GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2023

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HOUSE BILL 353 PROPOSED COMMITTEE SUBSTITUTE H353-PCS30217-BAxf-17

Short Title: Wilkes County Occupancy Tax.

(Local)

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Sponsors:

Referred to: March 14, 2023 A BILL TO BE ENTITLED 1 2 AN ACT TO REPEAL THE OCCUPANCY TAXES FOR THE TOWN OF WILKESBORO 3 AND WILKES COUNTY DISTRICT K, TO CREATE WILKES COUNTY DISTRICT W 4 AND ALLOW THE DISTRICT TO LEVY AN OCCUPANCY TAX OF SIX PERCENT, 5 AND TO CREATE THE WILKES COUNTY DISTRICT W TOURISM DEVELOPMENT 6 AUTHORITY. 7 The General Assembly of North Carolina enacts: 8 SECTION 1.(a) Part IX of S.L. 2001-439 is repealed. 9 SECTION 1.(b) Any revenue collected by the Town of Wilkesboro under Part IX 10 of S.L. 2001-439 prior to the effective date of this section may be used only for the direct benefit of the Town of Wilkesboro. None of the proceeds may be used to promote travel or tourism or 11 for tourism-related expenditures in areas that are outside of the Town of Wilkesboro. The net 12 13 proceeds of the occupancy tax levied under this act shall supplement rather than supplant any 14 proceeds being used in the Town of Wilkesboro derived from the occupancy tax levied by the 15 Town under Part IX of S.L. 2001-439. 16 SECTION 2.(a) Sections 8 and 9 of S.L. 2010-78 are repealed. SECTION 2.(b) Any revenue collected by Wilkes County District K under Sections 17 18 8 and 9 of S.L. 2010-78 prior to the effective date of this section may be used only for the direct 19 benefit of Wilkes County District K, as it existed prior to the effective date of this section. None 20 of the proceeds may be used to promote travel or tourism or for tourism-related expenditures in 21 areas that are outside of the jurisdiction of Wilkes County District K. The net proceeds of the 22 occupancy tax levied under this act shall supplement rather than supplant any proceeds being 23 used in the jurisdiction of Wilkes County District K derived from the occupancy tax levied by 24 the district under Sections 8 and 9 of S.L. 2010-78. 25 **SECTION 3.** Wilkes County District W Created. – Wilkes County District W is created as a taxing district. Its jurisdiction consists of only that part of Wilkes County that is 26 27 located outside of the incorporated area of the Town of Elkin. Wilkes County District W is a 28 body politic and corporate and has the power to carry out the provisions of this act. The Wilkes 29 County Board of Commissioners shall serve ex officio as the governing body of the district, and 30 the officers of the County shall serve as the officers of the governing body of the district. A 31 simple majority of the governing body constitutes a quorum, and approval by a majority of those 32 present is sufficient to determine any matter before the governing body, if a quorum is present. 33 **SECTION 4.** Occupancy tax. – (a) Authorization and Scope. – The governing body 34 of Wilkes County District W may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived from the rental of an accommodation within the district that is subject to 35



sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or 1 2 local sales tax. 3 **SECTION 4.(b)** Administration. – A tax levied under this section shall be levied, 4 administered, collected, and repealed as provided in G.S. 153A-155 as if Wilkes County District 5 W were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this 6 section. 7 SECTION 4.(c) Distribution and Use of Tax Revenue. – Wilkes County District W 8 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Wilkes County 9 District W Tourism Development Authority. The Authority shall use at least two-thirds of the 10 funds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the district. In accordance with the North Carolina Constitution and the United States 11 12 Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Wilkes County District W. None of the proceeds may be used to promote travel or tourism or for 13 14 tourism-related expenditures in areas within Wilkes County that are outside of the district. The following definitions apply in this subsection: 15 Net proceeds. - Gross proceeds less the cost to the district of administering 16 (1)and collecting the tax, as determined by the finance officer, not to exceed three 17 18 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross 19 proceeds collected each year and one percent (1%) of the remaining gross 20 receipts collected each year. Promote travel and tourism. - To advertise or market an area or activity, 21 (2)22 publish and distribute pamphlets and other materials, conduct market research, 23 or engage in similar promotional activities that attract tourists or business 24 travelers to the area. The term includes administrative expenses incurred in 25 engaging in the listed activities. 26 Tourism-related expenditures. - Expenditures that, in the judgment of the (3) 27 Tourism Development Authority, are designed to increase the use of 28 accommodations, meeting facilities, or convention facilities in the district or 29 to attract tourists or business travelers to the district. The term includes 30 tourism-related capital expenditures. 31 **SECTION 5.** Tourism Development Authority. – (a) Appointment and Membership. 32 - When the governing body of the Wilkes County District W adopts a resolution levying a room 33 occupancy tax under this act, it shall also adopt a resolution creating a district Tourism 34 Development Authority, which shall be a public authority under the Local Government Budget 35 and Fiscal Control Act. The resolution shall provide for the membership of the Authority, 36 including the members' terms of office, and for the filling of vacancies on the Authority. The 37 district Tourism Development Authority shall consist of the following members: 38 Two members appointed by the Wilkes County Board of Commissioners, one (1)39 of whom must be an individual affiliated with a business that collects the tax 40 in the district and another who must be an individual currently active in the promotion of travel and tourism in the district. 41 42 Two members appointed by the Wilkesboro Town Council, one of whom must (2)43 be an individual affiliated with a business that collects the tax in Wilkesboro 44 and another who must be an individual currently active in the promotion of 45 travel and tourism in Wilkesboro. 46 (3) One member appointed by the North Wilkesboro Board of Commissioners 47 who is (i) an individual affiliated with a business that collects the tax in North 48 Wilkesboro or (ii) an individual currently active in the promotion of travel and 49 tourism in North Wilkesboro.

