

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 96
Committee Substitute Favorable 6/3/11
PROPOSED SENATE COMMITTEE SUBSTITUTE H96-PCS50390-SVx-33

Short Title: Alleghany/Jackson/Grover OT.

(Local)

Sponsors:

Referred to:

February 16, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE ALLEGHANY AND JACKSON COUNTIES AND THE TOWN
3 OF GROVER TO LEVY AN ADDITIONAL THREE PERCENT ROOM OCCUPANCY
4 AND TOURISM DEVELOPMENT TAX AND TO MAKE OTHER ADMINISTRATIVE
5 CHANGES.

6 The General Assembly of North Carolina enacts:

7 **PART I: ALLEGHANY COUNTY OCCUPANCY TAX**

8 **SECTION 1.** Chapter 162 of the 1991 Session Laws, as amended by S.L.
9 2004-106, reads as rewritten:

10 "**Section 1.** Occupancy tax. (a) Authorization and ~~scope~~-Scope. – The Alleghany County
11 Board of Commissioners may levy a room occupancy tax of three percent (3%) of the gross
12 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,
13 motel, inn, tourist camp, or similar place within the county that is subject to sales tax imposed
14 by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.
15 This tax does not apply to accommodations furnished by a summer camp for minors, or by a
16 nonprofit charitable, educational, or religious organization.

17 (a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection
18 (a) of this section, the Alleghany County Board of Commissioners may levy an additional room
19 occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of
20 accommodations taxable under subsection (a) of this section. The levy, collection,
21 administration, and repeal of the tax authorized by this subsection shall be in accordance with
22 the provisions of this section. Alleghany County may not levy a tax under this subsection
23 unless it also levies the tax authorized under subsection (a) of this section.

24 (b) Repealed.

25 (c) Administration. – A tax levied under this section shall be levied, administered,
26 collected, and repealed as provided in G.S. 153A-155. The penalties provided in
27 G.S. 153A-155 apply to a tax levied under this section.

28 (d) Repealed.

29 (e) Distribution and ~~use of tax revenue~~-Use of Tax Revenue. – Except as otherwise
30 provided in this act, Alleghany County shall, on a quarterly basis, remit one hundred percent
31 (100%) of the net proceeds of the occupancy tax to the Alleghany County Chamber of
32 Commerce. The chamber of commerce shall use at least two-thirds of the funds remitted to it



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1 under this subsection to promote travel and tourism in Alleghany County and shall use the
2 remainder for tourism-related expenditures. The chamber of commerce shall report quarterly
3 and at the close of the fiscal year to the Alleghany County Board of Commissioners on its
4 receipts and expenditures for the preceding quarter and for the year in such detail as the board
5 may require.

6 When the Alleghany County Board of Commissioners adopts a resolution levying a room
7 occupancy tax under subsection (a1) of this section the resolution shall require that the county
8 remit, on a quarterly basis, one hundred percent (100%) of the net proceeds of the occupancy
9 tax levied under this act to the Alleghany Tourism Development Authority. The Authority shall
10 use at least two-thirds of the funds remitted to it under this subsection to promote travel and
11 tourism in Alleghany County and shall use the remainder for tourism-related expenditures.

12 The following definitions apply in this subsection:

- 13 (1) Net proceeds. – Gross proceeds less the cost to the county of administering
14 and collecting the tax, as determined by the finance officer, not to exceed
15 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
16 gross proceeds collected each year and one percent (1%) of the remaining
17 gross receipts collected each year.
- 18 (2) Promote travel and tourism. – To advertise or market an area or activity,
19 publish and distribute pamphlets and other materials, conduct market
20 research, or engage in similar promotional activities that attract tourists or
21 business travelers to the area. The term includes administrative expenses
22 incurred in engaging in the listed activities.
- 23 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
24 entity responsible for expending the net proceeds of the tax, are designed to
25 increase the use of lodging facilities, meeting facilities, or convention
26 facilities in a county or to attract tourists or business travelers to the county.
27 The term includes tourism-related capital expenditures.

28 (f) Repealed.

29 (g) Repealed.

