

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 805

Short Title: Polk, Saluda, Tryon Occupancy Tax. (Local)

Sponsors: Senator Hise (Primary Sponsor).

Referred to: Rules and Operations of the Senate

June 6, 2018

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE MODIFICATIONS TO THE ROOM OCCUPANCY TAX AUTHORITY
3 FOR POLK COUNTY AND THE TOWNS OF SALUDA AND TRYON.

4 The General Assembly of North Carolina enacts:

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6 **REPEAL OF SALUDA DISTRICT D OCCUPANCY TAX**

7 SECTION 1. S.L. 2017-202 is repealed.

8
9 **REPEAL OF TRYON OCCUPANCY TAX**

10 SECTION 2.(a) S.L. 2006-148 is repealed.

11 SECTION 2.(b) Any unencumbered occupancy tax funds at the time of repeal must
12 be expended in accordance with Section 1.1(c) of S.L. 2006-148 for the benefit of the Town of
13 Tryon. Once all funds have been expended, the Town of Tryon is directed to dissolve the Tryon
14 Tourism Development Authority.

15
16 **REPEAL OF POLK COUNTY OCCUPANCY TAX**

17 SECTION 3.(a) Section 3 of Chapter 969 of the 1985 Session Laws, as amended by
18 Section 11 of S.L. 2001-480, Section 2.4 of S.L. 2011-170, and Section 4 of S.L. 2015-128, reads
19 as rewritten:

20 "Sec. 3. This act applies only to the following counties: Clay, Macon, ~~Polk,~~ and
21 Transylvania."

22 SECTION 3.(b) Any unencumbered occupancy tax funds at the time of repeal must
23 be expended in accordance with Section 1 of Chapter 969 of the 1985 Session Laws for the
24 benefit of Polk County.

25
26 **CREATION OF POLK COUNTY DISTRICT P OCCUPANCY TAX**

27 SECTION 4.(a) Polk County District P Created. – Polk County District P is created
28 as a taxing district. Its jurisdiction consists of the unincorporated areas of Polk County, the part
29 of Saluda located in Polk County, and the municipal limits of the Town of Tryon. Polk County
30 District P is a body politic and corporate and has the power to carry out the provisions of this act.
31 The Polk County Board of Commissioners shall serve ex officio as the governing body of the
32 district, and the officers of the county shall serve as the officers of the governing body of the
33 district. A simple majority of the governing body constitutes a quorum, and approval by a
34 majority of those present is sufficient to determine any matter before the governing body, if a
35 quorum is present.



1 **SECTION 4.(b)** Authorization and Scope. – The governing body of Polk County
2 District P may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived
3 from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist
4 camp, or similar place within the district that is subject to sales tax imposed by the State under
5 G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

6 **SECTION 4.(c)** Administration. – A tax levied under this act shall be levied,
7 administered, collected, and repealed as provided in G.S. 153A-155 as if Polk County District P
8 were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.

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

14 The following definitions apply in this subsection:

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

30 **SECTION 5.** Polk County District P Tourism Development Authority. – (a)
31 Appointment. – The Polk County Board of Commissioners shall adopt a resolution creating the
32 Polk County District P Tourism Development Authority, which shall be a public authority under
33 the Local Government Budget and Fiscal Control Act. The resolution shall provide for the
34 membership of the Authority as set out in this section and for the filling of vacancies on the
35 Authority. The board of commissioners shall designate one member of the Authority as chair and
36 shall determine the compensation, if any, to be paid to members of the Authority. The Authority
37 shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The
38 Finance Officer for Polk County shall be the ex officio finance officer of the Authority.

39 **SECTION 5.(b)** Membership. – The Authority shall consist of six members as
40 provided in this subsection. At least one-third of the members must be individuals who are
41 affiliated with businesses that collect the tax in the district, and at least one-half of the members
42 must be individuals who are currently active in the promotion of travel and tourism in the district.
43 Three members shall be appointed by the Polk County Board of Commissioners; one member
44 shall be appointed by the Tryon Town Board of Commissioners; one member shall be appointed
45 by the Saluda City Board of Commissioners; and one member, who shall be the Executive
46 Director of the Authority, shall be an ex officio, nonvoting member. Members shall serve
47 three-year terms, except for the initial terms, which are as follows:

- 48 (1) For two of the members appointed by the Polk County Board of
49 Commissioners, the initial term shall be three years. For the remaining
50 member appointed by the Polk County Board of Commissioners, the initial
51 term shall be one year.

1 (2) For the member appointed by the Tryon Town Board of Commissioners, the
2 initial term shall be two years.

3 (3) For the member appointed by the Saluda City Board of Commissioners, the
4 initial term shall be two years.

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

9 **SECTION 5.(d) Reports.** – The Authority shall report quarterly and at the close of
10 the fiscal year to the Polk County Board of Commissioners on its receipts and expenditures for
11 the preceding quarter and for the year in such detail as the board may require.

12 **SECTION 6.** G.S. 153A-155(g) reads as rewritten:

13 "(g) Applicability. – Subsection (c) of this section applies to all counties and county
14 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of
15 a local act, subsection (c) supersedes that provision. The remainder of this section applies only
16 to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,
17 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,
18 Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson,
19 Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton,
20 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan,
21 Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington,
22 Wayne, and Wilson Counties, to Harnett County District H, New Hanover County District U,
23 Polk County District P, Surry County District S, Watauga County District U, Wilkes County
24 District K, Yadkin County District Y, and the Township of Averagesboro in Harnett County and
25 the Ocracoke Township Taxing District."
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27 **EFFECTIVE DATE**

28 **SECTION 7.** Sections 2 and 3 of this act become effective on the date that a room
29 occupancy tax is levied under Section 4 of this act, which must be the first day of a calendar
30 month and may not be earlier than the first day of the second month after the date the resolution
31 is adopted. The remainder of this act is effective when it becomes law.