

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 96  
Committee Substitute Favorable 6/3/11  
Senate Finance Committee Substitute Adopted 6/9/11

Short Title: Alleghany/Jackson/Grover OT.

(Local)

Sponsors:

Referred to:

February 16, 2011

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE ALLEGHANY AND JACKSON COUNTIES AND THE TOWN OF GROVER TO LEVY AN ADDITIONAL THREE PERCENT ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO MAKE OTHER ADMINISTRATIVE CHANGES.

The General Assembly of North Carolina enacts:

**PART I: ALLEGHANY COUNTY OCCUPANCY TAX**

**SECTION 1.** Chapter 162 of the 1991 Session Laws, as amended by S.L. 2004-106, reads as rewritten:

"**Section 1.** Occupancy tax. (a) Authorization and ~~scope~~. ~~Scope.~~ – The Alleghany County Board of Commissioners may levy a room occupancy tax of 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). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by a summer camp for minors, or by a nonprofit charitable, educational, or religious organization.

(a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Alleghany County Board of Commissioners may levy an additional room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. Alleghany County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

(b) Repealed.

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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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

(d) Repealed.

(e) ~~Distribution and use of tax revenue.~~ Use of Tax Revenue. – Except as otherwise provided in this act, Alleghany County shall, on a quarterly basis, remit one hundred percent (100%) of the net proceeds of the occupancy tax to the Alleghany County Chamber of Commerce. The chamber of commerce shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Alleghany County and shall use the remainder for tourism-related expenditures. The chamber of commerce shall report quarterly and at the close of the fiscal year to the Alleghany County Board of Commissioners on its



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

3 When the Alleghany County Board of Commissioners adopts a resolution levying a room  
4 occupancy tax under subsection (a1) of this section the resolution shall require that the county  
5 remit, on a quarterly basis, one hundred percent (100%) of the net proceeds of the occupancy  
6 tax levied under this act to the Alleghany Tourism Development Authority. The Authority shall  
7 use at least two-thirds of the funds remitted to it under this subsection to promote travel and  
8 tourism in Alleghany County and shall use the remainder for tourism-related expenditures.

9 The following definitions apply in this subsection:

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

25 (f) Repealed.

26 (g) Repealed.

27 **"Sec. 1.1.** Alleghany Tourism Development Authority. – (a) Appointment and Membership.  
28 – ~~When the annual net proceeds of the occupancy tax exceed one hundred thousand dollars~~  
29 ~~(\$100,000), the Alleghany Board of Commissioners~~ adopts a resolution levying a room  
30 occupancy tax under subsection (a1) of this section, it shall adopt a resolution creating a county  
31 Tourism Development Authority, which shall be a public authority under the Local  
32 Government Budget and Fiscal Control Act. The resolution shall provide for the membership of  
33 the Authority, including the members' terms of office, and for the filing of vacancies on the  
34 Authority. At least ~~one-third~~ one-third of the members must be individuals who are affiliated  
35 with businesses that collect the tax in the county, and at least ~~three-fourths~~ one-half of the  
36 members must be individuals who are currently active in the promotion of travel and tourism in  
37 the county. The board of commissioners shall designate one member of the Authority as chair  
38 and shall determine the compensation, if any, to be paid to the members of the Authority.

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

42 **"Sec. 1.2.** Duties. – If the board of commissioners establishes a Tourism Development  
43 Authority as provided in Section 1.1 of this act, then the Authority shall expend the net  
44 proceeds of the tax levied under this Act for the purposes provided in this Act. The Authority  
45 shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and  
46 activities in the county, and finance tourist-related capital projects in the county.

47 **"Sec. 1.3.** Reports. – If the board of commissioners establishes a Tourism Development  
48 Authority as provided in Section 1.1 of this act, then the Authority shall report quarterly and at  
49 the close of the fiscal year to the Alleghany County Board of Commissioners on its receipts and  
50 expenditures for the preceding quarter and for the year in such detail as the board may require.

