

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**SENATE BILL 92
RATIFIED BILL**

**AN ACT TO AUTHORIZE VARIOUS MUNICIPALITIES AND COUNTIES TO
LEVY ROOM OCCUPANCY TAXES.**

The General Assembly of North Carolina enacts:

PART I. CITY OF GASTONIA.

SECTION 1.1. Occupancy tax. – (a) Authorization and Scope. – The Gastonia City Council 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 city 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 1.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 1.1.(c) Distribution and Use of Tax Revenue. – The City of Gastonia shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Gastonia Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection for tourism-related expenditures and shall use the remainder to promote travel and tourism in Gastonia.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the city of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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 these activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a city by attracting tourists or business travelers to the city. The term includes tourism-related capital expenditures.

SECTION 1.2. Gastonia Tourism Development Authority. – (a) Appointment and Membership. – When the Gastonia City Council adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a city 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 must be individuals who are affiliated with businesses that collect the tax in the city, and at least

three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the city. The city council shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

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

SECTION 1.2.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for the purposes provided in this Part. The Authority shall promote travel, tourism, and conventions in the city, sponsor tourist-related events and activities in the city, and finance tourist-related capital projects in the city.

SECTION 1.2.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the city council on its receipts and expenditures for the preceding quarter and for the year in such detail as the city council may require.

PART II. CITY OF KINGS MOUNTAIN.

SECTION 2.1. Occupancy tax. – (a) Authorization and Scope. – The Kings Mountain City Council 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 city 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 2.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 2.1.(c) Distribution and Use of Tax Revenue. – Kings Mountain shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Kings Mountain Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Kings Mountain 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 city of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.

SECTION 2.2. Kings Mountain Tourism Development Authority. – (a) Appointment and Membership. – When the Kings Mountain City Council adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a city 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 must be individuals who are affiliated with businesses that collect the tax in the city, and at least

three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the city. The city council shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

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

SECTION 2.2.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for the purposes provided in this Part. The Authority shall promote travel, tourism, and conventions in the city, sponsor tourist-related events and activities in the city, and finance tourist-related capital projects in the city.

SECTION 2.2.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Kings Mountain City Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the city council may require.

PART III. CITY OF LINCOLNTON.

SECTION 3.1. Occupancy tax. – (a) Authorization and Scope. – The Lincolnton City Council 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 city 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 3.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 3.1.(c) Distribution and Use of Tax Revenue. – The City of Lincolnton shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Lincolnton Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Lincolnton 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 city of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.

SECTION 3.2. Lincolnton Tourism Development Authority. – (a) Appointment and Membership. – When the Lincolnton City Council adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a city 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 must be individuals

who are affiliated with businesses that collect the tax in the city, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the city. The city council shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

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

SECTION 3.2.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for the purposes provided in this Part. The Authority shall promote travel, tourism, and conventions in the city, sponsor tourist-related events and activities in the city, and finance tourist-related capital projects in the city.

SECTION 3.2.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Lincolnnton City Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the city council may require.

PART IV. MONROE.

SECTION 4.1. Occupancy tax. – (a) Authorization and Scope. – The Monroe City Council may 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 city 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 4.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

The tax collector may collect any unpaid taxes levied under this act through the use of attachment and garnishment proceedings as provided in G.S. 105-368 for collection of property taxes. The tax collector has the same enforcement powers concerning the tax authorized by this act as the Secretary of Revenue in enforcing the State sales tax under G.S. 105-164.30.

SECTION 4.1.(c) Distribution and Use of Tax Revenue. – The City of Monroe shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Monroe Tourism Development Authority. For the first 10 years that funds are remitted to the Authority under this section, the Authority shall use at least two-thirds of the funds remitted to it under this subsection for tourism-related expenditures and shall use the remainder to promote travel and tourism in Monroe. For funds remitted to it under this section thereafter, the Authority shall use at least two-thirds of the funds remitted to it under this section to promote travel and tourism 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 city of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a city

or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.

SECTION 4.2. Monroe Tourism Development Authority. – (a) Appointment and Membership. – When the Monroe City Council adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a city 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 must be individuals who are affiliated with businesses that collect the tax in the city, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the city. The city council shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

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

SECTION 4.2.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for the purposes provided in this Part. The Authority shall promote travel, tourism, and conventions in the city, sponsor tourist-related events and activities in the city, and finance tourist-related capital projects in the city.

SECTION 4.2.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the city council on its receipts and expenditures for the preceding quarter and for the year in such detail as the city council may require.

PART V. NORTH TOPSAIL BEACH.

SECTION 5.1. Occupancy tax. – (a) Authorization and Scope. – The North Topsail Beach Board of Aldermen 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 town 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 5.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 5.1.(c) Distribution and Use of Tax Revenue. – North Topsail Beach shall spend the net proceeds of the occupancy tax levied for beach nourishment.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (2) Beach nourishment. – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:
 - a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;

- b. The nonfederal share of the cost required to construct these projects;
- c. The costs associated with providing enhanced public beach access; and
- d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.

PART VI. PENDER COUNTY.

