

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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**HOUSE BILL 1075
Committee Substitute Favorable 6/14/22**

Short Title: Bryson City/Swain County Occupancy Tax. (Local)

Sponsors:

Referred to:

May 27, 2022

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE TOWN OF BRYSON CITY TO LEVY A ROOM
3 OCCUPANCY TAX AND TO MERGE THE SWAIN COUNTY AND BRYSON CITY
4 TOURISM DEVELOPMENT AUTHORITIES INTO ONE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Bryson City
7 Board of Aldermen may levy a room occupancy tax of up to two percent (2%) of the gross
8 receipts derived from the rental of an accommodation within the town that is subject to sales tax
9 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local
10 sales tax.

11 **SECTION 1.(b)** Administration. – A tax levied under this section shall be levied,
12 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
13 G.S. 160A-215 apply to a tax levied under this section.

14 **SECTION 1.(c)** Distribution and Use of Tax Revenue. – The Town of Bryson City
15 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Bryson City/Swain
16 County Tourism Development Authority. The Authority shall use the net proceeds of the
17 occupancy tax in accordance with Section 1(e) of Chapter 923 of the 1985 Session Laws, as
18 amended by Section 1 of S.L. 2007-23 and by Section 3 of this act. The term "net proceeds"
19 means the gross proceeds less the cost to the town of administering and collecting the tax, as
20 determined by the finance officer, not to exceed three percent (3%) of the first five hundred
21 thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the
22 remaining gross proceeds collected each year.

23 **SECTION 1.(d)** Joint County-City Tourism Development Authority. – Appointment
24 and Membership. – When the board of aldermen adopts a resolution levying a room occupancy
25 tax under this section, it shall notify Swain County and the Swain County Tourism Development
26 Authority of the levy. The board of aldermen shall also adopt a resolution appointing members
27 to the Bryson City/Swain County Tourism Development Authority upon its creation pursuant to
28 Section 2 of Chapter 923 of the 1985 Session Laws, as amended by Section 1 of S.L. 2007-23
29 and by Section 4 of this act.

30 **SECTION 1.(e)** Duties. – The Authority shall expend the net proceeds of the tax
31 levied under this section for the purposes provided in subsection (c) of this section. With respect
32 to the funds in the Bryson City Proceeds Account, the Authority shall promote travel, tourism,
33 and conventions in the town, sponsor tourist-related events and activities in the town, and finance
34 tourist-related capital projects in the town.

35 **SECTION 1.(f)** Reports. – The Authority shall report quarterly and at the close of
36 the fiscal year to the Bryson City Board of Aldermen on its receipts and expenditures for the



1 preceding quarter and for the year in such detail as the Bryson City Board of Aldermen may
2 require.

3 **SECTION 2.** G.S. 160A-215(g) reads as rewritten:

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

18 **SECTION 3.** Section 1(e) of Chapter 923 of the 1985 Session Laws, as amended by
19 Section 1 of S.L. 2007-23, reads as rewritten:

20 "(e) Distribution and Use of Tax Revenue. – Swain County shall, on a quarterly basis,
21 remit the net proceeds of the occupancy tax to the ~~Swain~~Bryson City/Swain County Tourism
22 Development Authority. The Authority shall ~~use at least two-thirds of the funds remitted to it~~
23 ~~under this subsection to promote travel and tourism in Swain County and shall use the remainder~~
24 ~~for tourism-related expenditures.~~segregate the occupancy tax funds it receives from Swain
25 County and Bryson City into two separate accounts. The net proceeds of the occupancy tax levied
26 by Swain County shall be credited to a Swain County Proceeds Account, and the net proceeds of
27 the occupancy tax levied by Bryson City shall be credited to a Bryson City Proceeds Account.
28 The Authority shall use at least two-thirds of the funds in the Swain County Proceeds Account
29 to promote travel and tourism in Swain County and shall use the remainder for tourism-related
30 expenditures. The Authority shall use at least two-thirds of the funds in the Bryson City Proceeds
31 Account to promote travel and tourism in Bryson City and shall use the remainder for
32 tourism-related expenditures.

33 The following definitions apply in this subsection:

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

50 **SECTION 4.** Section 2 of Chapter 923 of the 1985 Session Laws, as amended by
51 Section 1 of S.L. 2007-23, reads as rewritten:

1 "**Sec. 2. Joint County-City Tourism Development Authority.** – (a) Appointment and
2 Membership. – ~~When the board of commissioners~~ Bryson City Board of Aldermen adopts a
3 resolution levying a room occupancy tax ~~under this act, it shall also adopt a resolution creating a~~
4 ~~county Tourism Development Authority, tax,~~ then as soon as practicable, upon receipt of
5 notification of the resolution from the Bryson City Board of Aldermen, the Swain County Board
6 of Commissioners shall adopt a resolution converting the Swain County Tourism Development
7 Authority to the Bryson City/Swain County Tourism Development Authority, which shall be a
8 public authority under the Local Government Budget and Fiscal Control Act. The county shall,
9 upon its creation, transfer to the Bryson City/Swain County Tourism Development Authority all
10 of the assets of the Swain County Tourism Development Authority. The resolution shall provide
11 for the membership of the Authority, including the members' terms of office, and for the filling
12 of vacancies on the Authority. The Bryson City/Swain County Authority shall consist of the
13 following nine members:

- 14 (1) Two members appointed by the Swain County Board of Commissioners, one
15 of whom must be an individual affiliated with a business that collects taxes in
16 the county and another who must be an individual currently active in the
17 promotion of travel and tourism in the county.
- 18 (2) Two members appointed by the Bryson City Board of Aldermen, one of whom
19 must be an individual affiliated with a business that collects taxes in Bryson
20 City and another who must be an individual currently active in the promotion
21 of travel and tourism in Bryson City.
- 22 (3) The director of the Swain County Chamber of Commerce shall be a member
23 of the Authority.
- 24 (4) Two nonvoting advisory members appointed by the Swain County Board of
25 Commissioners.
- 26 (5) Two nonvoting advisory members appointed by the Bryson City Board of
27 Aldermen.

28 ~~At least one third of the members shall be individuals who are affiliated with businesses that~~
29 ~~collect the tax in the county, and at least one half of the members shall be individuals who are~~
30 ~~currently active in the promotion of travel and tourism in the county.~~ The chair of the Authority
31 shall be elected by the members of the Authority. ~~The board of commissioners shall designate~~
32 ~~one member of the Authority as chair and~~ Swain County Board of Commissioners and the Bryson
33 City Board of Aldermen shall determine the compensation, if any, to be paid to members of the
34 Authority.

35 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern
36 its meetings. The finance officer of Swain County shall be the ex officio finance officer of the
37 Authority.

38 (b) Duties. – The Authority shall expend the net proceeds of the tax levied under this act
39 for the purposes provided in Section 1 of this act. ~~The~~ With respect to the funds in the Swain
40 County Proceeds Account, the Authority shall promote travel, tourism, and conventions in Swain
41 County, sponsor tourist-related events and activities in the county, and finance tourist-related
42 capital projects in the county.

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

46 **SECTION 5.** Sections 3 and 4 of this act become effective upon the notification by
47 the Bryson City Board of Aldermen to Swain County and the Swain County Tourism
48 Development Authority of the levy of the tax authorized in Section 1 of this act and expire upon
49 repeal of the tax authorized in Section 1 of this act. The remainder of this act is effective when it
50 becomes law.