

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

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**SENATE BILL 154**

Short Title: Avery County Occupancy Tax. (Local)

Sponsors: Senator Hise (Primary Sponsor).

Referred to: Rules and Operations of the Senate

February 27, 2023

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE AVERY COUNTY TO LEVY AN OCCUPANCY TAX IN A TAX DISTRICT COMPRISING THE UNINCORPORATED AREAS OF THE COUNTY.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Avery County District A Created. – Avery County District A is created as a taxing district. Its jurisdiction consists of that part of Avery County that is located outside of incorporated areas within the county. Avery County District A is a body politic and corporate and has the power to carry out the provisions of this act. The Avery 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 Avery County District A may levy a room occupancy tax of up to six percent (6%) 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.

**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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Avery County District A were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 1.(d)** Distribution and Use of Tax Revenue. – Avery County District A shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Avery County District A Tourism Development Authority created pursuant to this act. The Authority shall use at least one-third of the proceeds distributed to it to promote travel and tourism in the district and shall use the remainder for tourism-related expenditures in the district. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Avery County District A. None of the proceeds may be used to promote travel or tourism in areas within Avery County that are outside of the district or for tourism-related expenditures in the county that are outside of the district.

The following definitions apply in this subsection:

- (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 receipts collected each year.



- 1 (2) Promote travel and tourism. – To advertise or market an area or activity,  
2 publish and distribute pamphlets and other materials, conduct market research,  
3 or engage in similar promotional activities that attract tourists or business  
4 travelers to the area. The term includes administrative expenses incurred in  
5 engaging in the listed activities.
- 6 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
7 Tourism Development Authority, are designed to increase the use of lodging  
8 facilities, meeting facilities, or convention facilities in a district or to attract  
9 tourists or business travelers to the district. The term includes tourism-related  
10 capital expenditures.

11 **SECTION 2.(a)** Avery County District A Tourism Development Authority. –  
12 Appointment and Membership. – When the governing body of Avery County District A adopts  
13 a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating  
14 the Avery County District A Tourism Development Authority, which shall be a public authority  
15 under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the  
16 membership of the Authority, including the members' terms of office, and for the filling of  
17 vacancies on the Authority. At least one-third of the members must be individuals who are  
18 affiliated with businesses that collect the tax in the district, and at least one-half of the members  
19 must be individuals who are currently active in the promotion of travel and tourism in the district.  
20 The board of commissioners shall designate one member of the Authority as chair and shall  
21 determine the compensation, if any, to be paid to members of the Authority.

22 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
23 govern its meetings. The Finance Officer for Avery County shall be the ex officio finance officer  
24 of the Authority.

25 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
26 levied under this act for the purposes provided in this act. The Authority shall promote travel and  
27 tourism in the district and make tourism-related expenditures in the district.

28 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the close of  
29 the fiscal year to the Avery County Board of Commissioners on its receipts and expenditures for  
30 the preceding quarter and for the year in such detail as the board may require.

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

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

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