SECTION 6.1. Pender County's authority to levy a tax under Chapter 970 of the 1987 Session Laws is repealed effective on the effective date of a tax levied under this Part. Repeal of a tax levied under this Part does not revive Pender County's authority to levy a tax under Chapter 970 of the 1987 Session Laws.

SECTION 6.2. Occupancy Tax. – (a) Authorization and Scope. – The Pender County Board of Commissioners 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) and from the rental of private residences and cottages, whether or not the residence or cottage is rented for fewer than 15 days. This tax is in addition to any State or local sales tax.

SECTION 6.2.(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 6.2.(c) Distribution and Use of Tax Revenue. – Pender County shall, on a quarterly basis, remit to Surf City the net proceeds of the occupancy tax derived from accommodations in Surf City and shall remit to Topsail Beach the net proceeds of the occupancy tax derived from accommodations in Topsail Beach. Surf City and Topsail Beach shall spend the net proceeds of the occupancy tax levied under this Part for beach nourishment. The remainder of the net proceeds derived from accommodations in Pender County shall, on a quarterly basis, be remitted to the Pender Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Pender 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 first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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 these activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a county by attracting tourists or business travelers to the county. The term includes tourism-related capital expenditures.
- (4) Beach nourishment. – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit

public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:

- a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
- b. The nonfederal share of the costs required to construct these projects;
- c. The costs associated with providing enhanced public beach access; and
- d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.

SECTION 6.3. Pender Tourism Development Authority. – (a) Appointment and Membership. – When the board of commissioners adopts a resolution levying a room occupancy tax under this Part, 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 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 must be individuals who are affiliated with businesses that collect the tax in the county, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the county. The board of commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

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

SECTION 6.3.(b) Duties. – The Authority shall expend the net proceeds of the tax remitted to it under this Part for the purposes provided in this Part. The Authority shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county.

SECTION 6.3.(c) 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.

PART VII. DARE COUNTY.

SECTION 7.1. Section 1(a) of Chapter 449 of the 1985 Session Laws, as amended by Chapter 826 of the 1985 Session Laws and Chapters 177 and 906 of the 1991 Session Laws, reads as rewritten:

"Section 1. Occupancy Tax. (a) Authorization and Scope. The Dare County Board of Commissioners may ~~by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto,~~ levy a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of the following in Dare County:

- (1) Any room, lodging, or similar accommodation subject to sales tax under G.S. 105-164.4(a)(3); and
- (2) A campsite.

This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose. This tax is in addition to any State or local sales tax."

SECTION 7.2. Section 1(b) of Chapter 449 of the 1985 Session Laws, as amended by Chapter 826 of the 1985 Session Laws and Chapters 177 and 906 of the 1991 Session Laws, reads as rewritten:

"(b) Administration. – A tax levied under this act 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 act. Collection. Every operator of a business subject to the tax levied under this act shall, on and after the effective date of the levy of the tax, collect the tax. This 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 Dare 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 Dare County Tax Collector 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."~~

SECTION 7.3. Section 1(c) of Chapter 449 of the 1985 Session Laws, as amended by Chapter 826 of the 1985 Session Laws and Chapters 177 and 906 of the 1991 Session Laws, is repealed.

SECTION 7.4. Section 1(f) of Chapter 449 of the 1985 Session Laws, as amended by Chapter 826 of the 1985 Session Laws and Chapters 177 and 906 of the 1991 Session Laws, is repealed.

SECTION 7.5. Section 2 of Chapter 449 of the 1985 Session Laws, as amended by Chapter 826 of the 1985 Session Laws and Chapters 177 and 906 of the 1991 Session Laws, reads as rewritten:

"Sec. 2. Definitions. The definitions in G.S. 105-164.3 apply in this act. In addition, the following definitions apply in this act:

- (1) Net proceeds. Gross proceeds less the cost to the county of administering and collecting the tax.
- (2) Prepared food and beverages. Meals, food, and beverages which a retailer has added value to or whose state has been altered (other than solely by cooling) by preparing, combining, dividing, heating, or serving, in order to make them available for immediate consumption.
- (3) Beach nourishment. The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program, or which have otherwise been authorized by the General Assembly, along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property and transportation routes. The term includes expenditures for the following:
 - a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
 - b. The nonfederal share of the costs required to construct these projects;
 - c. The costs associated with providing enhanced public beach access; and
 - d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences."

SECTION 7.6. Chapter 449 of the 1985 Session Laws, as amended by Chapter 826 of the 1985 Session Laws and Chapters 177 and 906 of the 1991 Session Laws, is amended by adding a new section to read:

"Sec. 3.1. Supplemental Occupancy Tax. In addition to the taxes authorized by Sections 1 and 3 of this act, the Dare County Board of Commissioners may levy a room occupancy tax of one percent (1%) of the gross receipts derived from the rental of accommodations taxable under Section 1 of this act. The county may not levy a tax under this section unless it also levies the taxes under Sections 1 and 3 of this act. The

levy, collection, administration, and repeal of the tax authorized by this section shall be in accordance with Section 1 of this act. The county shall use the net proceeds of the tax authorized by this section for beach nourishment."

