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HOUSE BILL 1039  
Senate Finance Committee Substitute Adopted 6/23/16  
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Proposed Conference Committee Substitute H1039-PCCS10576-SVx-12

Short Title: Sampson/Harnett/Yadkin OT Changes.

(Local)

Sponsors:

Referred to:

May 5, 2016

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE AUTHORIZATION FOR SAMPSON COUNTY OCCUPANCY TAX; TO CREATE A SPECIAL TAXING DISTRICT IN HARNETT COUNTY AND AUTHORIZE THAT SPECIAL TAXING DISTRICT TO LEVY AN OCCUPANCY TAX; AND TO MODIFY THE YADKIN COUNTY OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**PART I. INCREASE THE AUTHORIZATION FOR SAMPSON COUNTY TO LEVY AN OCCUPANCY TAX**

**SECTION 1.1.** S.L. 2007-63 reads as rewritten:

"**SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners of Sampson County 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 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.(a1)** Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Board of Commissioners of Sampson County may levy an additional room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. Sampson County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

"**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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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 1.2.** Tourism Development Authority. – (a) Appointment and Membership. – When the Board of Commissioners adopts a resolution levying a room occupancy tax under subsection (a) of Section 1 of this act, it shall also adopt a resolution creating the Sampson County Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members shall be individuals who are affiliated with businesses that collect the tax



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1 in the county, and at least one-half of the members shall be individuals who are currently active in  
2 the promotion of travel and tourism in the county. The Board of Commissioners shall designate  
3 one member of the Authority as chair and shall determine the compensation, if any, to be paid to  
4 members of the Authority.

5 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its  
6 meetings. The Finance Officer for Sampson County shall be the ex officio finance officer of the  
7 Authority.

8 ...."  
9

## 10 **PART II. HARNETT COUNTY OCCUPANCY TAX**

11 **SECTION 2.1.(a)** District H Created. – Harnett County District H is created as a  
12 taxing district. Its jurisdiction consists of all of Harnett County exclusive of the Averagesboro  
13 Township. Harnett County District H is a body politic and corporate and has the power to carry  
14 out the provisions of this section. The Harnett County Board of Commissioners shall serve ex  
15 officio as the governing body of the district, and the officers of the board of commissioners shall  
16 serve as the officers of the governing body of the district. A simple majority of the governing body  
17 constitutes a quorum, and approval by a majority of those present is sufficient to determine any  
18 matter before the governing body, if a quorum is present.

19 **SECTION 2.1.(b)** Authorization and Scope. – The governing body of Harnett County  
20 District H may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived  
21 from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist  
22 camp, or similar place within the district that is subject to sales tax imposed by the State under  
23 G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales or room occupancy tax.

24 **SECTION 2.1.(c)** Administration. – A tax levied under this section shall be levied,  
25 administered, collected, and repealed as provided in G.S. 153A-155 as if Harnett County District  
26 H were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

27 **SECTION 2.1.(d)** Distribution and Use of Tax Revenue. – Harnett County District H  
28 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Harnett County  
29 District H Tourism Development Authority. The Harnett County District H Tourism Development  
30 Authority shall use at least two-thirds of the proceeds to promote travel and tourism and shall use  
31 the remainder for tourism-related expenditures in the district. In accordance with the North  
32 Carolina Constitution and the United States Constitution, the tax proceeds may be used only for  
33 the direct benefit of the jurisdiction of Harnett County District H.

34 The following definitions apply in this subsection:

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

50 **SECTION 2.2.** Harnett County District H Tourism Development Authority. – (a)  
51 Appointment and Membership. – When the governing body of Harnett County District H adopts a

1 resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating the  
2 Harnett County District H Tourism Development Authority, which shall be a public authority  
3 under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the  
4 membership of the Authority, including the members' terms of office, and for the filling of  
5 vacancies on the Authority. At least one-third of the members must be individuals who are  
6 affiliated with businesses that collect the tax in the district, and at least one-half of the members  
7 must be individuals who are currently active in the promotion of travel and tourism in the district.  
8 The governing body shall designate one member of the Authority as chair and shall determine the  
9 compensation, if any, to be paid to members of the Authority.

10 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
11 govern its meetings. The Finance Officer for Harnett County shall be the ex officio finance officer  
12 of the Authority.

13 **SECTION 2.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax  
14 levied under this act for the purposes provided in this act. The Authority shall promote travel and  
15 tourism in the district and make tourism-related expenditures in the district.

16 **SECTION 2.2.(c) Reports.** – The Authority shall report quarterly and at the close of  
17 the fiscal year to the Harnett County Board of Commissioners on its receipts and expenditures for  
18 the preceding quarter and for the year in such detail as the board may require.

### 19 20 **PART III. MODIFY THE AUTHORIZATIONS FOR OCCUPANCY TAX LEVIES** 21 **INSIDE YADKIN COUNTY**

22 **SECTION 3.1.** Section 2 of S.L. 2007-340 reads as rewritten:

23 "**SECTION 2.** Yadkin County District Y Created. – Yadkin County District Y is created as a  
24 taxing district. Its jurisdiction consists of that part of Yadkin County that is located outside of  
25 ~~incorporated areas within the county.~~ the Town of Jonesville. Yadkin County District Y is a body  
26 politic and corporate and has the power to carry out the provisions of this act. The Yadkin County  
27 Board of Commissioners shall serve ex officio as the governing body of the district, and the  
28 officers of the county shall serve as the officers of the governing body of the district. A simple  
29 majority of the governing body constitutes a quorum, and approval by a majority of those present  
30 is sufficient to determine any matter before the governing body, if a quorum is present."

31 **SECTION 3.2.** The governing body of Yadkin County District Y and the Yadkin  
32 County Board of Commissioners shall adopt any resolutions or modify any adopted resolutions, as  
33 needed, to carry out the provisions of this act.

34 **SECTION 3.3.** Sections 7 and 8 of S.L. 2007-340 are repealed.

### 35 36 **PART IV. ADMINISTRATIVE PROVISIONS**

37 **SECTION 4.1.** G.S. 153A-155(g) reads as rewritten:

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

50 **SECTION 4.2.** G.S. 160A-215(g) reads as rewritten:

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

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