

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 444
Committee Substitute Favorable 6/14/17

Short Title: Rowan County Occupancy Tax Changes.

(Local)

Sponsors:

Referred to:

March 23, 2017

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE ROWAN COUNTY TO LEVY AN ADDITIONAL THREE PERCENT OCCUPANCY TAX, TO MAKE ADMINISTRATIVE CHANGES TO ROWAN COUNTY'S EXISTING OCCUPANCY TAX LEGISLATION, AND TO REPEAL THE CITY OF SALISBURY'S AUTHORITY TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Part II of S.L. 2009-428 is repealed.

SECTION 2. Sections 1 and 1.1 of Chapter 379 of the 1987 Session Laws, as amended by Chapter 882 of the 1991 Session Laws and by Part VIII of S.L. 2001-439, read as rewritten:

"Section 1. Occupancy tax. (a) Authorization and scope. – The Rowan 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 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(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.~~

(a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Rowan 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. Rowan 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(b) Repealed.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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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(d) Repealed.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. – ~~Rowan County shall apply the net proceeds of the occupancy tax to the purposes provided in this subsection. The county shall, on a monthly basis, on a quarterly basis, remit the net proceeds of the occupancy tax to the Rowan County Tourism Development Authority. The 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 Authority may not spend any of the~~



1 funds for construction, improvement, or maintenance of real property or for any other capital
2 project. ~~The Authority shall report at the close of the fiscal year to the board of commissioners~~
3 ~~on its receipts and expenditures for the year in such detail as the board may require.~~

4 ~~As used in this subsection, 'net proceeds' means gross proceeds less the cost to the county of~~
5 ~~administering and collecting the tax, as determined by the finance officer.~~ use at least two-thirds
6 of the funds remitted to it under this subsection to promote travel and tourism in Rowan County
7 and shall use the remainder for tourism-related expenditures.

8 The following definition apply in this subsection:

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

24 (f) Repealed.

25 (g) Repealed.

26 "Section 1.1. ~~Establishment, Appointment, and Duties of Rowan County Tourism~~
27 ~~Authority.~~ (a) Appointment and Membership. – When the Rowan County Board of
28 Commissioners adopts a resolution levying a room occupancy tax under this act, it shall also
29 ~~The board of commissioners shall adopt a resolution establishing and creating the Rowan~~
30 ~~County Tourism Development Authority, which shall be a public authority under the Local~~
31 ~~Government Budget and Fiscal Control Act and shall be composed of the following 11~~
32 ~~members appointed by the board of commissioners:~~ members:

- 33 (1) A county commissioner or his or her designee.
- 34 (2) A member of the Salisbury City Council or his or her designee.
- 35 (3) ~~Two~~ Four owners, operators, or representatives of hotels, motels, or other
36 taxable tourist accommodations. Two shall be appointed by the Rowan
37 County Board of Commissioners and two shall be appointed by the
38 Salisbury City Council.
- 39 (4) Two individuals to represent all bona fide Rowan County sites and
40 attractions, to be selected from those sites and attractions. One individual
41 shall be appointed by the Rowan County Board of Commissioners and one
42 individual shall be appointed by the Salisbury City Council.
- 43 (5) One individual to represent the Rowan County Chamber of Commerce,
44 either the chair of the board or the chair's ~~designee.~~ designee, assigned for
45 appointment by the Rowan County Board of Commissioners.
- 46 (6) ~~Four~~ Two individuals who have an interest in tourism development and do
47 not own or operate hotels, motels, or other taxable tourist accommodations.
48 One individual shall be appointed by the Rowan County Board of
49 Commissioners and one individual shall be appointed by the Salisbury City
50 Council.

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

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

9 (b) Duties. – The Authority shall expend the net proceeds of the tax levied under this
10 act for the purposes provided in this act. The Authority shall promote travel, tourism, and
11 conventions in the county, sponsor tourist-related events and activities in the county, and
12 finance tourist-related capital projects in the county. In addition to any other powers and duties
13 of the Authority otherwise conferred by law, the Authority may contract with any person, firm,
14 or agency to advise and assist it in the promotion of travel and tourism and to carry out the
15 purposes identified in Section 1 of this act. The Authority may accept contributions from any
16 source to be used for the purposes stated in Section 1 of this act.

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

20 **SECTION 3.** This act is effective when it becomes law.