SECTION 7.7. Section 5 of Chapter 449 of the 1985 Session Laws, as amended by Chapter 826 of the 1985 Session Laws and Chapters 177 and 906 of the 1991 Session Laws, is repealed.

PART VIII. ROWAN ADMINISTRATIVE CHANGES.

SECTION 8.1. Section 1 of Chapter 379 of the 1987 Session Laws, as amended by Chapter 882 of the 1991 Session Laws, reads as rewritten:

"Section 1. Occupancy tax. (a) Authorization and scope. – The Rowan County Board of Commissioners may ~~by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto,~~ levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within the county that is subject to sales tax imposed by the State under G.S. ~~105-164.4(3).~~ 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.

~~(b) Collection.—Every operator of a business subject to the tax levied under this section shall, on and after the effective date of the levy of the tax, collect the tax. This 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 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 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 the occupancy tax levied under this section may deduct from the amount remitted to the county a discount of three percent (3%) of the amount collected.~~

~~(c) 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. The county shall administer a tax levied under this section. A tax levied under this section 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 which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. The board of commissioners shall appoint a board to oversee the operations of the Rowan County Convention and Visitors Bureau. Appointments to the board shall be made by the board of commissioners for specified terms as outlined in the bylaws of the Bureau.~~

~~A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.~~

~~(d) Penalties.—A person, firm, corporation, or association who fails or refuses to file the return required by this section shall pay a penalty of ten dollars (\$10.00) for each day's omission. In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to any other penalty, with an additional tax of five percent (5%) for each additional month or fraction thereof until the tax is paid.~~

~~Any person who willfully attempts in any manner to evade a tax imposed under this section or who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six~~

months, or both. The board of commissioners may, for good cause shown, compromise or forgive the penalties imposed by this subsection.

(e) Distribution and use of tax revenue. – Rowan County shall apply the net proceeds of the occupancy tax to the purposes provided in this subsection. The county shall, on a ~~quarterly~~ monthly basis, remit the net proceeds of the occupancy tax to the Rowan County ~~Convention and Visitors Bureau~~. Tourism Development Authority. The ~~Bureau Authority~~ shall spend funds remitted to it under this subsection only to promote travel, tourism, and conventions in Rowan County and to sponsor tourist-oriented events and activities in Rowan County. The ~~Bureau Authority~~ may not spend any of the funds for construction, improvement, or maintenance of real property or for any other capital project. The ~~Bureau 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.

As used in this subsection, 'net proceeds' means gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer.

~~(f) Effective date of levy. — A tax levied under this section 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.~~

~~(g) Repeal. — A tax levied under this section may be repealed by a resolution adopted by the Rowan County Board of Commissioners. Repeal of a tax levied under this section shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied under this section does not affect a liability for a tax that was attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal."~~

SECTION 8.2. Chapter 379 of the 1987 Session Laws, as amended by Chapter 882 of the 1991 Session Laws, is amended by adding a new section to read:

"Section 1.1. Establishment, Appointment, and Duties of Tourism Authority. (a) The board of commissioners shall adopt a resolution establishing and creating the Rowan County Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act and shall be composed of the following 11 members appointed by the board of commissioners:

- (1) A county commissioner or his or her designee.
- (2) A member of the Salisbury City Council or his or her designee.
- (3) Two owners, operators, or representatives of hotels, motels, or other taxable tourist accommodations.
- (4) Two individuals to represent all bona fide Rowan County sites and attractions, to be selected from those sites and attractions.
- (5) One individual to represent the Rowan County Chamber of Commerce, either the chair of the board or the chair's designee.
- (6) Four individuals who have an interest in tourism development and do not own or operate hotels, motels, or other taxable tourist accommodations.

The board of commissioners shall appoint all members of the Tourism Development Authority, except for the City of Salisbury appointee, who shall be appointed directly by the Salisbury City Council from its council members. The term of office of each member of the Authority shall be two years. Members may serve no more than two consecutive terms. All members of the Authority shall serve without compensation.

(b) In addition to any other powers and duties of the Authority otherwise conferred by law, the Authority may contract with any person, firm, or agency to advise and assist it in the promotion of travel and tourism and to carry out the purposes identified in Section 1 of this act. The Authority may accept contributions from any source to be used for the purposes stated in Section 1 of this act."

PART IX. TOWN OF WILKESBORO.

SECTION 9.1. Occupancy tax. – (a) Authorization and Scope. – The Wilkesboro Board of Town Commissioners 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 town 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 9.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 9.1.(c) Distribution and Use of Tax Revenue. – The Town of Wilkesboro shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Wilkesboro Tourism Development, Convention, and Visitors Bureau. The Bureau shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Wilkesboro 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 town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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, including the operation of a visitors' center. The term includes administrative expenses incurred in engaging in the listed activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Bureau, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

SECTION 9.2. Wilkesboro Tourism Development, Convention, and Visitors Bureau. – (a) Appointment and Membership. – When the Wilkesboro Board of Town Commissioners adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Wilkesboro Tourism Development, Convention, and Visitors Bureau, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide that the board of town commissioners shall appoint members of the Bureau for one-year terms and shall provide for the filling of vacancies on the Bureau. At least one-third of the members must be individuals who are affiliated with businesses that collect the tax in the town, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the town. The board of town commissioners shall designate one member of the Bureau as chair and shall determine the compensation, if any, to be paid to members of the Bureau.

