

GENERAL ASSEMBLY OF NORTH CAROLINA  
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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 TOWNS OF GROVER AND SWANSBORO 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(b) Repealed.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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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(d) Repealed.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



1 and at the close of the fiscal year to the Alleghany County Board of Commissioners on its  
2 receipts and expenditures for the preceding quarter and for the year in such detail as the board  
3 may require.

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

10 The following definitions apply in this subsection:

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

26 (f) Repealed.

27 (g) Repealed.

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

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

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

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

1 "Sec. 2. This act is effective upon ratification."  
2

3 **PART II: JACKSON COUNTY OCCUPANCY TAX**

4 **SECTION 2.1.** Chapter 969 of the 1985 Session Laws, as amended by Chapters  
5 118 and 195 of the 1987 Session Laws and Section 21(k) of S.L. 2007-527, and only as it  
6 applies to Jackson County, is rewritten and recodified as Part II of this act. Part II of this act  
7 does not affect the rights or liabilities of the county, a taxpayer, or another person arising under  
8 the law rewritten and recodified by this Part before the effective date of this Part, nor does it  
9 affect the right to any refund or credit of a tax that accrued under the law rewritten and  
10 recodified by this Part before the effective date of this Part.

11 **SECTION 2.2.** Occupancy tax. – (a) Authorization and Scope. – The Jackson  
12 County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the  
13 gross receipts derived from the rental of any room, lodging, or accommodation furnished by a  
14 hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax  
15 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local  
16 sales tax. This tax does not apply to accommodations furnished by nonprofit charitable,  
17 educational, or religious organizations when furnished in furtherance of their nonprofit  
18 purpose.

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

26 **SECTION 2.2.(b)** Administration. – A tax levied under this Part shall be levied,  
27 administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in  
28 G.S. 153A-155 apply to a tax levied under this Part.

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

- 30 (1) Net proceeds. – Gross proceeds less the cost to the county of administering  
31 and collecting the tax, as determined by the finance officer, not to exceed  
32 three percent (3%) of the first five hundred thousand dollars (\$500,000) of  
33 gross proceeds collected each year and one percent (1%) of the remaining  
34 gross proceeds collected each year.
- 35 (2) Promote travel and tourism. – To advertise or market an area or activity,  
36 publish and distribute pamphlets and other materials, conduct market  
37 research, or engage in similar promotional activities that attract tourists or  
38 business travelers to the area. The term includes administrative expenses  
39 incurred in engaging in the listed activities.
- 40 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
41 Jackson County Tourism Development Authority, are designed to increase  
42 the use of lodging facilities, meeting facilities, or convention facilities in the  
43 county or to attract tourists or business travelers to the county. The term  
44 includes tourism-related capital expenditures.

45 **SECTION 2.2.(d)** Distribution and Use of Tax Revenue. – Jackson County shall,  
46 on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part to the  
47 Jackson County Tourism Development Authority. The Authority shall use at least two-thirds  
48 of the funds remitted to it under this subsection to promote travel and tourism in Jackson  
49 County and shall use the remainder for tourism-related expenditures.

50 **SECTION 2.3.** Tourism Development Authority. – (a) Appointment and  
51 Membership. – When the Jackson County Board of Commissioners adopts a resolution levying

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

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

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

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

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

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

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

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

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

32 "Sec. 2. This act applies only to the following counties: Clay, Graham, ~~Jackson~~, and  
33 Macon."  
34

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

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

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

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

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

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: TOWN OF SWANSBORO**

39 **SECTION 4.1.** Occupancy tax. – (a) Authorization and Scope. – The Swansboro  
40 Board of Commissioners may levy a room occupancy tax of up to three percent (3%) of the  
41 gross receipts derived from the rental of any room, lodging, or accommodation furnished by a  
42 hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax  
43 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local  
44 sales tax. This tax does not apply to accommodations furnished by nonprofit charitable,  
45 educational, or religious organizations when furnished in furtherance of their nonprofit  
46 purpose.

47 **SECTION 4.1.(b)** Administration. – A tax levied under this section shall be levied,  
48 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
49 G.S. 160A-215 apply to a tax levied under this section.

50 **SECTION 4.1.(c)** Definitions. – The following definitions apply in this act:

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

16 **SECTION 4.1.(d)** Distribution and Use of Tax Revenue. – The Town of  
17 Swansboro shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the  
18 Swansboro Tourism Development Authority. The Authority shall use at least two-thirds of the  
19 funds remitted to it under this subsection to promote travel and tourism in the Town of  
20 Swansboro and shall use the remainder for tourism-related expenditures.

21 **SECTION 4.2.** Tourism Development Authority. – (a) Appointment and  
22 Membership. – When the Board of Commissioners adopts a resolution levying a room  
23 occupancy tax under this act, it shall also adopt a resolution creating the Swansboro Tourism  
24 Development Authority, which shall be a public authority under the Local Government Budget  
25 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,  
26 including the members' terms of office, and for the filling of vacancies on the Authority. At  
27 least one-third of the members shall be individuals who are affiliated with businesses that  
28 collect the tax in the town, and at least one-half of the members shall be individuals who are  
29 currently active in the promotion of travel and tourism in the town. The Swansboro Board of  
30 Commissioners shall designate one member of the Authority as chair and shall determine the  
31 compensation, if any, to be paid to members of the Authority.

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

35 **SECTION 4.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
36 levied under this act for the purposes provided in Section 3.1 of this act. The Authority shall  
37 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
38 activities in the town, and finance tourist-related capital projects in the town.

39 **SECTION 4.2.(c)** Reports. – The Authority shall report quarterly and at the close  
40 of the fiscal year to the Swansboro Board of Commissioners on its receipts and expenditures  
41 for the preceding quarter and for the year in such detail as the Swansboro Board of  
42 Commissioners may require.

#### 43 44 **PART IV: ADMINISTRATION AND EFFECTIVE DATE**

45 **SECTION 5.** G.S. 153A-155(g) reads as rewritten:

46 "(g) Applicability. – Subsection (c) of this section applies to all counties and county  
47 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of  
48 a local act, subsection (c) supersedes that provision. The remainder of this section applies only  
49 to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,  
50 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,  
51 Durham, Forsyth, Franklin, Granville, Halifax, Haywood, Jackson, Madison, Martin,

1 McDowell, Montgomery, Nash, New Hanover, New Hanover County District U, Northampton,  
2 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan,  
3 Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and Wilson  
4 Counties, to Surry County District S, to Watauga County District U, to Wilkes County District  
5 K, to Yadkin County District Y, and to the Township of Averagesboro in Harnett County and the  
6 Ocracoke Township Taxing District."

7 **SECTION 6.** G.S. 160A-215(g) reads as rewritten:

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

21 **SECTION 7.** This act is effective when it becomes law.