

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021**

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**HOUSE BILL 412  
Committee Substitute Favorable 4/27/21  
Committee Substitute #2 Favorable 5/6/21**

Short Title: Maggie Valley/Canton Occupancy Tax.

(Local)

Sponsors:

Referred to:

March 29, 2021

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWNS OF MAGGIE VALLEY AND CANTON TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**TOWN OF MAGGIE VALLEY OCCUPANCY TAX**

**SECTION 1.** Occupancy Tax. – (a) Authorization and Scope. – The Town of Maggie Valley Board of Aldermen may levy a room occupancy tax of up to two percent (2%) 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 town 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 tax.

**SECTION 1.(b)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

**SECTION 1.(c)** Distribution and Use of Tax Revenue. – Maggie Valley shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Maggie Valley Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Maggie Valley and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the town 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.
- (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 travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.



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1           **SECTION 2.** Maggie Valley Tourism Development Authority. – (a) Appointment  
2 and Membership. – When the Town of Maggie Valley Board of Aldermen adopts a resolution  
3 levying a room occupancy tax under this act, it shall also adopt a resolution creating a town  
4 Tourism Development Authority, which shall be a public authority under the Local Government  
5 Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority,  
6 including the members' terms of office, and for the filling of vacancies on the Authority. At least  
7 one-third of the members must be individuals who are affiliated with businesses that collect the  
8 tax in the town, and at least one-half of the members must be individuals who are currently active  
9 in the promotion of travel and tourism in the town. The board of aldermen shall designate one  
10 member of the Authority as chair and shall determine the compensation, if any, to be paid to  
11 members of the Authority.

12           The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
13 govern its meetings. The Finance Officer for Maggie Valley shall be the ex officio finance officer  
14 of the Authority.

15           **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
16 levied under this act for the purposes provided in this act. The Authority shall promote travel,  
17 tourism, and conventions in the town; sponsor tourist-related events and activities in the town;  
18 and finance tourist-related capital projects in the town.

19           **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the close of  
20 the fiscal year to the Town of Maggie Valley Board of Aldermen on its receipts and expenditures  
21 for the preceding quarter and for the year in such detail as the board of aldermen may require.  
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## 23 **TOWN OF CANTON OCCUPANCY TAX**

24           **SECTION 3.** Occupancy Tax. – (a) Authorization and Scope. – The Town of Canton  
25 Board of Aldermen may levy a room occupancy tax of up to two percent (2%) of the gross  
26 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,  
27 motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by  
28 the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

29           **SECTION 3.(b)** Administration. – A tax levied under this section shall be levied,  
30 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
31 G.S. 160A-215 apply to a tax levied under this section.

32           **SECTION 3.(c)** Distribution and Use of Tax Revenue. – Canton shall, on a quarterly  
33 basis, remit the net proceeds of the occupancy tax to the Canton Tourism Development Authority.  
34 The Authority shall use at least two-thirds of the funds remitted to it under this subsection to  
35 promote travel and tourism in Canton and shall use the remainder for tourism-related  
36 expenditures.

37           The following definitions apply in this subsection:

- 38           (1) Net proceeds. – Gross proceeds less the cost to the town of administering and  
39 collecting the tax, as determined by the finance officer, not to exceed three  
40 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross  
41 proceeds collected each year and one percent (1%) of the remaining gross  
42 receipts collected each year.
- 43           (2) Promote travel and tourism. – To advertise or market an area or activity,  
44 publish and distribute pamphlets and other materials, conduct market research,  
45 or engage in similar promotional activities that attract tourists or business  
46 travelers to the area. The term includes administrative expenses incurred in  
47 engaging in the listed activities.
- 48           (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
49 Tourism Development Authority, are designed to increase the use of lodging  
50 facilities, meeting facilities, or convention facilities in a town or to attract

1 tourists or business travelers to the town. The term includes tourism-related  
2 capital expenditures.

3 **SECTION 4.** Canton Tourism Development Authority. – (a) Appointment and  
4 Membership. – When the Town of Canton Board of Aldermen adopts a resolution levying a room  
5 occupancy tax under this act, it shall also adopt a resolution creating a town Tourism  
6 Development Authority, which shall be a public authority under the Local Government Budget  
7 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,  
8 including the members' terms of office, and for the filling of vacancies on the Authority. At least  
9 one-third of the members must be individuals who are affiliated with businesses that collect the  
10 tax in the town, and at least one-half of the members must be individuals who are currently active  
11 in the promotion of travel and tourism in the town. The board of aldermen shall designate one  
12 member of the Authority as chair and shall determine the compensation, if any, to be paid to  
13 members of the Authority.

14 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
15 govern its meetings. The Finance Officer for Canton shall be the ex officio finance officer of the  
16 Authority.

17 **SECTION 4.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
18 levied under this act for the purposes provided in this act. The Authority shall promote travel,  
19 tourism, and conventions in the town; sponsor tourist-related events and activities in the town;  
20 and finance tourist-related capital projects in the town.

21 **SECTION 4.(c)** Reports. – The Authority shall report quarterly and at the close of  
22 the fiscal year to the Town of Canton Board of Aldermen on its receipts and expenditures for the  
23 preceding quarter and for the year in such detail as the board of aldermen may require.  
24

## 25 ADMINISTRATIVE PROVISIONS

26 **SECTION 5.** G.S. 160A-215(g) reads as rewritten:

27 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an  
28 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection  
29 (c) supersedes that provision. The remainder of this section applies only to Beech Mountain  
30 District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro,  
31 Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lake Santeetlah, Lenoir,  
32 Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville,  
33 Roanoke Rapids, Salisbury, Sanford, Shelby, Statesville, Washington, and Wilmington, to the  
34 Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs,  
35 Boone, Burgaw, Canton, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson,  
36 Elkin, Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland,  
37 Maggie Valley, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach,  
38 Pembroke, Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro,  
39 Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, Yanceyville, to  
40 the municipalities in Avery and Brunswick Counties, and to Saluda District D."

41 **SECTION 6.** This act is effective when it becomes law.