

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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**HOUSE BILL 518
Committee Substitute Favorable 6/1/11**

Short Title: Authorize Add'l Person County Occupancy Tax. (Local)

Sponsors:

Referred to:

March 30, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE AN ADDITIONAL ONE PERCENT OCCUPANCY TAX FOR
3 PERSON COUNTY.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Section 14 of S.L. 1997-364 reads as rewritten:

6 "Section 14. Person County occupancy tax. (a) Authorization and scope. — The Person
7 County Board of Commissioners may levy a room occupancy tax of up to five percent (5%) of
8 the gross receipts derived from the rental of any room, lodging, or accommodation furnished by
9 a hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax
10 imposed by the State under G.S. 105-164.4(a)(3).

11 This tax is in addition to any State or local sales tax. This tax does not apply to
12 accommodations furnished by nonprofit charitable, educational, or religious organizations
13 when furnished in furtherance of their nonprofit purpose.

14 (a1) Authorization of Additional Tax. — In addition to the tax authorized by subsection
15 (a) of this section, the Person County Board of Commissioners may levy an additional room
16 occupancy tax of up to one percent (1%) of the gross receipts derived from the rental of
17 accommodations taxable under subsection (a) of this section. The levy, collection,
18 administration, and repeal of the tax authorized by this subsection shall be in accordance with
19 the provisions of this section. Person County may not levy a tax under this subsection unless it
20 also levies the tax authorized under subsection (a) of this section.

21 (b) Administration. — Except as otherwise provided in this section, a tax levied under
22 this section shall be levied, administered, collected, and repealed as provided in
23 G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this
24 section.

25 (c) Distribution and use of tax revenue. — Person County shall, on a quarterly basis,
26 remit the net proceeds of the occupancy tax to the Person Tourism Development Authority. ~~Of~~
27 ~~the net proceeds that accrue during the first four years that a tax is levied under this section, the~~
28 ~~Authority may use up to two-thirds only for the following tourism-related expenditures: (i)~~
29 ~~constructing or operating the Person County Historical Museum, (ii) developing Lake Mayo for~~
30 ~~fishing tournaments, skiing tournaments, and other activities designed to attract tourists to the~~
31 ~~lake from outside the county, and (iii) supporting the May Festival and other festivals designed~~
32 ~~to attract tourists from outside the county. The Authority shall use the remaining net proceeds~~
33 ~~that accrue during the first four years that a tax is levied under this section only to promote~~
34 ~~travel and tourism in Person County.~~

35 ~~Of the net proceeds that accrue after this four-year period, the~~ The Authority shall use at
36 least two-thirds of the funds remitted to it under this subsection to promote travel and tourism
37 in Person County and shall use the remainder for tourism-related expenditures.



1 The following definitions apply in this subsection:

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

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