The Bureau shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for the Town of Wilkesboro shall be the ex officio finance officer of the Bureau.

SECTION 9.2.(b) Duties. – The Bureau shall expend the net proceeds of the tax levied under this Part for the purposes provided in this Part. The Bureau shall promote travel, tourism, and conventions in the town, sponsor tourist-related events and activities in the town, and finance tourist-related capital projects in the town.

SECTION 9.2.(c) Reports. – The Bureau shall report quarterly and at the close of the fiscal year to the board of town commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board of town commissioners may require.

PART X. TOWN OF SELMA.

SECTION 10.1. Occupancy tax. – (a) Authorization and Scope. – The Town Council of the Town of Selma may levy a room occupancy tax of one percent (1%) 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 town 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 10.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 10.1.(c) Distribution and Use of Tax Revenue. – The Town of Selma shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Johnston County Tourism Authority created in Chapter 647 of the 1987 Session Laws. The Johnston County Tourism Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Selma and shall use the remainder for tourism-related expenditures in Selma. The net proceeds of the occupancy tax levied under this Part shall supplement rather than supplant any proceeds being used in the Town of Selma derived from the occupancy tax levied by Johnston County pursuant to Chapter 647 of the 1987 Session Laws.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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 these activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a town by attracting tourists or business travelers to the town. The term includes tourism-related capital expenditures.

SECTION 10.2. A tax levied under this Part expires five years after the effective date of its levy. The town's authority to levy a tax under this Part expires five years after the effective date of its levy of a tax under this Part. The expiration of a tax pursuant to this Part does not affect the rights or liabilities of the town, a taxpayer, or another person arising under the expired tax before the effective date of its expiration; nor does it affect the right to any refund or credit of a tax that would otherwise have been available under the expired tax before the effective date of its expiration.

PART XI. TOWN OF SMITHFIELD.

SECTION 11.1. Occupancy tax. – (a) Authorization and Scope. – The Town Council of the Town of Smithfield may levy a room occupancy tax of one percent (1%) 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 town 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 11.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 11.1.(c) Distribution and Use of Tax Revenue. – The Town of Smithfield shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Johnston County Tourism Authority created in Chapter 647 of the 1987 Session Laws. The Johnston County Tourism Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Smithfield and shall use the remainder for tourism-related expenditures in Smithfield. The net proceeds of the occupancy tax levied under this Part shall supplement rather than supplant any proceeds being used in the Town of Smithfield derived from the occupancy tax levied by Johnston County pursuant to Chapter 647 of the 1987 Session Laws.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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 these activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a town by attracting tourists or business travelers to the town. The term includes tourism-related capital expenditures.

SECTION 11.2. A tax levied under this Part expires five years after the effective date of its levy. The town's authority to levy a tax under this Part expires five years after the effective date of its levy of a tax under this Part. The expiration of a tax pursuant to this Part does not affect the rights or liabilities of the town, a taxpayer, or another person arising under the expired tax before the effective date of its expiration; nor does it affect the right to any refund or credit of a tax that would otherwise have been available under the expired tax before the effective date of its expiration.

PART XII. AVERASBORO TOWNSHIP IN HARNETT COUNTY.

SECTION 12.1. Section 1 of Chapter 142 of the 1987 Session Laws reads as rewritten:

"Section 1. Occupancy Tax. – (a) Authorization and Scope. – The Harnett County Board of Commissioners may ~~by resolution, after not less than ten (10) days' public notice and after a public hearing held pursuant thereto,~~ levy a room occupancy tax in an amount not to exceed three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within Averasboro Township that is subject to sales tax imposed by the State under ~~G.S. 105-164.4(3).~~ 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 institutions or organizations.

(a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection (a) of this section, the Harnett County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of accommodations taxable under that subsection. The county may not levy a tax under this section unless it also levies the tax under subsection (a) of this section. A tax levied under this section may not become effective before the first day of the second month

after the resolution levying the tax is adopted. The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with this section.

