

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**HOUSE BILL 685  
Committee Substitute Favorable 7/18/01**

Short Title: Occupancy Tax for Certain Counties.

(Local)

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Sponsors:

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Referred to:

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March 19, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE ANSON, MONTGOMERY, AND STANLY COUNTIES  
TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

**PART I. COUNTY ADMINISTRATIVE PROVISIONS**

**SECTION 1.** G.S. 153A-155 reads as rewritten:

**"§ 153A-155. Uniform provisions for room occupancy taxes.**

(a) Scope. – This section applies only to counties the General Assembly has authorized to levy room occupancy taxes.

(b) Levy. – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) Collection. – Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business as trustee for and on account of the taxing county. The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The taxing county shall design, print, and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing county a discount equal to the discount the State allows the operator for State sales and use tax.

(d) Administration. – The taxing county shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the county finance officer in monthly installments on or before the 15th day of the month following the month in

1 which the tax accrues. Every person, firm, corporation, or association liable for the tax  
2 shall, on or before the 15th day of each month, prepare and render a return on a form  
3 prescribed by the taxing county. The return shall state the total gross receipts derived in  
4 the preceding month from rentals upon which the tax is levied. A room occupancy tax  
5 return filed with the county finance officer is not a public record and may not be  
6 disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

7 (e) Penalties. – A person, firm, corporation, or association who fails or refuses to  
8 file a room occupancy tax return or pay a room occupancy tax as required by law is  
9 subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a  
10 return for State sales and use taxes. The governing board of the taxing county has the  
11 same authority to waive the penalties for a room occupancy tax that the Secretary of  
12 Revenue has to waive the penalties for State sales and use taxes.

13 (f) Repeal or Reduction. – A room occupancy tax levied by a county may be  
14 repealed or reduced by a resolution adopted by the governing body of the county.  
15 Repeal or reduction of a room occupancy tax shall become effective on the first day of a  
16 month and may not become effective until the end of the fiscal year in which the  
17 resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a  
18 liability for a tax that was attached before the effective date of the repeal or reduction,  
19 nor does it affect a right to a refund of a tax that accrued before the effective date of the  
20 repeal or reduction.

21 (g) This section applies only to Anson, Avery, Brunswick, Craven, Currituck,  
22 Davie, Granville, Madison, Montgomery, Nash, Person, Randolph, Scotland, Stanly,  
23 and Transylvania Counties."

## 24 PART II. ANSON COUNTY

25 **SECTION 2.** Anson Occupancy Tax. (a) Authorization and Scope. The  
26 Anson County Board of Commissioners may levy a room occupancy tax of up to three  
27 percent (3%) of the gross receipts derived from the rental of any room, lodging, or  
28 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within  
29 the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).  
30 This tax is in addition to any State or local sales tax. This tax does not apply to  
31 accommodations furnished by nonprofit charitable, educational, or religious  
32 organizations when furnished in furtherance of their nonprofit purpose.

33 **SECTION 2.(b)** Administration. A tax levied under this section shall be  
34 levied, administered, collected, and repealed as provided in G.S. 153A-155. The  
35 penalties provided in G.S. 153A-155 apply to a tax levied under this section.

36 **SECTION 2.(c)** Distribution and Use of Tax Revenue. Anson County shall,  
37 on a quarterly basis, remit the net proceeds of the occupancy tax to the Anson Tourism  
38 Development Authority. The Authority shall use at least two-thirds of the funds  
39 remitted to it under this subsection to promote travel and tourism in Anson County and  
40 shall use the remainder for tourism-related expenditures.

41 The following definitions apply in this subsection:

- 1 (1) Net proceeds. – Gross proceeds less the cost to the county of  
2 administering and collecting the tax, as determined by the finance  
3 officer, not to exceed three percent (3%) of the first five hundred  
4 thousand dollars (\$500,000) of gross proceeds collected each year and  
5 one percent (1%) of the remaining gross receipts collected each year.
- 6 (2) Promote travel and tourism. – To advertise or market an area or  
7 activity, publish and distribute pamphlets and other materials, conduct  
8 market research, or engage in similar promotional activities that attract  
9 tourists or business travelers to the area; the term includes  
10 administrative expenses incurred in engaging in these activities.
- 11 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
12 the Authority, are designed to increase the use of lodging facilities,  
13 meeting facilities, and convention facilities in a county by attracting  
14 tourists or business travelers to the county. The term includes  
15 tourism-related capital expenditures.