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1	(4) One member appointed by the Ronda Board of Commissioner	rs who is (i) an
2	individual affiliated with a business that collects the tax in R	. ,
3	individual currently active in the promotion of travel and touris	
4	The district Tourism Development Authority may, by majority vote,	
5	two additional members to the Authority. Any additional member appointed by	•
6	must be either (i) an individual affiliated with a business that collects the tax in the	• •
7	an individual currently active in the promotion of travel and tourism in the distric	
8	Notwithstanding the options available under this section, the overall	-
9	the Authority, including any additional members, must in all cases consist of at lea	
10	the members who are individuals affiliated with the businesses that collect the tax	
11	and at least one-half of the members who are individuals currently active in the	e promotion of
12	travel and tourism in the district.	A .1 .
13	The governing body of the district shall designate one member of the	
14 15	chair and shall determine the compensation, if any, to be paid to members of the	•
15 16	Authority shall meet at the call of the chair and shall adopt rules of procedure meetings. The finance officer for the governing body of the district shall be the ex	-
10 17	officer of the Authority.	officio filiance
17	SECTION 5.(b) Duties. – The Authority shall expend the net proce	and of the tax
18 19	levied under this act for promoting travel and tourism and for tourism-related e	
20	provided in this act.	xpenditures as
20	SECTION 5.(c) Reports. – The Authority shall report quarterly and	at the close of
22	the fiscal year to the governing body of the district on its receipts and expen	
23	preceding quarter and for the year in such detail as the governing body of the distri	
24	SECTION 6. G.S. 153A-155(g) reads as rewritten:	et may require.
25	"(g) Applicability. – Subsection (c) of this section applies to all counti	es and county
26	districts that levy an occupancy tax. To the extent subsection (c) conflicts with an	-
27	a local act, subsection (c) supersedes that provision. The remainder of this section	• •
28	to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Car	
29	Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, I	
30	Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywoo	-
31	Jackson, Madison, Martin, McDowell, Mitchell, Montgomery, Moore, Nash,	New Hanover,
32	Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond,	Rockingham,
33	Rowan, Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, T	yrrell, Vance,
34	Washington, Wayne, and Wilson Counties, to Harnett County District H, New H	
35	District U, Surry County District S, Watauga County District U, Wilkes County	
36	Yadkin County District Y, and the Township of Averasboro in Harnett County and	d the Ocracoke
37	Township Taxing District."	
38	SECTION 7. G.S. 160A-215(g) reads as rewritten:	
39	"(g) Applicability. – Subsection (c) of this section applies to all cities	•
40	occupancy tax. To the extent subsection (c) conflicts with any provision of a local	
41	(c) supersedes that provision. The remainder of this section applies only to Be	
42	District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gaston	
43	Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lake Sante	
44 45	Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Hol	•
45 46	Roanoke Rapids, Salisbury, Sanford, Shelby, Statesville, Washington, and Wiln Towns of Abashia, Baseh Mountain, Bargar, Bargurda Bur, Blawing Bash, B	-
46 47	Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Be	
47 48	Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, I Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure B	
48 49	McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Po	
49 50	Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutma	
50	Trounani, Ramo, Robonisvine, Senna, Sintiniera, St. 1 auis, Swansborb, 110uilla	n, 11y0n, west

Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, Yanceyville, to the municipalities in
Avery and Brunswick Counties, and to Saluda District D."

3 **SECTION 8.** The governing body of Wilkes County District K, the Wilkes County 4 Board of Commissioners, the Wilkesboro Town Council, the North Wilkesboro Board of 5 Commissioners, and the Ronda Board of Commissioners shall adopt any resolutions or modify 6 any adopted resolutions, as needed, to carry out the provisions of this act.

7 **SECTION 9.** This act does not affect the rights or liabilities of the State, a taxpayer, 8 or another person arising under a statute amended by this act before the effective date of its 9 amendment, nor does it affect the right to any refund or credit of a tax that accrued under the 10 amended statute before the effective date of its amendment.

11 **SECTION 10.** Sections 1 and 2 of this act become effective July 1, 2023. The 12 remainder of this act is effective when it becomes law, however, a room occupancy tax authorized 13 to be levied by this act may not become effective until on or after July 1, 2023.