51 **"Sec. 2.** This act is effective upon ratification."

**PART II: JACKSON COUNTY OCCUPANCY TAX**

**SECTION 2.1.** Chapter 969 of the 1985 Session Laws, as amended by Chapters 118 and 195 of the 1987 Session Laws and Section 21(k) of S.L. 2007-527, and only as it applies to Jackson County, is rewritten and recodified as Part II of this act. Part II of this act does not affect the rights or liabilities of the county, a taxpayer, or another person arising under the law rewritten and recodified by this Part before the effective date of this Part, nor does it affect the right to any refund or credit of a tax that accrued under the law rewritten and recodified by this Part before the effective date of this Part.

**SECTION 2.2.** Occupancy tax. – (a) Authorization and Scope. – The Jackson County Board of Commissioners may levy a room occupancy tax of 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). 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.

(a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Jackson County Board of Commissioners may levy an additional room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. Jackson County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

**SECTION 2.2.(b)** Administration. – A tax levied under this Part 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 Part.

**SECTION 2.2.(c)** Definitions. – The following definitions apply in this Part:

- (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 proceeds 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 Jackson County Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

**SECTION 2.2.(d)** Distribution and Use of Tax Revenue. – Jackson County shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part to the Jackson County 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 Jackson County and shall use the remainder for tourism-related expenditures.

**SECTION 2.3.** Tourism Development Authority. – (a) Appointment and Membership. – When the Jackson County Board of Commissioners adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Jackson

1 County Tourism Development Authority, which shall be a public authority under the Local  
2 Government Budget and Fiscal Control Act. The resolution adopted by the Board of  
3 Commissioners shall provide for the membership of the Authority, including the members'  
4 terms of office, and for the filling of vacancies on the Authority. At least one-third of the  
5 members shall be individuals who are affiliated with businesses that collect the tax in the  
6 county, and at least one-half of the members shall be individuals who are currently active in the  
7 promotion of travel and tourism in the county. The Board of Commissioners shall designate  
8 one member of the Authority as chair and shall determine the compensation, if any, to be paid  
9 to members of the Authority.

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

13 **SECTION 2.3.(b) Duties.** – The Authority shall expend the net proceeds of the tax  
14 levied under this Part for the purposes provided in Section 2.2 of this Part. The Authority shall  
15 promote travel, tourism, and conventions in the county, sponsor tourist-related events and  
16 activities in the county, and finance tourist-related capital projects in the county.

17 **SECTION 2.3.(c) Reports.** – The Authority shall report quarterly and at the close  
18 of the fiscal year to the Jackson County Board of Commissioners on its receipts and  
19 expenditures for the preceding quarter and for the year in such detail as the Board of  
20 Commissioners may require.

21 **SECTION 2.4.** Section 3 of Chapter 969 of the 1985 Session Laws reads as  
22 rewritten:

23 "Sec. 3. This act applies only to the following counties: Graham, Clay, ~~Jackson~~, Durham,  
24 Macon, Polk, and Transylvania."

25 **SECTION 2.5.** Section 3 of Chapter 118 of the 1987 Session Laws reads as  
26 rewritten:

27 "Sec. 3. This act applies only to the following counties: Clay, Graham, ~~Jackson~~, and  
28 Macon."

29 **SECTION 2.6.** Section 2 of Chapter 195 of the 1987 Session Laws reads as  
30 rewritten:

31 "Sec. 2. This act applies only to the following counties: Clay, Graham, ~~Jackson~~, and  
32 Macon."

### 33 **PART III: TOWN OF GROVER**

34 **SECTION 3.1.** Occupancy tax. – (a) Authorization and Scope. – The Grover Town  
35 Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts  
36 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,  
37 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the  
38 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax  
39 does not apply to accommodations furnished by nonprofit charitable, educational, or religious  
40 organizations when furnished in furtherance of their nonprofit purpose.

41 **SECTION 3.1.(b) Administration.** – A tax levied under this section shall be levied,  
42 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
43 G.S. 160A-215 apply to a tax levied under this section.

