council, and the Durham Legislative Delegation held a general discussion on the subject of Occupancy Tax. The elected officials discussed various questions and comments.

One-Half Cent Sales Tax Proposal

Representative Michaux responded to Chairman Black's request to explain the one-half cent sales tax proposal in the General Assembly.

Representative Michaux said the General Assembly would hold harmless the cities and counties up to 105 percent. You will not get the reimbursements under the current plan. The County will have the authority to impose a one-half cent sales tax at its pleasure. You will not get the funding you have been getting.

Future Meetings

Mayor Tennyson stated he would like to see these meetings held more routinely. He commented he would like to have a chance to sit down and talk.

Summary

Representative Michaux said the governing bodies should provide the Legislative Delegation something that both bodies agree on relative to the occupancy tax.

Official Action

No official action was taken at this joint session.

Adjournment

Mayor Tennyson adjourned the meeting at 9:50 a.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board