

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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PRINCIPAL CLERK

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SENATE BILL DRS45017-MCxf-17

Short Title: Graham County Occupancy Tax. (Local)

Sponsors: Senator Corbin (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE GRAHAM COUNTY DISTRICT G AND AUTHORIZE THE LEVY
3 OF AN OCCUPANCY TAX IN THE DISTRICT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** Graham County District G Created. – Graham County District G is
6 created as a taxing district. Its jurisdiction consists of that part of Graham County that is located
7 outside of incorporated areas within the county. Graham County District G is a body politic and
8 corporate and has the power to carry out the provisions of this section. The Graham County Board
9 of Commissioners shall serve ex officio as the governing body of the district, and the officers of
10 the county shall serve as the officers of the governing body of the district. A simple majority of
11 the governing body constitutes a quorum, and approval by a majority of those present is sufficient
12 to determine any matter before the governing body, if a quorum is present.

13 **SECTION 1.(b)** Authorization and Scope. – The governing body of Graham County
14 District G may levy a room occupancy tax of up to three percent (3%) of the gross receipts
15 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn,
16 tourist camp, or similar place within the district that is subject to sales tax imposed by the State
17 under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales or room occupancy
18 tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational,
19 or religious institutions or nonprofit organizations when furnished in furtherance of their
20 nonprofit purpose.

21 **SECTION 1.(c)** Administration. – A tax levied under this section shall be levied,
22 administered, collected, and repealed as provided in G.S. 153A-155 as if Graham County District
23 G were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this
24 section.

25 **SECTION 1.(d)** Definitions. – The following definitions apply in this act:

- 26 (1) Net proceeds. – Gross proceeds less the cost to the district of administering
27 and collecting the tax, as determined by the finance officer, not to exceed three
28 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
29 proceeds collected each year and one percent (1%) of the remaining gross
30 proceeds collected each year.
- 31 (2) Promote travel and tourism. – To advertise or market an area or activity,
32 publish and distribute pamphlets and other materials, conduct market research,
33 or engage in similar promotional activities that attract tourists or business
34 travelers to the area. The term includes administrative expenses incurred in
35 engaging in the listed activities.



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- 1 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
2 Graham County Tourism Development Authority, are designed to increase the
3 use of lodging facilities, meeting facilities, or convention facilities in the
4 district or to attract tourists or business travelers to the district. The term
5 includes tourism-related capital expenditures.

6 **SECTION 1.(e)** Distribution and Use of Tax Revenue. – Graham County District G
7 shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this act to
8 the Graham County Tourism Development Authority. The Authority shall deposit one hundred
9 percent (100%) of the net proceeds of the room occupancy and tourism development tax levied
10 under this section into a special fund, the cash balance of which shall be deposited at interest or
11 invested in accordance with G.S. 159-30. The Authority shall use at least two-thirds of the funds
12 remitted to it under this subsection to promote travel and tourism in Graham County District G
13 and shall use the remainder for tourism-related expenditures in the district. In accordance with
14 the North Carolina Constitution and the United States Constitution, the tax proceeds may be used
15 only for the direct benefit of the jurisdiction of Graham County District G. None of the proceeds
16 may be used for promotion or expenditures in areas within Graham County that are outside of
17 the district.

18 **SECTION 1.(f)** G.S. 153A-155(g) reads as rewritten:

19 "(g) Applicability. – Subsection (c) of this section applies to all counties and county
20 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of
21 a local act, subsection (c) supersedes that provision. The remainder of this section applies only
22 to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,
23 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,
24 Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson,
25 Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton,
26 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan,
27 Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington,
28 Wayne, and Wilson Counties, to Graham County District G, Harnett County District H, New
29 Hanover County District U, Surry County District S, Watauga County District U, Wilkes County
30 District K, Yadkin County District Y, and the Township of Averagesboro in Harnett County and
31 the Ocracoke Township Taxing District."

32 **SECTION 2.** This act is effective when it becomes law.