~~(b) Collection. Every operator of a business subject to the tax levied under this act shall, on and after the effective date of the levy of the tax, collect the tax. This 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 township. 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. As compensation for collecting a tax levied under this act, the operator of a business subject to the tax may retain three percent (3%) of the total tax collected by the operator each month.~~

~~(c) Administration. – For the purpose of levying and administering the tax authorized by this act, Averagesboro Township shall be a body politic and corporate and shall have the power to carry out the provisions of this act. The Harnett County Board of Commissioners shall serve, ex officio, as the governing body of the Township, and the officers of the board of commissioners shall serve as the officers of the governing body of the township. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.~~

~~The Harnett County Board of Commissioners, as the governing body of Averagesboro Township, shall administer a tax levied under this act. A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Averagesboro Township were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.A tax levied under this act 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 which the tax accrues. The township shall design, print, and furnish to all appropriate businesses and persons in the township the necessary forms for filing returns and instructions to ensure the full collection of the tax. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the township. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.~~

~~A return filed with the county finance officer under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.~~

~~(d) Penalties. A person, firm, corporation, or association who fails or refuses to file the return required by this act shall pay a penalty of ten dollars (\$10.00) for each day's omission. In case of failure or refusal to file the return or pay the tax for a period of thirty (30) days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due for each additional month or fraction thereof until the tax is paid.~~

~~Any person who willfully attempts in any manner to evade a tax imposed under this act or who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both. The board of commissioners may, for good cause shown, compromise or forgive the penalties imposed by this subsection.~~

~~(e) Distribution and use of tax revenue. Use of Tax Revenue. – The township shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Averagesboro Township Tourism Development Authority. The Authority may spend funds remitted to it under this subsection only to develop, promote, and advertise travel and tourism in Averagesboro Township, to sponsor tourist oriented events and activities for Averagesboro Township, to operate and maintain museums and historic sites throughout Averagesboro Township, and to purchase, operate, and maintain a convention facility for Averagesboro Township. As used in this subsection, "net proceeds" means gross proceeds less the cost to the township of administering and collecting the tax, as~~

determined by the finance officer, shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Averasboro Township 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 township of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a township or to attract tourists or business travelers to the township. The term includes tourism-related capital expenditures.

~~(f) Effective date of levy. A tax levied under this act 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.~~

~~(g) Repeal. A tax levied under this act may be repealed by a resolution adopted by the Harnett County Board of Commissioners. Repeal of a tax levied under this act does not affect a liability for a tax that attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal."~~

PART XIII. RICHMOND COUNTY.

SECTION 13.1. Chapter 969 of the 1987 Session Laws reads as rewritten:

"Section 1. Levy of Tax. = (a) The Board of Commissioners of Richmond County may by resolution levy a room occupancy and tourism development tax.

~~(b) Collection of the tax and liability therefor, shall begin and continue only on and after the first day of a calendar month set by the board of county commissioners in the resolution levying the tax, which in no case may be earlier than the first day of the succeeding calendar month after the date of adoption of the resolution.~~

~~Sec. 2. Occupancy Tax. The county room occupancy and tourism development tax that may be levied under this act shall be tax of three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by any hotel, motel, inn, tourist camp or other similar place within the county now subject to the three percent (3%) sales tax imposed by the State under G.S. 105-164(3). G.S. 105-164.4(a)(3). This tax is in addition to any local sales tax. This tax does not apply to gross receipts derived by the following entities from accommodations furnished by them:~~

- ~~(1) Religious organizations;~~
- ~~(2) Educational organizations;~~
- ~~(3) Any business that offers to rent fewer than five units; and~~
- ~~(4) Summer camps.~~

Sec. 2. Additional Occupancy Tax. – In addition to the tax authorized by Section 1 of this act, the Richmond County Board of Commissioners may levy a room occupancy and tourism development tax of three percent (3%) of the gross receipts derived from the rental of accommodations taxable under that section. The levy, collection, administration, use, and repeal of the tax authorized by this section shall be in accordance with this act. Richmond County may not levy a tax under this section unless it also levies a tax under Section 1 of this act.

~~Sec. 3. Administration of Tax. – A tax levied under this act 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 act. (a) Any tax levied under this act is due and payable to the county in monthly installments on or before the 15th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.~~

~~(b) Any person, firm, corporation, or association who fails or refuses to file the return required by this act shall pay a penalty of ten dollars (\$10.00) for each day's omission.~~

~~(c) In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to the penalty prescribed in subsection (b), with an additional tax of five percent (5%) for each additional month or fraction thereof until the occupancy tax is paid.~~

~~(d) Any person who willfully attempts in any manner to evade the occupancy tax imposed under this act or who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punished by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both.~~

~~Sec. 4. Collection of Tax. Every operator of a business subject to a tax levied under this act shall, on and after the effective date of the levy of the tax, collect the three percent (3%) room occupancy tax. This tax shall be collected as part of the charge for the furnishing of any 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 Richmond County. The room occupancy tax levied pursuant to this act 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 county shall design, print, and furnish to all appropriate businesses in Richmond County the necessary forms for filing returns and instructions to ensure the full collection of the tax.~~

~~An operator of a business who collects the occupancy tax levied under this act may deduct from the amount remitted to the county a discount of three percent (3%) of the amount collected.~~

~~Sec. 5. Disposition of Taxes Collected. – (a) Richmond County shall remit the net proceeds of the occupancy tax to the county Richmond County Tourism Development Authority in Richmond County. Authority. "Net proceeds" means gross proceeds less the cost to the county of administering and collecting the tax, which may not exceed three percent (3%) of the collected tax.~~

~~(b) The Tourism Development Authority shall use fifty percent (50%) of the funds remitted to it under this section to promote travel and tourism in Richmond County and shall use the remaining fifty percent (50%) for tourism-related expenditures in the City of Rockingham that are mutually agreed upon by the Richmond County Tourism Development Authority and the Rockingham City Council. may expend any funds distributed to it pursuant to subsection (a) only to further the development of travel, tourism, and conventions in the county through State, national, and international advertising and promotion. The Authority may not use more than twenty five percent (25%) fifteen percent (15%) of the funds distributed to it pursuant to subsection (a) for administrative expenses of the Authority.~~

~~(c) The following definitions apply in this act:~~

~~(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 first five hundred~~

- thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.