30 **"Sec. 1.1.** Alleghany Tourism Development Authority. – (a) Appointment and Membership.
31 – ~~When the annual net proceeds of the occupancy tax exceed one hundred thousand dollars~~
32 ~~(\$100,000), the Alleghany Board of Commissioners~~ adopts a resolution levying a room
33 occupancy tax under subsection (a1) of this section, it shall adopt a resolution creating a county
34 Tourism Development Authority, which shall be a public authority under the Local
35 Government Budget and Fiscal Control Act. The resolution shall provide for the membership of
36 the Authority, including the members' terms of office, and for the filing of vacancies on the
37 Authority. At least ~~one-third~~ one-third of the members must be individuals who are affiliated
38 with businesses that collect the tax in the county, and at least ~~three-fourths~~ one-half of the
39 members must be individuals who are currently active in the promotion of travel and tourism in
40 the county. The board of commissioners shall designate one member of the Authority as chair
41 and shall determine the compensation, if any, to be paid to the members of the Authority.

42 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern
43 its meetings. The Finance Officer for Alleghany County shall be the ex officio finance officer
44 of the Authority.

45 **"Sec. 1.2.** Duties. – If the board of commissioners establishes a Tourism Development
46 Authority as provided in Section 1.1 of this act, then the Authority shall expend the net
47 proceeds of the tax levied under this Act for the purposes provided in this Act. The Authority
48 shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and
49 activities in the county, and finance tourist-related capital projects in the county.

50 **"Sec. 1.3.** Reports. – If the board of commissioners establishes a Tourism Development
51 Authority as provided in Section 1.1 of this act, then the Authority shall report quarterly and at

1 the close of the fiscal year to the Alleghany County Board of Commissioners on its receipts and
2 expenditures for the preceding quarter and for the year in such detail as the board may require.

3 "Sec. 2. This act is effective upon ratification."
4

5 **PART II: JACKSON COUNTY OCCUPANCY TAX**

6 **SECTION 2.1.** Chapter 969 of the 1985 Session Laws, as amended by Chapters
7 118 and 195 of the 1987 Session Laws and Section 21(k) of S.L. 2007-527, and only as it
8 applies to Jackson County, is rewritten and recodified as Part II of this act. Part II of this act
9 does not affect the rights or liabilities of the county, a taxpayer, or another person arising under
10 the law rewritten and recodified by this Part before the effective date of this Part, nor does it
11 affect the right to any refund or credit of a tax that accrued under the law rewritten and
12 recodified by this Part before the effective date of this Part.

13 **SECTION 2.2.** Occupancy tax. – (a) Authorization and Scope. – The Jackson
14 County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the
15 gross receipts derived from the rental of any room, lodging, or accommodation furnished by a
16 hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax
17 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local
18 sales tax. This tax does not apply to accommodations furnished by nonprofit charitable,
19 educational, or religious organizations when furnished in furtherance of their nonprofit
20 purpose.

21 (a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection
22 (a) of this section, the Jackson County Board of Commissioners may levy an additional room
23 occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of
24 accommodations taxable under subsection (a) of this section. The levy, collection,
25 administration, and repeal of the tax authorized by this subsection shall be in accordance with
26 the provisions of this section. Jackson County may not levy a tax under this subsection unless it
27 also levies the tax authorized under subsection (a) of this section.

28 **SECTION 2.2.(b)** Administration. – A tax levied under this Part shall be levied,
29 administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in
30 G.S. 153A-155 apply to a tax levied under this Part.

31 **SECTION 2.2.(c)** Definitions. – The following definitions apply in this Part:

- 32 (1) Net proceeds. – Gross proceeds less the cost to the county of administering
33 and collecting the tax, as determined by the finance officer, not to exceed
34 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
35 gross proceeds collected each year and one percent (1%) of the remaining
36 gross proceeds collected each year.
- 37 (2) Promote travel and tourism. – To advertise or market an area or activity,
38 publish and distribute pamphlets and other materials, conduct market
39 research, or engage in similar promotional activities that attract tourists or
40 business travelers to the area. The term includes administrative expenses
41 incurred in engaging in the listed activities.
- 42 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
43 Jackson County Tourism Development Authority, are designed to increase
44 the use of lodging facilities, meeting facilities, or convention facilities in the
45 county or to attract tourists or business travelers to the county. The term
46 includes tourism-related capital expenditures.

47 **SECTION 2.2.(d)** Distribution and Use of Tax Revenue. – Jackson County shall,
48 on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part to the
49 Jackson County Tourism Development Authority. The Authority shall use at least two-thirds
50 of the funds remitted to it under this subsection to promote travel and tourism in Jackson
51 County and shall use the remainder for tourism-related expenditures.

