

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 412

Short Title: Haywood County/Bryson City Occupancy Taxes. (Local)

Sponsors: Representatives Pless and Clampitt (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 29, 2021

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE OCCUPANCY TAX RATE AUTHORIZED FOR HAYWOOD COUNTY AND TO AUTHORIZE THE TOWN OF BRYSON CITY TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part V of Chapter 908 of the 1983 Session Laws, as amended by Chapter 942 of the 1985 Session Laws (Regular Session 1986), Chapter 48 of the 1987 Session Laws, Chapter 540 of the 1995 Session Laws, and Sections 1 and 2 of S.L. 2007-337, reads as rewritten:

"Part V. Haywood Occupancy Tax.

"Sec. 10. Occupancy Tax. (a) Authorization and Scope. – The Haywood County Board of Commissioners may levy a room occupancy and tourism development tax of two percent (2%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by any hotel, motel, inn, tourist camp, or other 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, benevolent, or religious organizations.~~

"Sec. 10.1. First Additional One Percent (1%) Occupancy Tax. – In addition to the tax authorized by Section 10 of this Part, the Haywood County Board of Commissioners may levy a room occupancy and tourism development tax of one percent (1%) of the gross receipts derived from the rental of accommodations taxable under that section. The levy, collection, administration, and repeal of the tax authorized by this section, and the use of tax revenue from a tax levied under this section, shall be in accordance with this Part. Haywood County may not levy a tax under this section unless it also levies a tax under Section 10 of this Part.

"Sec. 10.2. Second Additional One Percent (1%) Occupancy Tax. – In addition to the tax authorized by Sections 10 and 10.1 of this Part, the Haywood County Board of Commissioners may levy a room occupancy and tourism development tax of one percent (1%) of the gross receipts derived from the rental of accommodations taxable under Sections 10 and 10.1 of this Part. The levy, collection, administration, and repeal of the tax authorized by this section and the use of tax revenue from a tax levied under this section shall be in accordance with this Part. Haywood County may not levy a tax under this section unless it also levies the tax authorized under Sections 10 and 10.1 of this Part.

"Sec. 10.3. First Additional Two Percent Occupancy Tax. – In addition to the tax authorized by Sections 10, 10.1, and 10.2 of this Part, the Haywood County Board of Commissioners may



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1 levy a room occupancy and tourism development tax of two percent (2%) of the gross receipts  
2 derived from the rental of accommodations taxable under Sections 10, 10.1, and 10.2 of this Part.  
3 The levy, collection, administration, and repeal of the tax authorized by this section and the use  
4 of tax revenue from a tax levied under this section shall be in accordance with this Part. Haywood  
5 County may not levy a tax under this section unless it also levies the tax authorized under  
6 Sections 10, 10.1, and 10.2 of this Part.

7 "Sec. 12. Administration. – A tax levied under this Part shall be levied, administered,  
8 collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155  
9 apply to a tax levied under this Part.

10 "Sec. 14. Distribution and Use of the First Three Percent Occupancy Tax. – Haywood County  
11 shall, on a monthly basis, remit the net proceeds of the room occupancy and tourism development  
12 tax levied under Sections 10 and 10.1 of this Part to the Haywood County Tourism Development  
13 Authority. The Authority shall use at least two-thirds of the funds remitted to it under this ~~Part~~  
14 section to promote travel and tourism in the county and shall use the remainder for  
15 tourism-related expenditures.

16 "Sec. 14.1. Distribution and Use of the Additional One Percent Occupancy Tax. – Haywood  
17 County shall, on a monthly basis, remit the net proceeds of the room occupancy and tourism  
18 development tax levied under Section 10.2 of this Part to the Haywood County Tourism  
19 Development Authority. The Authority must segregate the net proceeds received under this  
20 section into five separate accounts based on the collection area from which the proceeds were  
21 collected. Net proceeds collected under this section from accommodations located in the 28716  
22 zip code area must be credited to the Canton Area Account. Net proceeds collected under this  
23 section from accommodations located in the 28721 zip code area must be credited to the Clyde  
24 Area Account. Net proceeds collected under this section from accommodations located in 28745  
25 zip code area must be credited to the Lake Junaluska Area Account. Net proceeds collected under  
26 this section from accommodations located in the 28751 zip code area must be credited to the  
27 Maggie Valley Area Account. Net proceeds collected under this section from accommodations  
28 located in the 28785 and the 28786 zip code areas must be credited to the Waynesville Area  
29 Account. Based on recommendations from and in consultation with each of the five collection  
30 areas, the Authority shall use at least two-thirds of the funds in each account to promote travel  
31 and tourism and the remainder for tourist-related expenditures in each of the collection areas.

32 "Sec. 14.2. Distribution and Use of the First Additional Two Percent Occupancy Tax. –  
33 Haywood County shall, on a monthly basis, remit the net proceeds of the room occupancy and  
34 tourism development tax levied under Section 10.3 of this Part to the Haywood County Tourism  
35 Development Authority. The Authority shall use the funds remitted to it under this section for  
36 construction of one or more of the following: sports parks, a new amphitheater, or a convention  
37 center.

38 ...."

39 **SECTION 2.(a)** Occupancy Tax. – (a) Authorization and Scope. – The Bryson City  
40 Town Board of Aldermen may levy a room occupancy tax of up to two percent (2%) of the gross  
41 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,  
42 motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by  
43 the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

44 **SECTION 2.(b)** Administration. – A tax levied under this section shall be levied,  
45 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
46 G.S. 160A-215 apply to a tax levied under this section.

47 **SECTION 2.(c)** Distribution and Use of Tax Revenue. – Bryson City shall, on a  
48 quarterly basis, remit the net proceeds of the occupancy tax to the Bryson City Tourism  
49 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
50 under this subsection to promote travel and tourism in Bryson City and shall use the remainder  
51 for tourism-related expenditures.

1 The following definitions apply in this subsection:

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

17 **SECTION 3.(a)** Bryson City Tourism Development Authority. – (a) Appointment  
18 and Membership. – When the Bryson City Town Board of Aldermen adopts a resolution levying  
19 a room occupancy tax under this Act, it shall also adopt a resolution creating a town Tourism  
20 Development Authority, which shall be a public authority under the Local Government Budget  
21 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,  
22 including the members' terms of office, and for the filling of vacancies on the Authority. At least  
23 one-third of the members must be individuals who are affiliated with businesses that collect the  
24 tax in the town, and at least one-half of the members must be individuals who are currently active  
25 in the promotion of travel and tourism in the town. The board of aldermen shall designate one  
26 member of the Authority as chair and shall determine the compensation, if any, to be paid to  
27 members of the Authority.

28 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
29 govern its meetings. The Finance Officer for Bryson City shall be the ex officio finance officer  
30 of the Authority.

31 **SECTION 3.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
32 levied under this Act for the purposes provided in this Act. The Authority shall promote travel,  
33 tourism, and conventions in the town; sponsor tourist-related events and activities in the town;  
34 and finance tourist-related capital projects in the town.

35 **SECTION 3.(c)** Reports. – The Authority shall report quarterly and at the close of  
36 the fiscal year to the Bryson City Town Board of Aldermen on its receipts and expenditures for  
37 the preceding quarter and for the year in such detail as the board of aldermen may require.

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