16 **SECTION 3.** Anson Tourism Development Authority. (a) Appointment  
17 and Membership. When the board of commissioners adopts a resolution levying a room  
18 occupancy tax under this Part, it shall also adopt a resolution creating a county Tourism  
19 Development Authority, which shall be a public authority under the Local Government  
20 Budget and Fiscal Control Act. The resolution shall provide for the membership of the  
21 Authority, including the members' terms of office, and for the filling of vacancies on the  
22 Authority. At least one-third of the members must be individuals who are affiliated  
23 with businesses that collect the tax in the county, and at least three-fourths of the  
24 members must be individuals who are currently active in the promotion of travel and  
25 tourism in the county. The board of commissioners shall designate one member of the  
26 Authority as chair and shall determine the compensation, if any, to be paid to members  
27 of the Authority.

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

31 **SECTION 3.(b)** Duties. The Authority shall expend the net proceeds of the  
32 tax levied under this Part for the purposes provided in this Part. The Authority shall  
33 promote travel, tourism, and conventions in the county, sponsor tourist-related events  
34 and activities in the county, and finance tourist-related capital projects in the county.

35 **SECTION 3.(c)** Reports. The Authority shall report quarterly and at the  
36 close of the fiscal year to the board of commissioners on its receipts and expenditures  
37 for the preceding quarter and for the year in such detail as the board may require.

### 38 **PART III. MONTGOMERY COUNTY**

39 **SECTION 4.** Montgomery Occupancy Tax. (a) Authorization and Scope.  
40 The Montgomery County Board of Commissioners may levy a room occupancy tax of  
41 up to three percent (3%) of the gross receipts derived from the rental of any room,  
42 lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar

1 place within the county that is subject to sales tax imposed by the State under G.S.  
2 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not  
3 apply to accommodations furnished by nonprofit charitable, educational, or religious  
4 organizations when furnished in furtherance of their nonprofit purpose.

5 **SECTION 4.(b)** Administration. A tax levied under this section shall be  
6 levied, administered, collected, and repealed as provided in G.S. 153A-155. The  
7 penalties provided in G.S. 153A-155 apply to a tax levied under this section.

8 **SECTION 4.(c)** Distribution and Use of Tax Revenue. Montgomery County  
9 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the  
10 Montgomery Tourism Development Authority. The Authority shall use at least  
11 two-thirds of the funds remitted to it under this subsection to promote travel and tourism  
12 in Montgomery County and shall use the remainder for tourism-related expenditures.

13 The following definitions apply in this subsection:

- 14 (1) Net proceeds. – Gross proceeds less the cost to the county of  
15 administering and collecting the tax, as determined by the finance  
16 officer, not to exceed three percent (3%) of the first five hundred  
17 thousand dollars (\$500,000) of gross proceeds collected each year and  
18 one percent (1%) of the remaining gross receipts collected each year.
- 19 (2) Promote travel and tourism. – To advertise or market an area or  
20 activity, publish and distribute pamphlets and other materials, conduct  
21 market research, or engage in similar promotional activities that attract  
22 tourists or business travelers to the area; the term includes  
23 administrative expenses incurred in engaging in these activities.
- 24 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
25 the Authority, are designed to increase the use of lodging facilities,  
26 meeting facilities, and convention facilities in a county by attracting  
27 tourists or business travelers to the county. The term includes  
28 tourism-related capital expenditures.

29 **SECTION 5.** Montgomery Tourism Development Authority. (a)  
30 Appointment and Membership. When the board of commissioners adopts a resolution  
31 levying a room occupancy tax under this Part, it shall also adopt a resolution creating a  
32 county Tourism Development Authority, which shall be a public authority under the  
33 Local Government Budget and Fiscal Control Act. The resolution shall provide for the  
34 membership of the Authority, including the members' terms of office, and for the filling  
35 of vacancies on the Authority. At least one-third of the members must be individuals  
36 who are affiliated with businesses that collect the tax in the county, and at least  
37 three-fourths of the members must be individuals who are currently active in the  
38 promotion of travel and tourism in the county. The board of commissioners shall  
39 designate one member of the Authority as chair and shall determine the compensation,  
40 if any, to be paid to members of the Authority.

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

4 **SECTION 5.(b) Duties.** The Authority shall expend the net proceeds of the  
5 tax levied under this Part for the purposes provided in this Part. The Authority shall  
6 promote travel, tourism, and conventions in the county, sponsor tourist-related events  
7 and activities in the county, and finance tourist-related capital projects in the county.

