

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

S.L. 1997-342
HOUSE BILL 337

AN ACT TO AUTHORIZE RANDOLPH COUNTY TO LEVY A ROOM
OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

Section 1. Occupancy tax. (a) **Authorization and scope.** The Randolph County Board of Commissioners may by resolution levy a room occupancy tax of up to five percent (5%) 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 to nonprofit charitable, educational, or religious organizations for use in furthering their nonprofit purpose.

(b) **Administration.** A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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.

(c) **Distribution and use of tax revenue.** Randolph County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Randolph Tourism Development Authority. The Authority may use these funds and any other revenue it receives only to develop or promote travel and tourism and for tourism-related expenditures in Randolph County. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Randolph 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 gross proceeds.
- (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 are designed to increase the use of lodging facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures and other expenditures that, in the judgment of the

Authority, will facilitate and promote tourism. Examples of tourism-related expenditures include expenditures to create, advertise, promote, and support cultural programs, events, festivals, public park and recreation areas, historic preservation and museums, beautification projects, parking facilities, and other public amenities and services.

Section 2. Section 3(b) of S.L. 1997-102, as amended by Section 2 of S.L. 1997-255, reads as rewritten:

"(b) This section applies only to ~~Madison and Nash~~ Madison, Nash, and Randolph Counties."

Section 3. Tourism Development Authority. (a) **Appointment and membership.** When the board of commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The Authority shall be composed of nine members to be appointed by the board of commissioners as follows:

- (1) Seat 1 shall represent the hotel and motel industry, seat 4 shall represent the North Carolina Zoological Park, seat 7 is unrestricted, and seat 9 shall represent the county.
- (2) Seats 2, 3, 5, and 6 shall be appointed upon the recommendation of the Archdale/Trinity Chamber of Commerce, the Asheboro/Randolph Chamber of Commerce, the Liberty Chamber of Commerce, and the Randleman Chamber of Commerce, respectively.
- (3) Seat 8 shall represent the hotel and motel industry and shall be appointed upon the recommendation of the Asheboro/Randolph Chamber of Commerce.

In appointing and recommending members, each entity shall strive to select individuals who either have expertise in promoting and developing travel and tourism or are affiliated with organizations that collect the tax. The board of commissioners may reject the recommendation of a chamber of commerce and require the chamber to submit additional names within 30 days after the rejection. If the chamber does not submit additional names within this period, the board of commissioners may appoint someone to the seat based upon its own recommendation.

All members of the Authority serve at the pleasure of the board of commissioners and may be removed by the board at any time. The board of commissioners shall designate one member of the Authority as chair and another as cochair. Members shall serve without compensation.

Except for initial terms, the term of office shall be for three years. No member may serve more than two consecutive three-year terms. The initial terms for seats 1, 2, and 3 shall be one year. The initial terms for seats 4, 5, and 6 shall be two years. The initial terms for seats 7, 8, and 9 shall be three years.

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

(b) **Duties.** The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in Section 1 of this act.

(c) **Powers.** In addition to other powers conferred by law, the Authority may contract with any person, firm, corporation, or agency to assist it in carrying out its duties. All contracts the Authority enters into with nonprofit organizations shall require an annual financial audit of any funds expended and a performance audit of contractual obligations. The Authority may accept contributions from any source to be used for the purposes provided in Section 1 of this act.

(d) **Reports.** The Authority shall report quarterly and at the close of the fiscal year to the board of commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

Section 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of July, 1997.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives