

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1667
PROPOSED COMMITTEE SUBSTITUTE H1667-PCS11129-TGx-40

Short Title: Davie County Omnibus Occupancy Tax.

(Local)

Sponsors:

Referred to:

May 13, 2010

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CERTAIN UNITS OF LOCAL GOVERNMENT
LOCATED WITHIN DAVIE COUNTY TO LEVY A ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

PART I: MOCKSVILLE OCCUPANCY TAX

SECTION 1.1. Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners of the Town of Mocksville may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

SECTION 1.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 1.1.(c) Distribution and Use of Tax Revenue. – The Town of Mocksville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Mocksville Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in the Town of Mocksville and shall use the remainder for tourism-related expenditures.

The following definitions apply in this section:

- (1) Net proceeds. – Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross proceeds collected each year.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in the listed activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Mocksville Tourism Development Authority, are designed to increase the



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1 use of lodging facilities, meeting facilities, or convention facilities in the
2 town or to attract tourists or business travelers to the town. The term
3 includes tourism-related capital expenditures.

4 **SECTION 1.2.** Tourism Development Authority. – (a) Appointment and
5 Membership. – When the Board of Commissioners adopts a resolution levying a room
6 occupancy tax under this act, it shall also adopt a resolution creating the Mocksville Tourism
7 Development Authority, which shall be a public authority under the Local Government Budget
8 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,
9 including the members' terms of office, and for the filling of vacancies on the Authority. At
10 least one-third of the members shall be individuals who are affiliated with businesses that
11 collect the tax in the town, and at least one-half of the members shall be individuals who are
12 currently active in the promotion of travel and tourism in the town. The Board of
13 Commissioners shall designate one member of the Authority as chair and shall determine the
14 compensation, if any, to be paid to members of the Authority.

15 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
16 govern its meetings. The finance officer for the Town of Mocksville shall be the ex officio
17 finance officer of the Authority.

18 **SECTION 1.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
19 levied under this Part for the purposes provided in Section 1.1 of this act. The Authority shall
20 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
21 activities in the town, and finance tourist-related capital projects in the town.

22 **SECTION 1.2.(c)** Reports. – The Authority shall report quarterly and at the close
23 of the fiscal year to the Board of Commissioners of the Town of Mocksville on its receipts and
24 expenditures for the preceding quarter and for the year in such detail as the Board of
25 Commissioners may require.

26 **PART II: BERMUDA RUN OCCUPANCY TAX**

27 **SECTION 2.1.** Occupancy tax. – (a) Authorization and Scope. – The Bermuda
28 Run Town Council may levy a room occupancy tax of up to three percent (3%) of the gross
29 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,
30 motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by
31 the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This
32 tax does not apply to accommodations furnished by nonprofit charitable, educational, or
33 religious organizations when furnished in furtherance of their nonprofit purpose.

34 **SECTION 2.1.(b)** Administration. – A tax levied under this section shall be levied,
35 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
36 G.S. 160A-215 apply to a tax levied under this section.

37 **SECTION 2.1.(c)** Distribution and Use of Tax Revenue. – The Town of Bermuda
38 Run shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Bermuda Run
39 Tourism Development Authority. The Authority shall use at least two-thirds of the funds
40 remitted to it under this subsection to promote travel and tourism in the Town of Bermuda Run
41 and shall use the remainder for tourism-related expenditures.

42 The following definitions apply in this section:

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- 44 (1) Net proceeds. – Gross proceeds less the cost to the town of administering
45 and collecting the tax, as determined by the finance officer, not to exceed
46 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
47 gross proceeds collected each year and one percent (1%) of the remaining
48 gross proceeds collected each year.
 - 49 (2) Promote travel and tourism. – To advertise or market an area or activity,
50 publish and distribute pamphlets and other materials, conduct market
51 research, or engage in similar promotional activities that attract tourists or

1 business travelers to the area; the term includes administrative expenses
2 incurred in engaging in the listed activities.

- 3 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
4 Bermuda Run Tourism Development Authority, are designed to increase the
5 use of lodging facilities, meeting facilities, or convention facilities in the
6 town or to attract tourists or business travelers to the town. The term
7 includes tourism-related capital expenditures.

8 **SECTION 2.2.** Tourism Development Authority. – (a) Appointment and
9 Membership. – When the Town Council adopts a resolution levying a room occupancy tax
10 under this act, it shall also adopt a resolution creating the Bermuda Run Tourism Development
11 Authority, which shall be a public authority under the Local Government Budget and Fiscal
12 Control Act. The resolution shall provide for the membership of the Authority, including the
13 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
14 the members shall be individuals who are affiliated with businesses that collect the tax in the
15 town, and at least one-half of the members shall be individuals who are currently active in the
16 promotion of travel and tourism in the town. The Town Council shall designate one member of
17 the Authority as chair and shall determine the compensation, if any, to be paid to members of
18 the Authority.

