

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 96  
Committee Substitute Favorable 6/3/11

Short Title: Addl. Alleghany/Jackson OT. (Local)

Sponsors:

Referred to:

February 16, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE ALLEGHANY AND JACKSON COUNTIES TO LEVY AN  
3 ADDITIONAL THREE PERCENT ROOM OCCUPANCY AND TOURISM  
4 DEVELOPMENT TAX AND TO MAKE OTHER ADMINISTRATIVE CHANGES.

5 The General Assembly of North Carolina enacts:

6 **PART I: ALLEGHANY COUNTY OCCUPANCY TAX**

7 **SECTION 1.** Chapter 162 of the 1991 Session Laws, as amended by S.L.  
8 2004-106, reads as rewritten:

9 "**Section 1.** Occupancy tax. (a) Authorization and ~~scope.~~ Scope. – The Alleghany County  
10 Board of Commissioners may levy a room occupancy tax of three percent (3%) of the gross  
11 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,  
12 motel, inn, tourist camp, or similar place within the county that is subject to sales tax imposed  
13 by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.  
14 This tax does not apply to accommodations furnished by a summer camp for minors, or by a  
15 nonprofit charitable, educational, or religious organization.

16 (a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection  
17 (a) of this section, the Alleghany County Board of Commissioners may levy an additional room  
18 occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of  
19 accommodations taxable under subsection (a) of this section. The levy, collection,  
20 administration, and repeal of the tax authorized by this subsection shall be in accordance with  
21 the provisions of this section. Alleghany County may not levy a tax under this subsection  
22 unless it also levies the tax authorized under subsection (a) of this section.

23 (b) Repealed.

24 (c) Administration. – A tax levied under this section shall be levied, administered,  
25 collected, and repealed as provided in G.S. 153A-155. The penalties provided in  
26 G.S. 153A-155 apply to a tax levied under this section.

27 (d) Repealed.

28 (e) Distribution and ~~use of tax revenue.~~ Use of Tax Revenue. – Except as otherwise  
29 provided in this act, Alleghany County shall, on a quarterly basis, remit one hundred percent  
30 (100%) of the net proceeds of the occupancy tax to the Alleghany County Chamber of  
31 Commerce. The chamber of commerce shall use at least two-thirds of the funds remitted to it  
32 under this subsection to promote travel and tourism in Alleghany County and shall use the  
33 remainder for tourism-related expenditures. The chamber of commerce shall report quarterly  
34 and at the close of the fiscal year to the Alleghany County Board of Commissioners on its  
35 receipts and expenditures for the preceding quarter and for the year in such detail as the board  
36 may require.



1 When the Alleghany County Board of Commissioners adopts a resolution levying a room  
2 occupancy tax under subsection (a1) of this act, the resolution shall require that the county  
3 remit, on a quarterly basis, one hundred percent (100%) of the net proceeds of the occupancy  
4 tax levied under this act to the Alleghany Tourism Development Authority. The Authority shall  
5 use at least two-thirds of the funds remitted to it under this subsection to promote travel and  
6 tourism in Alleghany County and shall use the remainder for tourism-related expenditures.

7 The following definitions apply in this subsection:

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

23 (f) Repealed.

24 (g) Repealed.

25 "**Sec. 1.1.** Alleghany Tourism Development Authority. – (a) Appointment and  
26 Membership. – When the ~~annual net proceeds of the occupancy tax exceed one hundred~~  
27 ~~thousand dollars (\$100,000), the Alleghany Board of Commissioners adopts a resolution~~  
28 levying a room occupancy tax under subsection (a1) of this section, it shall adopt a resolution  
29 creating a county Tourism Development Authority, which shall be a public authority under the  
30 Local Government Budget and Fiscal Control Act. The resolution shall provide for the  
31 membership of the Authority, including the members' terms of office, and for the filing of  
32 vacancies on the Authority. At least ~~one-third~~ one-third of the members must be individuals  
33 who are affiliated with businesses that collect the tax in the county, and at least ~~three-fourths~~  
34 ~~one-half~~ of the members must be individuals who are currently active in the promotion of travel  
35 and tourism in the county. The board of commissioners shall designate one member of the  
36 Authority as chair and shall determine the compensation, if any, to be paid to the members of  
37 the Authority.

38 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern  
39 its meetings. The Finance Officer for Alleghany County shall be the ex officio finance officer  
40 of the Authority.

41 "**Sec. 1.2.** Duties. – If the board of commissioners establishes a Tourism Development  
42 Authority as provided in Section 1.1 of this act, then the Authority shall expend the net  
43 proceeds of the tax levied under this Act for the purposes provided in this Act. The Authority  
44 shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and  
45 activities in the county, and finance tourist-related capital projects in the county.

46 "**Sec. 1.3.** Reports. – If the board of commissioners establishes a Tourism Development  
47 Authority as provided in Section 1.1 of this act, then the Authority shall report quarterly and at  
48 the close of the fiscal year to the Alleghany County Board of Commissioners on its receipts and  
49 expenditures for the preceding quarter and for the year in such detail as the board may require.

50 "**Sec. 2.** This act is effective upon ratification."