1 **SECTION 2.3.** Tourism Development Authority. – (a) Appointment and
2 Membership. – When the Jackson County Board of Commissioners adopts a resolution levying
3 a room occupancy tax under this Part, it shall also adopt a resolution creating the Jackson
4 County Tourism Development Authority, which shall be a public authority under the Local
5 Government Budget and Fiscal Control Act. The resolution adopted by the Board of
6 Commissioners shall provide for the membership of the Authority, including the members'
7 terms of office, and for the filling of vacancies on the Authority. At least one-third of the
8 members shall be individuals who are affiliated with businesses that collect the tax in the
9 county, and at least one-half of the members shall be individuals who are currently active in the
10 promotion of travel and tourism in the county. The Board of Commissioners shall designate
11 one member of the Authority as chair and shall determine the compensation, if any, to be paid
12 to members of the Authority.

13 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
14 govern its meetings. The Finance Officer for Jackson County shall be the ex officio finance
15 officer of the Authority.

16 **SECTION 2.3.(b)** Duties. – The Authority shall expend the net proceeds of the tax
17 levied under this Part for the purposes provided in Section 2.2 of this Part. The Authority shall
18 promote travel, tourism, and conventions in the county, sponsor tourist-related events and
19 activities in the county, and finance tourist-related capital projects in the county.

20 **SECTION 2.3.(c)** Reports. – The Authority shall report quarterly and at the close
21 of the fiscal year to the Jackson County Board of Commissioners on its receipts and
22 expenditures for the preceding quarter and for the year in such detail as the Board of
23 Commissioners may require.

24 **SECTION 2.4.** Section 3 of Chapter 969 of the 1985 Session Laws reads as
25 rewritten:

26 "Sec. 3. This act applies only to the following counties: Graham, Clay, ~~Jackson~~, Durham,
27 Macon, Polk, and Transylvania."

28 **SECTION 2.5.** Section 3 of Chapter 118 of the 1987 Session Laws reads as
29 rewritten:

30 "Sec. 3. This act applies only to the following counties: Clay, Graham, ~~Jackson~~, and
31 Macon."

32 **SECTION 2.6.** Section 2 of Chapter 195 of the 1987 Session Laws reads as
33 rewritten:

34 "Sec. 2. This act applies only to the following counties: Clay, Graham, ~~Jackson~~, and
35 Macon."
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37 **PART III: TOWN OF GROVER**

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

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

48 **SECTION 3.1.(c)** Definitions. – The following definitions apply in this act:

- 49 (1) Net proceeds. – Gross proceeds less the cost to the town of administering
50 and collecting the tax, as determined by the finance officer, not to exceed
51 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 Grover Tourism Development Authority, are designed to increase the use of
10 lodging facilities, meeting facilities, or convention facilities in the town or to
11 attract tourists or business travelers to the town. The term includes
12 tourism-related capital expenditures.

13 **SECTION 3.1.(d)** Distribution and Use of Tax Revenue. – The Town of Grover
14 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Grover Tourism
15 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
16 under this subsection to promote travel and tourism in the Town of Grover and shall use the
17 remainder for tourism-related expenditures.

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

29 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
30 govern its meetings. The Finance Officer for the Town of Grover shall be the ex officio finance
31 officer of the Authority.

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

36 **SECTION 3.2.(c)** Reports. – The Authority shall report quarterly and at the close
37 of the fiscal year to the Grover Town Council on its receipts and expenditures for the preceding
38 quarter and for the year in such detail as the Town Council may require.

39 **PART IV: ADMINISTRATION AND EFFECTIVE DATE**

40 **SECTION 4.** G.S. 153A-155(g) reads as rewritten:

41 "(g) Applicability. – Subsection (c) of this section applies to all counties and county
42 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of
43 a local act, subsection (c) supersedes that provision. The remainder of this section applies only
44 to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,
45 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,
46 Durham, Forsyth, Franklin, Granville, Halifax, Haywood, Jackson, Madison, Martin,
47 McDowell, Montgomery, Nash, New Hanover, New Hanover County District U, Northampton,
48 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan,
49 Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and Wilson
50 Counties, to Surry County District S, to Watauga County District U, to Wilkes County District
51

1 K, to Yadkin County District Y, and to the Township of Averagesboro in Harnett County and the
2 Ocracoke Township Taxing District."

3 **SECTION 5.** G.S. 160A-215(g) reads as rewritten:

4 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an
5 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act,
6 subsection (c) supersedes that provision. The remainder of this section applies only to Beech
7 Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia,
8 Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lenoir,
9 Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville,
10 Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to the Towns of
11 Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone,
12 Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Franklin,
13 Grover, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mocksville, Mooresville,
14 Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Selma, Smithfield, St.
15 Pauls, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and
16 Yanceyville, and to the municipalities in Avery and Brunswick Counties."

17 **SECTION 6.** This act is effective when it becomes law.