8 **SECTION 5.(c) Reports.** The Authority shall report quarterly and at the  
9 close of the fiscal year to the board of commissioners on its receipts and expenditures  
10 for the preceding quarter and for the year in such detail as the board may require.

#### 11 **PART IV. STANLY COUNTY**

12 **SECTION 6. Stanly Occupancy Tax. (a) Authorization and Scope.** The  
13 Stanly County Board of Commissioners may levy a room occupancy tax of up to six  
14 percent (6%) of the gross receipts derived from the rental of any room, lodging, or  
15 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within  
16 the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).  
17 This tax is in addition to any State or local sales tax. This tax does not apply to  
18 accommodations furnished by nonprofit charitable, educational, or religious  
19 organizations when furnished in furtherance of their nonprofit purpose.

20 **SECTION 6.(b) Administration.** A tax levied under this section shall be  
21 levied, administered, collected, and repealed as provided in G.S. 153A-155. The  
22 penalties provided in G.S. 153A-155 apply to a tax levied under this section.

23 **SECTION 6.(c) Distribution and Use of Tax Revenue.** Stanly County shall,  
24 on a quarterly basis, remit to the City of Albemarle five-sixths of the gross proceeds of  
25 the occupancy tax derived from accommodations in the City of Albemarle. The City of  
26 Albemarle shall remit to the Stanly County Tourism Development Authority forty  
27 percent (40%) of the proceeds it receives under this subsection. The City of Albemarle  
28 shall use the remainder of the proceeds only for tourism-related expenditures.

29 Stanly County shall remit to each municipality in the county other than the  
30 City of Albemarle the net proceeds of the occupancy tax derived from accommodations  
31 in that municipality. Each of these municipalities shall remit to the Stanly County  
32 Tourism Development Authority each year the greater of one dollar (\$1.00) per capita  
33 of the municipality's population or one-half of the amount remitted to the municipality  
34 under this subsection. The municipalities shall use the remaining funds received under  
35 this subsection only for tourism-related expenditures in the county.

36 The county shall remit to the Stanly County Tourism Development Authority  
37 the greater of twenty-five thousand dollars (\$25,000) a year or one-half of the remaining  
38 net proceeds of the occupancy tax.

39 The Authority shall use the funds remitted to it under this subsection only to  
40 promote travel and tourism in Stanly County.

41 Stanly County shall use the remainder of the net proceeds only for  
42 tourism-related expenditures in the county.

1           **SECTION 6.(d)** Definitions. The following definitions apply in this section:

- 2           (1) Net proceeds. – Gross proceeds less the cost to the county of  
3           administering and collecting the tax, as determined by the finance  
4           officer, not to exceed an amount equal to three percent (3%) of the first  
5           five hundred thousand dollars (\$500,000) of gross proceeds collected  
6           each year and one percent (1%) of the remaining gross receipts  
7           collected each year.  
8           (2) Promote travel and tourism. – To advertise or market an area or  
9           activity, publish and distribute pamphlets and other materials, conduct  
10          market research, or engage in similar promotional activities that attract  
11          tourists or business travelers to the area; the term includes  
12          administrative expenses incurred in engaging in these activities.  
13          (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
14          the entity making the expenditure, are designed to increase the use of  
15          lodging facilities, meeting facilities, and convention facilities in a  
16          county by attracting tourists or business travelers to the county. The  
17          term includes tourism-related capital expenditures.

18           **SECTION 6.(e)** Effect on Local Act. Chapter 915 of the 1991 Session Laws  
19          is repealed effective on the effective date of a tax levied under this Part by Stanly  
20          County.

21           **SECTION 7.** Stanly County Tourism Development Authority. As used in  
22          this Part, the term "Stanly County Tourism Development Authority" means a nonprofit  
23          corporation established for the purpose of promoting travel, tourism, and conventions in  
24          the county, sponsoring tourist-related events and activities in the county, and financing  
25          tourist-related capital projects in the county. The county and municipalities shall remit  
26          funds to the Authority under this Part only pursuant to a contract that requires the  
27          Authority to expend the funds to promote travel and tourism in Stanly County. The  
28          contract must also require the Authority to report quarterly and at the close of the fiscal  
29          year to the board of commissioners and annually to each municipality in the county on  
30          its receipts and expenditures for the preceding quarter and for the year in such detail as  
31          the board may require.

#### 32    **PART V. EFFECTIVE DATE**

33           **SECTION 8.** This act is effective when it becomes law.