

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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HOUSE BILL 350

Short Title: Warren County Occupancy Tax. (Local)

Sponsors: Representatives Garrison and Willingham (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Local Government, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

March 23, 2021

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE WARREN COUNTY TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Occupancy tax. – (a) Authorization and Scope. – The Warren County Board of Commissioners may levy a room occupancy tax of five percent (5%) 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.

SECTION 1.(b) Administration. – A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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 1.(c) Definitions. – The following definitions apply in this act:

- (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 Warren 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 1.(d) Distribution and Use of Tax Revenue. – Warren County shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this act to the Warren 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 Warren County and shall use the remainder for tourism-related expenditures.



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

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

15 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
16 levied under Section 2 of this act for the purposes provided in this act. The Authority shall
17 promote travel, tourism, and conventions in the county, sponsor tourist-related events and
18 activities in the county, and finance tourist-related capital projects in the county.

19 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the close of
20 the fiscal year to the Warren County Board of Commissioners on its receipts and expenditures
21 for the preceding quarter and for the year in such detail as the Board of Commissioners may
22 require.

23 **SECTION 3.** G.S. 153A-155(g) reads as rewritten:

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

37 **SECTION 4.** This act is effective when it becomes law.