Sec. 6. Appointment, Duties of Tourism Development Authority. – (a) When the board of county commissioners adopts a resolution levying a room occupancy tax pursuant to 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 and shall be composed of the following ~~five~~ seven members:

- (1) A county commissioner appointed by the board of county commissioners;
- (2) One owner or operator of hotels, motels, or other taxable tourist accommodations, who shall be appointed by the board of county commissioners;
- (3) The Executive Director of the Richmond County Area Chamber of Commerce; and
- (4) Two individuals interested in the tourist business who have demonstrated an interest in tourist development, but do not own or operate a hotel, motel, or other taxable tourist accommodation, who shall be appointed by the board of county commissioners.
- (5) Two individuals appointed by the Rockingham City Council. At least one of these individuals must be an owner or operator of a hotel, motel, or other taxable tourist accommodation in the City of Rockingham.

All members of the Authority shall serve without compensation.

Vacancies in the Authority shall be filled in the same manner as the initial appointments. Members appointed to fill vacancies shall serve for the remainder of the unexpired term which they are appointed to fill. Members shall serve terms as provided in the rules of procedures and bylaws of the Authority.

The members shall elect a chairman. The Authority shall meet at the call of the chairman and shall adopt rules of procedure and bylaws to govern its meetings and activities. The finance officer for Richmond County shall be the ex officio finance officer of the Authority.

(b) The Tourism Development Authority may contract with any person, firm, or agency to advise and assist it in the promotion of travel, tourism, and conventions.

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

~~Sec. 7. Repeal of Levy. (a) The board of county commissioners may by resolution repeal the levy of the room occupancy tax in Richmond County, but no repeal of taxes levied under this Part shall be effective until the end of the fiscal year in which the repeal resolution was adopted.~~

~~(b) No liability for any tax levied under this Part that attached prior to the date on which a levy is repealed shall be discharged as a result of the repeal, and no right to a refund of a tax that accrued prior to the effective date on which a levy is repealed shall be denied as a result of the repeal.~~

Sec. 8. This act is effective upon ratification."

PART XIV. TOWN OF CARRBORO.

SECTION 14.1. Occupancy tax. – (a) Authorization and Scope. – The governing body of the Town of Carrboro 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 town 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 14.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 14.1.(c) Distribution and Use of Tax Revenue. – The Town of Carrboro shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Carrboro Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Carrboro 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 town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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 these activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a town by attracting tourists or business travelers to the town. The term includes tourism-related capital expenditures.

SECTION 14.2. Carrboro Tourism Development Authority. – (a) Appointment and Membership. – When the governing body of the Town of Carrboro adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a 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 must be individuals who are affiliated with businesses that collect the tax in the town, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the town. The governing body of the Town of Carrboro shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

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

SECTION 14.2.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for the purposes provided in this Part. The Authority shall promote travel, tourism, and conventions in the town, sponsor tourist-related events and activities in the town, and finance tourist-related capital projects in the town.

SECTION 14.2.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the governing body of the Town of Carrboro

on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

PART XV. BEECH MOUNTAIN ADMINISTRATIVE PROVISIONS.

SECTION 15.1. Chapter 376 of the 1987 Session Laws reads as rewritten:

"AN ACT TO AUTHORIZE THE TOWN OF BEECH MOUNTAIN TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

Section 1. Occupancy Tax. The Town Council of Beech Mountain may ~~by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto,~~ levy a room occupancy and tourism development tax. ~~Collection of the tax, and liability therefor shall begin and continue only on and after the first day of a calendar month set by the Town Council of Beech Mountain in the resolution levying the tax, which in no case may be earlier than the first day of the second succeeding calendar month after the date of adoption of the resolution.~~

The occupancy and tourism development tax that may be levied under this act shall be three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation in the Town of Beech Mountain that is subject to sales tax imposed by the State under G.S. ~~105-164.4(3).~~ 105-164.4(a)(3). This tax is in addition to any State or local sales tax. The tax ~~shall~~ does not apply to any room, lodging, or accommodations supplied to the same person for a period of 90 continuous days or more. The tax shall also not apply to sleeping rooms or lodgings furnished by charitable, educational, or religious institutions or ~~non-profit~~ nonprofit organizations.