51 **PART II: JACKSON COUNTY OCCUPANCY TAX**

1           **SECTION 2.1.** Chapter 969 of the 1985 Session Laws, as amended by Chapters  
2 118 and 195 of the 1987 Session Laws and Section 21(k) of S.L. 2007-527, and only as it  
3 applies to Jackson County, is rewritten and recodified as Part II of this act. Part II of this act  
4 does not affect the rights or liabilities of the county, a taxpayer, or another person arising under  
5 the law rewritten and recodified by this Part before the effective date of this Part, nor does it  
6 affect the right to any refund or credit of a tax that accrued under the law rewritten and  
7 recodified by this Part before the effective date of this Part.

8           **SECTION 2.2.** Occupancy tax. – (a) Authorization and Scope. – The Jackson  
9 County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the  
10 gross receipts derived from the rental of any room, lodging, or accommodation furnished by a  
11 hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax  
12 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local  
13 sales tax. This tax does not apply to accommodations furnished by nonprofit charitable,  
14 educational, or religious organizations when furnished in furtherance of their nonprofit  
15 purpose.

16           (a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection  
17 (a) of this section, the Jackson County Board of Commissioners may levy an additional room  
18 occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of  
19 accommodations taxable under subsection (a) of this section. The levy, collection,  
20 administration, and repeal of the tax authorized by this subsection shall be in accordance with  
21 the provisions of this section. Jackson County may not levy a tax under this subsection unless it  
22 also levies the tax authorized under subsection (a) of this section.

23           **SECTION 2.2.(b)** Administration. – A tax levied under this Part shall be levied,  
24 administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in  
25 G.S. 153A-155 apply to a tax levied under this Part.

26           **SECTION 2.2.(c)** Definitions. – The following definitions apply in this Part:

- 27           (1) Net proceeds. – Gross proceeds less the cost to the county of administering  
28 and collecting the tax, as determined by the finance officer, not to exceed  
29 three percent (3%) of the first five hundred thousand dollars (\$500,000) of  
30 gross proceeds collected each year and one percent (1%) of the remaining  
31 gross proceeds collected each year.
- 32           (2) Promote travel and tourism. – To advertise or market an area or activity,  
33 publish and distribute pamphlets and other materials, conduct market  
34 research, or engage in similar promotional activities that attract tourists or  
35 business travelers to the area. The term includes administrative expenses  
36 incurred in engaging in the listed activities.
- 37           (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
38 Jackson County Tourism Development Authority, are designed to increase  
39 the use of lodging facilities, meeting facilities, or convention facilities in the  
40 county or to attract tourists or business travelers to the county. The term  
41 includes tourism-related capital expenditures.

42           **SECTION 2.2.(d)** Distribution and Use of Tax Revenue. – Jackson County shall,  
43 on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part to the  
44 Jackson County Tourism Development Authority. The Authority shall use at least two-thirds  
45 of the funds remitted to it under this subsection to promote travel and tourism in Jackson  
46 County and shall use the remainder for tourism-related expenditures.

47           **SECTION 2.3.** Tourism Development Authority. – (a) Appointment and  
48 Membership. – When the Board of Commissioners adopts a resolution levying a room  
49 occupancy tax under this Part, it shall also adopt a resolution creating the Jackson County  
50 Tourism Development Authority, which shall be a public authority under the Local  
51 Government Budget and Fiscal Control Act. The resolution adopted by the Board of

1 Commissioners shall provide for the membership of the Authority, including the members'  
2 terms of office, and for the filling of vacancies on the Authority. At least one-third of the  
3 members shall be individuals who are affiliated with businesses that collect the tax in the  
4 county, and at least one-half of the members shall be individuals who are currently active in the  
5 promotion of travel and tourism in the county. The Board of Commissioners shall designate  
6 one member of the Authority as chair and shall determine the compensation, if any, to be paid  
7 to members of the Authority.

8 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
9 govern its meetings. The Finance Officer for Jackson County shall be the ex officio finance  
10 officer of the Authority.

11 **SECTION 2.3.(b) Duties.** – The Authority shall expend the net proceeds of the tax  
12 levied under this Part for the purposes provided in Section 2.2 of this Part. The Authority shall  
13 promote travel, tourism, and conventions in the county, sponsor tourist-related events and  
14 activities in the county, and finance tourist-related capital projects in the county.

15 **SECTION 2.3.(c) Reports.** – The Authority shall report quarterly and at the close  
16 of the fiscal year to the Jackson County Board of Commissioners on its receipts and  
17 expenditures for the preceding quarter and for the year in such detail as the Board of  
18 Commissioners may require.

19 **SECTION 2.4.** Section 3 of Chapter 969 of the 1985 Session Laws reads as  
20 rewritten:

21 "Sec. 3. This act applies only to the following counties: Graham, Clay, ~~Jackson~~, Durham,  
22 Macon, Polk, and Transylvania."

23 **SECTION 2.5.** Section 3 of Chapter 118 of the 1987 Session Laws reads as  
24 rewritten:

25 "Sec. 3. This act applies only to the following counties: Clay, Graham, ~~Jackson~~, and  
26 Macon."

27 **SECTION 2.6.** Section 2 of Chapter 195 of the 1987 Session Laws reads as  
28 rewritten:

29 "Sec. 2. This act applies only to the following counties: Clay, Graham, ~~Jackson~~, and  
30 Macon."

### 31 **PART III: ADMINISTRATION AND EFFECTIVE DATE**

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

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

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