

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE PRINCIPAL CLERK

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HOUSE DRH70198-MCx-167 (03/20)

Short Title: Edgemcombe County Occupancy Tax Authorization. (Local)

Sponsors: Representative Tolson.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE EDGECOMBE COUNTY TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Occupancy Tax. – (a) Authorization and Scope. – The Edgemcombe County Board of Commissioners may levy a room occupancy tax of up to six percent (6%) 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 county 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.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

SECTION 1.(c) Distribution and Use of Tax Revenue. – Edgemcombe County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Edgemcombe 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 Edgemcombe County and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the county 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 receipts 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 Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.



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1 **SECTION 2.** Tourism Development Authority. – (a) Appointment and
2 Membership. – When the Edgecombe County Board of Commissioners adopts a resolution
3 levying a room occupancy tax under this Act, it shall also adopt a resolution creating a county
4 Tourism Development Authority, which shall be a public authority under the Local
5 Government Budget and Fiscal Control Act. The resolution shall provide for the membership of
6 the Authority, including the members' terms of office, and for the filling of vacancies on the
7 Authority. At least one-third of the members shall be individuals who are affiliated with
8 businesses that collect tax in the county, and at least one-half of the members shall be
9 individuals who are currently active in the promotion of travel and tourism in the county. The
10 resolution shall provide that the Authority shall be composed of the following nine members:

- 11 (1) An Edgecombe County Commissioner appointed by the board of
12 commissioners.
- 13 (2) A member of the Tarboro Town Council appointed by the town council.
- 14 (3) Three owners or operators of motels, hotels, or other taxable
15 accommodations in Edgecombe County, one of whom shall be appointed by
16 the Tarboro Town Council, one by the Edgecombe County Board of
17 Commissioners, and one by the Edgecombe County Chamber of Commerce.
- 18 (4) Two individuals involved in the tourist business who have demonstrated an
19 interest in tourism development and do not own or operate hotels, motels, or
20 other taxable tourist accommodations, appointed as follows: one by the
21 Tarboro Town Council and one by the Edgecombe County Board of
22 Commissioners.
- 23 (5) An individual who is interested in the tourism business, has demonstrated an
24 interest in tourism development, and is appointed by the Edgecombe County
25 Board of Commissioners.
- 26 (6) An individual who is interested in the tourism business, has demonstrated an
27 interest in tourism development, and is appointed by the Tarboro Town
28 Council.

29 The Edgecombe County Board of Commissioners shall designate one member of the Authority
30 as chair and shall determine the compensation, if any, to be paid to members of the Authority.

31 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
32 govern its meetings. The Finance Officer for Edgecombe County shall be the ex officio finance
33 officer of the Authority.

34 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
35 levied under this Act for the purposes provided in this Act. The Authority shall promote travel,
36 tourism, and conventions in the county, sponsor tourist-related events and activities in the
37 county, and finance tourist-related capital projects in the county.

38 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the close of
39 the fiscal year to the Edgecombe Board of County Commissioners on its receipts and
40 expenditures for the preceding quarter and for the year in such detail as the board may require.

41 **SECTION 3.** G.S. 153A-155(g) reads as rewritten:

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

- 1 County District U, to Wilkes County District K, to Yadkin County District Y, and to the
- 2 Township of Averasboro in Harnett County and the Ocracoke Township Taxing District."
- 3 **SECTION 4.** This act is effective when it becomes law.