19 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
20 govern its meetings. The finance officer for the Town of Bermuda Run shall be the ex officio
21 finance officer of the Authority.

22 **SECTION 2.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
23 levied under this Part for the purposes provided in Section 2.1 of this act. The Authority shall
24 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
25 activities in the town, and finance tourist-related capital projects in the town.

26 **SECTION 2.2.(c)** Reports. – The Authority shall report quarterly and at the close
27 of the fiscal year to the Bermuda Run Town Council on its receipts and expenditures for the
28 preceding quarter and for the year in such detail as the Town Council may require.

30 **PART III: COOLEEMEE OCCUPANCY TAX**

31 **SECTION 3.1.** Occupancy tax. – (a) Authorization and Scope. – The Board of
32 Commissioners of the Town of Cooleemee may levy a room occupancy tax of up to three
33 percent (3%) of the gross receipts derived from the rental of any room, lodging, or
34 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the town
35 that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in
36 addition to any State or local sales tax. This tax does not apply to accommodations furnished by
37 nonprofit charitable, educational, or religious organizations when furnished in furtherance of
38 their nonprofit purpose.

39 **SECTION 3.1.(b)** Administration. – A tax levied under this section shall be levied,
40 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
41 G.S. 160A-215 apply to a tax levied under this section.

42 **SECTION 3.1.(c)** Distribution and Use of Tax Revenue. – The Town of
43 Cooleemee shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
44 Cooleemee Tourism Development Authority. The Authority shall use at least two-thirds of the
45 funds remitted to it under this subsection to promote travel and tourism in the Town of
46 Cooleemee and shall use the remainder for tourism-related expenditures.

47 The following definitions apply in this section:

- 48 (1) Net proceeds. – Gross proceeds less the cost to the town of administering
49 and collecting the tax, as determined by the finance officer, not to exceed
50 three percent (3%) of the first five hundred thousand dollars (\$500,000) of

1 gross proceeds collected each year and one percent (1%) of the remaining
2 gross proceeds collected each year.

3 (2) Promote travel and tourism. – To advertise or market an area or activity,
4 publish and distribute pamphlets and other materials, conduct market
5 research, or engage in similar promotional activities that attract tourists or
6 business travelers to the area; the term includes administrative expenses
7 incurred in engaging in the listed activities.

8 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
9 Cooleemee Tourism Development Authority, are designed to increase the
10 use of lodging facilities, meeting facilities, or convention facilities in the
11 town or to attract tourists or business travelers to the town. The term
12 includes tourism-related capital expenditures.

13 **SECTION 3.2.** Tourism Development Authority. – (a) Appointment and
14 Membership. – When the Board of Commissioners adopts a resolution levying a room
15 occupancy tax under this act, it shall also adopt a resolution creating the Cooleemee Tourism
16 Development Authority, which shall be a public authority under the Local Government Budget
17 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,
18 including the members' terms of office, and for the filling of vacancies on the Authority. At
19 least one-third of the members shall be individuals who are affiliated with businesses that
20 collect the tax in the town, and at least one-half of the members shall be individuals who are
21 currently active in the promotion of travel and tourism in the town. The Board of
22 Commissioners shall designate one member of the Authority as chair and shall determine the
23 compensation, if any, to be paid to members of the Authority.

24 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
25 govern its meetings. The finance officer for the Town of Cooleemee shall be the ex officio
26 finance officer of the Authority.

27 **SECTION 3.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax
28 levied under this Part for the purposes provided in Section 3.1 of this act. The Authority shall
29 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
30 activities in the town, and finance tourist-related capital projects in the town.

31 **SECTION 3.2.(c) Reports.** – The Authority shall report quarterly and at the close
32 of the fiscal year to the Cooleemee Board of Commissioners on its receipts and expenditures
33 for the preceding quarter and for the year in such detail as the Board of Commissioners may
34 require.

35 **PART IV: ADMINISTRATIVE PROVISIONS**

36 **SECTION 4.** G.S. 160A-215(g) reads as rewritten:

37 "(g) This section applies only to Beech Mountain District W, to the Cities of Belmont,
38 Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Greensboro, Hickory, High Point,
39 Jacksonville, Kings Mountain, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe,
40 Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Shelby, Statesville,
41 Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda
42 Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee,
43 Cramerton, Dallas, Dobson, Elkin, Franklin, Jonesville, Kenly, Kure Beach, Leland,
44 McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pilot Mountain,
45 Ranlo, Selma, Smithfield, St. Pauls, Troutman, Tryon, West Jefferson, Wilkesboro,
46 Wrightsville Beach, Yadkinville, and Yanceyville, and to the municipalities in Avery and
47 Brunswick Counties."
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49 **PART V: EFFECTIVE DATE**

50 **SECTION 5.** This act is effective when it becomes law.
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