44 **SECTION 3.1.(c) Definitions.** – The following definitions apply in this act:

- 45 (1) Net proceeds. – Gross proceeds less the cost to the town of administering  
46 and collecting the tax, as determined by the finance officer, not to exceed  
47 three percent (3%) of the first five hundred thousand dollars (\$500,000) of  
48 gross proceeds collected each year and one percent (1%) of the remaining  
49 gross proceeds collected each year.  
50

- 1 (2) Promote travel and tourism. – To advertise or market an area or activity,  
2 publish and distribute pamphlets and other materials, conduct market  
3 research, or engage in similar promotional activities that attract tourists or  
4 business travelers to the area. The term includes administrative expenses  
5 incurred in engaging in the listed activities.
- 6 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
7 Grover Tourism Development Authority, are designed to increase the use of  
8 lodging facilities, meeting facilities, or convention facilities in the town or to  
9 attract tourists or business travelers to the town. The term includes  
10 tourism-related capital expenditures.

11 **SECTION 3.1.(d)** Distribution and Use of Tax Revenue. – The Town of Grover  
12 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Grover Tourism  
13 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
14 under this subsection to promote travel and tourism in the Town of Grover and shall use the  
15 remainder for tourism-related expenditures.

16 **SECTION 3.2.** Tourism Development Authority. – (a) Appointment and  
17 Membership. – When the Town Council adopts a resolution levying a room occupancy tax  
18 under this act, it shall also adopt a resolution creating the Grover Tourism Development  
19 Authority, which shall be a public authority under the Local Government Budget and Fiscal  
20 Control Act. The resolution shall provide for the membership of the Authority, including the  
21 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of  
22 the members shall be individuals who are affiliated with businesses that collect the tax in the  
23 town, and at least one-half of the members shall be individuals who are currently active in the  
24 promotion of travel and tourism in the town. The Grover Town Council shall designate one  
25 member of the Authority as chair and shall determine the compensation, if any, to be paid to  
26 members of the Authority.

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

30 **SECTION 3.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
31 levied under this act for the purposes provided in Section 3.1(d) of this act. The Authority shall  
32 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
33 activities in the town, and finance tourist-related capital projects in the town.

34 **SECTION 3.2.(c)** Reports. – The Authority shall report quarterly and at the close  
35 of the fiscal year to the Grover Town Council on its receipts and expenditures for the preceding  
36 quarter and for the year in such detail as the Town Council may require.

#### 37 38 **PART IV: ADMINISTRATION AND EFFECTIVE DATE**

39 **SECTION 4.** G.S. 153A-155(g) reads as rewritten:

40 "(g) Applicability. – Subsection (c) of this section applies to all counties and county  
41 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of  
42 a local act, subsection (c) supersedes that provision. The remainder of this section applies only  
43 to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,  
44 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,  
45 Durham, Forsyth, Franklin, Granville, Halifax, Haywood, Jackson, Madison, Martin,  
46 McDowell, Montgomery, Nash, New Hanover, New Hanover County District U, Northampton,  
47 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan,  
48 Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and Wilson  
49 Counties, to Surry County District S, to Watauga County District U, to Wilkes County District  
50 K, to Yadkin County District Y, and to the Township of Averagesboro in Harnett County and the  
51 Ocracoke Township Taxing District."

1           **SECTION 5.** G.S. 160A-215(g) reads as rewritten:

2           "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an  
3 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act,  
4 subsection (c) supersedes that provision. The remainder of this section applies only to Beech  
5 Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia,  
6 Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lenoir,  
7 Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville,  
8 Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to the Towns of  
9 Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone,  
10 Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Franklin,  
11 Grover, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mocksville, Mooresville,  
12 Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Selma, Smithfield, St.  
13 Pauls, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and  
14 Yanceyville, and to the municipalities in Avery and Brunswick Counties."

15           **SECTION 6.** This act is effective when it becomes law.