Sec. 2. Administration of Tax. (a) A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section. ~~The Town of Beech Mountain shall administer a tax levied under this act. A tax levied under this act is due and payable to the Town in monthly installments on or before the 15th day of the month following the month in which the tax accrues. Every person, firm, corporation, and association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the Town. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A return filed with the Town under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.~~

(b) ~~Any person, firm, corporation, or association who fails or refuses to file the return required by this act shall pay a penalty of ten dollars (\$10.00) for each day's omission.~~

~~In case of failure or refusal to file the return or pay the tax for a period of 30 days or more after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the total tax due, for each additional month or fraction thereof until the occupancy tax is paid.~~

~~Any person who willfully attempts in any manner to evade the occupancy tax levied under this act or to make a return and who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punished by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment not to exceed six months, or both. The Town Council may, for good cause shown, compromise or forgive the penalties imposed by this subsection.~~

(c) All persons, firms, corporations, and associations who rent either their own dwelling or dwellings or rooms for other persons are required to submit to the Town town a list of all rental properties. This list shall include the owner's name, current address, and location of rental property. The list shall be submitted semi-annually on or before November 30 and May 30.

Failure to file said this listing shall subject the person, firm, corporation or association to a civil penalty.

Sec. 3. Collection of Tax. (a) ~~Every operator of a business and every individual renting his or her own property subject to the tax levied pursuant to this act shall, on and~~

~~after the effective date of the levy of the tax, collect the three percent (3%) room occupancy tax.~~

~~This tax shall be collected as part of the charge for the furnishing of any taxable accommodations. 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 Town of Beech Mountain. It is the intent of this act that the room occupancy tax levied by the Town of Beech Mountain shall be added to the sales price and that the tax shall be passed on to the purchaser instead of being borne by the operator of the business. The Town shall design, print, and furnish to all appropriate businesses in the Town, the necessary forms for filing returns and instructions to ensure the full collection of the tax.~~

~~(b) Collection of the tax shall be the responsibility of the Beech Mountain Tax Administrator. In his/her discretion, the Tax Administrator may proceed against an operator whose occupancy tax is delinquent, employing all remedies for collection of tax as set out in G.S. 105-367, 105-368, 105-374, and 105-375. The Tax Administrator may audit occupancy tax reports as he/she deems necessary, utilizing information available to him/her in property tax matters.~~

~~Sec. 4. Discount for Payment of Taxes When Due. Every operator who pays the occupancy tax imposed by this Article shall be entitled to deduct from the amount of the tax for which he is liable and which he actually pays a discount of three percent (3%). Provided, however, the Tax Administrator may deny a taxpayer the benefits of this section for failure to pay the full tax when due as well as in cases of fraud, evasion, or failure to keep accurate and clear records as herein required. Provided, further, that in order to receive the discount the taxpayer must deduct the three percent (3%) at the time of making his monthly remittance of tax to the Town.~~

~~Sec. 5. Disposition of Taxes Collected. Distribution and Use of Tax Revenue. The Town of Beech Mountain shall retain from the gross proceeds of the tax collected an amount sufficient to pay its direct costs for administrative and collection expenses. "Net proceeds" shall mean gross proceeds less the direct costs for administrative and collection expenses not to exceed three percent (3%) of the amount collected. The net proceeds shall be distributed to the Town Council. The Town Council may expend the funds distributed to it pursuant to this section only to further the development of travel, tourism, conventions, and convention facilities in the Town. shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Beech Mountain Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Beech Mountain 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 town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.~~
- ~~(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, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.~~

~~Sec. 5.1. Beech Mountain Tourism Development Authority. (a) Appointment and Membership. – When the Beech Mountain Town Council adopts a resolution levying a~~

room occupancy tax under this act, it shall also adopt a resolution creating a town 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 must be individuals who are affiliated with businesses that collect the tax in the town, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the town. The town council shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

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

Sec. 5.2. Duties. The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in Section 5 of this act. The Authority shall promote travel, tourism, and conventions in the town, sponsor tourist-related events and activities in the town, and finance tourist-related capital projects in the town.

Sec. 5.3. Reports. The Authority shall report quarterly and at the close of the fiscal year to the Beech Mountain Town Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the town council may require.

~~Sec. 6. Repeal of Levy. The Beech Mountain Town Council may by resolution repeal the levy of the room occupancy tax in Beech Mountain, but no repeal of taxes levied under this part shall be effective until the end of the fiscal year in which the repeal resolution was adopted. No liability for any tax levied under this part that attached prior to the date on which a levy is repealed shall be discharged as a result of the repeal, and no right to a refund of a tax that accrued prior to the effective date on which a levy is repealed shall be denied as a result of the repeal.~~

Sec. 7. This act is effective upon ratification."

PART XVI. AVERY COUNTY.

SECTION 16.1. Chapter 472 of the 1993 Session Laws, as amended by Sections 4 and 5 of S.L. 1997-410, is repealed.

SECTION 16.2. Authorization and Scope. – (a) This section applies only to cities in Avery County that are not otherwise authorized to levy a room occupancy tax. The governing body of a city 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 city 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 16.2.(b) Administration. – A tax levied under this section must be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 16.2.(c) Distribution and Use of Tax Revenue. – The taxing city shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the taxing city's Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in the taxing city and shall use the remainder for tourism-related expenditures.

