

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

FILED SENATE  
Jun 5, 2018  
S.B. 805  
PRINCIPAL CLERK

S

D

SENATE BILL DRS35348-SVxf-16

Short Title: Polk, Saluda, Tryon Occupancy Tax. (Local)

Sponsors: Senator Hise (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE MODIFICATIONS TO THE ROOM OCCUPANCY TAX AUTHORITY  
3 FOR POLK COUNTY AND THE TOWNS OF SALUDA AND TRYON.  
4 The General Assembly of North Carolina enacts:

5  
6 **REPEAL OF SALUDA DISTRICT D OCCUPANCY TAX**

7 **SECTION 1.** S.L. 2017-202 is repealed.  
8

9 **REPEAL OF TRYON OCCUPANCY TAX**

10 **SECTION 2.(a)** S.L. 2006-148 is repealed.

11 **SECTION 2.(b)** Any unencumbered occupancy tax funds at the time of repeal must  
12 be expended in accordance with Section 1.1(c) of S.L. 2006-148 for the benefit of the Town of  
13 Tryon. Once all funds have been expended, the Town of Tryon is directed to dissolve the Tryon  
14 Tourism Development Authority.  
15

16 **REPEAL OF POLK COUNTY OCCUPANCY TAX**

17 **SECTION 3.(a)** Section 3 of Chapter 969 of the 1985 Session Laws, as amended by  
18 Section 11 of S.L. 2001-480, Section 2.4 of S.L. 2011-170, and Section 4 of S.L. 2015-128, reads  
19 as rewritten:

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

23 **SECTION 3.(b)** Any unencumbered occupancy tax funds at the time of repeal must  
24 be expended in accordance with Section 1 of Chapter 969 of the 1985 Session Laws for the  
25 benefit of Polk County.

26 **CREATION OF POLK COUNTY DISTRICT P OCCUPANCY TAX**

27 **SECTION 4.(a)** Polk County District P Created. – Polk County District P is created  
28 as a taxing district. Its jurisdiction consists of the unincorporated areas of Polk County, the part  
29 of Saluda located in Polk County, and the municipal limits of the Town of Tryon. Polk County  
30 District P is a body politic and corporate and has the power to carry out the provisions of this act.  
31 The Polk County Board of Commissioners shall serve ex officio as the governing body of the  
32 district, and the officers of the county shall serve as the officers of the governing body of the  
33 district. A simple majority of the governing body constitutes a quorum, and approval by a  
34 majority of those present is sufficient to determine any matter before the governing body, if a  
35 quorum is present.



1           **SECTION 4.(b)** Authorization and Scope. – The governing body of Polk County  
2 District P may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived  
3 from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist  
4 camp, or similar place within the district that is subject to sales tax imposed by the State under  
5 G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

6           **SECTION 4.(c)** Administration. – A tax levied under this act shall be levied,  
7 administered, collected, and repealed as provided in G.S. 153A-155 as if Polk County District P  
8 were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.

9           **SECTION 4.(d)** Distribution and Use of Tax Revenue. – Polk County District P  
10 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Polk County District  
11 P Tourism Development Authority. The Authority shall use at least two-thirds of the funds  
12 remitted to it under this subsection to promote travel and tourism in Polk County and shall use  
13 the remainder for tourism-related expenditures.

14           The following definitions apply in this subsection:

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

30           **SECTION 5.** Polk County District P Tourism Development Authority. – (a)  
31 Appointment. – The Polk County Board of Commissioners shall adopt a resolution creating the  
32 Polk County District P Tourism Development Authority, which shall be a public authority under  
33 the Local Government Budget and Fiscal Control Act. The resolution shall provide for the  
34 membership of the Authority as set out in this section and for the filling of vacancies on the  
35 Authority. The board of commissioners shall designate one member of the Authority as chair and  
36 shall determine the compensation, if any, to be paid to members of the Authority. The Authority  
37 shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The  
38 Finance Officer for Polk County shall be the ex officio finance officer of the Authority.

39           **SECTION 5.(b)** Membership. – The Authority shall consist of six members as  
40 provided in this subsection. At least one-third of the members must be individuals who are  
41 affiliated with businesses that collect the tax in the district, and at least one-half of the members  
42 must be individuals who are currently active in the promotion of travel and tourism in the district.  
43 Three members shall be appointed by the Polk County Board of Commissioners; one member  
44 shall be appointed by the Tryon Town Board of Commissioners; one member shall be appointed  
45 by the Saluda City Board of Commissioners; and one member, who shall be the Executive  
46 Director of the Authority, shall be an ex officio, nonvoting member. Members shall serve  
47 three-year terms, except for the initial terms, which are as follows:

- 48           (1) For two of the members appointed by the Polk County Board of  
49 Commissioners, the initial term shall be three years. For the remaining  
50 member appointed by the Polk County Board of Commissioners, the initial  
51 term shall be one year.

- 1           (2) For the member appointed by the Tryon Town Board of Commissioners, the  
2           initial term shall be two years.
- 3           (3) For the member appointed by the Saluda City Board of Commissioners, the  
4           initial term shall be two years.

5           **SECTION 5.(c) Duties.** – The Authority shall expend the net proceeds of the tax  
6 levied under this act for the purposes provided in this act. The Authority shall promote travel,  
7 tourism, and conventions in the district, sponsor tourist-related events and activities in the  
8 district, and finance tourist-related capital projects in the district.

9           **SECTION 5.(d) Reports.** – The Authority shall report quarterly and at the close of  
10 the fiscal year to the Polk County Board of Commissioners on its receipts and expenditures for  
11 the preceding quarter and for the year in such detail as the board may require.

12           **SECTION 6.** G.S. 153A-155(g) reads as rewritten:

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

27           **EFFECTIVE DATE**

28           **SECTION 7.** Sections 2 and 3 of this act become effective on the date that a room  
29 occupancy tax is levied under Section 4 of this act, which must be the first day of a calendar  
30 month and may not be earlier than the first day of the second month after the date the resolution  
31 is adopted. The remainder of this act is effective when it becomes law.