

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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HOUSE BILL 94

Short Title: Graham County Occupancy Tax. (Local)

Sponsors: Representative Gillespie.

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

February 17, 2021

A BILL TO BE ENTITLED

AN ACT TO CREATE GRAHAM COUNTY DISTRICT G AND AUTHORIZE THE LEVY
OF AN OCCUPANCY TAX IN THE DISTRICT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Graham County District G Created. – Graham County District G is created as a taxing district. Its jurisdiction consists of that part of Graham County that is located outside of incorporated areas within the county. Graham County District G is a body politic and corporate and has the power to carry out the provisions of this section. The Graham County Board of Commissioners shall serve ex officio as the governing body of the district, and the officers of the county shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

SECTION 1.(b) Authorization and Scope. – The governing body of Graham County District G 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 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the district 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 or room occupancy tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious institutions or nonprofit organizations when furnished in furtherance of their nonprofit purpose.

SECTION 1.(c) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Graham County District G were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

SECTION 1.(d) Definitions. – The following definitions apply in this act:

- (1) Net proceeds. – Gross proceeds less the cost to the district 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



1 travelers to the area. The term includes administrative expenses incurred in
2 engaging in the listed activities.

- 3 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
4 Graham County Tourism Development Authority, are designed to increase the
5 use of lodging facilities, meeting facilities, or convention facilities in the
6 district or to attract tourists or business travelers to the district. The term
7 includes tourism-related capital expenditures.

8 **SECTION 1.(e)** Distribution and Use of Tax Revenue. – Graham County District G
9 shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this act to
10 the Graham County Tourism Development Authority. The Authority shall deposit one hundred
11 percent (100%) of the net proceeds of the room occupancy and tourism development tax levied
12 under this section into a special fund, the cash balance of which shall be deposited at interest or
13 invested in accordance with G.S. 159-30. The Authority shall use at least two-thirds of the funds
14 remitted to it under this subsection to promote travel and tourism in Graham County District G
15 and shall use the remainder for tourism-related expenditures in the district. In accordance with
16 the North Carolina Constitution and the United States Constitution, the tax proceeds may be used
17 only for the direct benefit of the jurisdiction of Graham County District G. None of the proceeds
18 may be used for promotion or expenditures in areas within Graham County that are outside of
19 the district.

20 **SECTION 1.(f)** G.S. 153A-155(g) reads as rewritten:

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

34 **SECTION 2.** This act is effective when it becomes law.