SECTION 16.2.(d) Definitions. – The following definitions apply in this section:

- (1) City. – Defined in G.S. 153A-1.
- (2) Net proceeds. – Gross proceeds less the cost to the city of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred

- thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (3) 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.
 - (4) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.

SECTION 16.3. Tourism Development Authority. – (a) Appointment and Membership. – When the city council of a taxing city adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a 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 must be individuals who are affiliated with businesses that collect the tax in the city, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the city. The city council shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to the members of the Authority.

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

SECTION 16.3.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in Section 16.2(c) of this act. The Authority shall promote travel, tourism, and conventions in the city, sponsor tourist-related events and activities in the city, and finance tourist-related capital projects in the city.

SECTION 16.3.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the taxing city's city council on its receipts and expenditures for the preceding quarter and for the year in such detail as the city council may require.

PART XVII. CABARRUS COUNTY.

SECTION 17.1. Section 1 of Chapter 658 of the 1989 Session Laws reads as rewritten:

"Section 1. Occupancy Tax Levy. (a) Authorization and Scope. = The Cabarrus County Board of Commissioners may ~~by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto,~~ levy a room occupancy tax of not less than three percent (3%) nor more than ~~five percent (5%)~~ six percent (6%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within the county that is subject to sales tax imposed by the State under ~~G.S. 105-164.4(3).~~ 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.

(b) Administration. – A tax levied under this act 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 act. ~~Collection. On and after the effective date of the levy of the tax, every operator of a business subject to the tax levied under this act shall collect the tax. This tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately on the sales records, and shall be paid by the purchaser to the operator of the business as trustee for and on account of the 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~~

~~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.~~

~~(c) Administration. The county shall administer a tax levied under this act. A tax levied under this act is due and payable to the Cabarrus County Finance Officer in monthly installments on or before the 15th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the county in the preceding month from rentals upon which the tax is levied.~~

~~A return filed with the county finance officer under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.~~

~~(d) Penalties. A person, firm, corporation, or association who fails or refuses to file the return required by this act shall pay a penalty of fifty dollars (\$50.00) for each day's omission. In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due for each additional month or fraction thereof until the tax is paid.~~

~~Any person who willfully attempts in any manner to evade a tax imposed under this act or who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both. The board of commissioners may, for good cause shown, compromise or forgive the penalties imposed by this subsection.~~

~~(e) Use and Disposition of Revenue. – Cabarrus County shall remit one hundred percent (100%) of the net proceeds of the occupancy tax to the Cabarrus County Tourism Authority established under Section 2 of this act. As used in this act, "net proceeds" means gross proceeds less the direct cost to the county of administering and collecting the tax, not to exceed five percent (5%) of the amount collected.~~

~~The Authority may expend occupancy tax revenue remitted to it by the county during a fiscal year, and any other revenue it receives, only to develop or promote tourism, tourist-related support services and facilities, tourist-related events, tourist-related activities, or tourist attractions. The Cabarrus County Finance Officer shall distribute the amounts due the Authority at least monthly.~~

~~(f) Effective Date of Levy. A tax levied under this act 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.~~

~~(g) Repeal. A tax levied under this act may be repealed by a resolution adopted by the Cabarrus County Board of Commissioners. Repeal of a tax levied under this act shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied under this act does not affect a liability for a tax that attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal."~~

PART XVIII. UNIFORM PROVISIONS.

SECTION 18.1. City administrative provisions. – G.S. 160A-215 reads as rewritten:

"§ 160A-215. Uniform provisions for room occupancy taxes.

(a) Scope. – This section applies only to municipalities the General Assembly has authorized to levy room occupancy taxes. For the purpose of this section, the term "city" means a municipality.

(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 city. 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 city shall design, print, and furnish to all appropriate businesses and persons in the city 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 city a discount equal to the discount the State allows the operator for State sales and use tax.

(d) Administration. – The taxing city shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the city finance officer in monthly installments on or before the fifteenth day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the fifteenth day of each month, prepare and render a return on a form prescribed by the taxing city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the city finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

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

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

(g) This section applies only to the Cities of Gastonia, Goldsboro, Greensboro, Kings Mountain, Lincolnton, Lumberton, Monroe, Mount Airy, Shelby, and Statesville, to the Towns of ~~Banner Elk~~, Carrboro, Mooresville, North Topsail Beach, Selma, Smithfield, St. Pauls, and Wilkesboro, and to the municipalities in Avery and Brunswick County.~~Counties.~~"

SECTION 18.2. County administrative provisions. – 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 which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the taxing county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the county finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

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

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

(g) This section applies only to Avery, Brunswick, Cabarrus, Craven, Currituck, Dare, Davie, Granville, Madison, Nash, Pender, Person, Randolph, Richmond, Rowan, Scotland, and Transylvania ~~Counties~~. Counties, and to the Township of Averagesboro in Harnett County."

PART XIX. EFFECTIVE DATE.

SECTION 19.1. Part XV of this act becomes effective the first day of the fourth month after this act becomes law. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4th day of October, 2001.

Beverly E. Perdue
President of the Senate

James B. Black
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____m. this _____ day of _____, 2001