

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1523
Finance Committee Substitute Adopted 6/20/90

Short Title: Forsyth Occupancy Tax Changes.

(Local)

Sponsors:

Referred to:

June 5, 1990

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE FORSYTH COUNTY TO LEVY AN ADDITIONAL
THREE PERCENT OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

Section 1. Section 28 of Chapter 908 of the 1983 Session Laws, as amended, is rewritten to read:

"Sec. 28. Disposition of Taxes Collected. (a) Forsyth County shall remit the net proceeds of the occupancy tax as follows: (i) five percent (5%) of the net proceeds shall be divided among the municipalities in Forsyth County, other than Winston-Salem, on a pro rata basis; and (ii) the remaining net proceeds shall be remitted to the Forsyth County Tourism Development Authority. 'Net proceeds' means gross proceeds less the cost to the county of administering and collecting the tax.

(b) A municipality may expend funds distributed to it pursuant to subsection (a) only for economic development and cultural and recreational purposes. The Forsyth County Tourism Development Authority shall expend the funds distributed to it pursuant to subsection (a) to further the development of travel, tourism, and conventions within Forsyth County. The Forsyth County Tourism Development Authority may not use more than ten percent (10%) of the funds distributed to it pursuant to subsection (a) for administrative expenses."

Sec. 2. Part VII of Chapter 908 of the 1983 Session Laws, as amended by Chapters 33 and 924 of the 1985 Session Laws, is amended by adding a new section to read:

1 "Sec. 30.2. Additional Tax. (a) In addition to the taxes authorized by Sections
2 24, 25, and 30.1 of this Part, the Forsyth County Board of Commissioners may levy a
3 room occupancy and tourism development tax of three percent (3%) of the gross
4 receipts derived from the rental of accommodations taxable under those sections. The
5 levy, collection, administration, and repeal of the tax authorized by this section shall be
6 in accordance with Sections 24 through 27 and 29 through 30 of this Part. Forsyth
7 County may not levy a tax under this section unless it also levies taxes under Sections
8 24, 25, and 30.1 of this Part.

9 (b) The net proceeds of the tax shall be distributed as follows: (i) five percent
10 (5%) of the net proceeds shall be divided among the municipalities in Forsyth County,
11 other than Winston-Salem, on a pro rata basis; and (ii) the remaining net proceeds shall
12 be divided among Forsyth County, the City of Winston-Salem, and the Forsyth County
13 Tourism Development Authority on a pro rata basis. 'Net proceeds' means gross
14 proceeds less the cost to the county of administering and collecting the tax.

15 (c) Forsyth County or a municipality may expend funds distributed to it
16 pursuant to subsection (b) only for economic development and cultural and recreational
17 purposes. The Forsyth County Tourism Development Authority shall expend the funds
18 distributed to it pursuant to subsection (b) in accordance with Section 28(b) of this
19 Part."

20 Sec. 3. Section 29 of Chapter 908 of the 1983 Session Laws, as amended by
21 Chapter 33 of the 1985 Session Laws, is rewritten to read:

22 "Sec. 29. Appointment and Duties of Tourism Development Authority. (a)

23 When the board of county commissioners adopts a resolution levying a room
24 occupancy tax pursuant to this Part, it shall also adopt a resolution creating a county
25 Tourism Development Authority, which shall be a public authority under the Local
26 Government Budget and Fiscal Control Act and shall be composed of the following
27 thirteen members:

- 28 (1) A county commissioner appointed by the board of county
29 commissioners, who shall serve as an ex officio member.
- 30 (2) A member of the Winston-Salem Board of Aldermen appointed by the
31 board of aldermen, who shall serve as an ex officio member.
- 32 (3) Four owners or operators of hotels, motels, or other taxable tourist
33 accommodations, two of which own or operate hotels, motels, or other
34 accommodations with more than 100 rental units, one of whom shall
35 be appointed by the Winston-Salem Board of Aldermen and one by the
36 board of county commissioners; and two of which own or operate
37 hotels, motels, or other accommodations with 100 or fewer rental
38 units, one of whom shall be appointed by the Winston-Salem Board of
39 Aldermen and one by the board of county commissioners.
- 40 (4) Three individuals involved in the tourist business who have
41 demonstrated an interest in tourist development and do not own or
42 operate hotels, motels, or other taxable tourist accommodations,
43 appointed as follows: one by the Winston-Salem Board of Aldermen,

1 one by the Winston-Salem Area Chamber of Commerce, and one by
2 the board of county commissioners.

- 3 (5) Four individuals appointed by the Forsyth County Tourism
4 Development Authority who do not own or operate hotels, motels, or
5 other tourist accommodations taxable under this Part or tourist
6 businesses, and who (i) are local citizens with a demonstrated interest
7 in the tourist and visitor industry or (ii) have demonstrated relevant
8 expertise in such fields as the transportation industry, visitor
9 attractions, the convention center and coliseum, or marketing and
10 advertising.

11 (a1) All members of the Authority shall serve without compensation. Vacancies in
12 the Authority shall be filled by the appointing authority of the member creating the
13 vacancy. Members appointed to fill vacancies shall serve for the remainder of the
14 unexpired term for which they are appointed to fill. Members shall serve three-year
15 terms, except the members appointed pursuant to subdivisions (a)(1) and (2), who shall
16 serve at the pleasure of the appointing board, and the initial members, who shall serve
17 the following terms:

- 18 (1) Of the members appointed pursuant to subdivision (a)(3), one
19 appointee of the board of aldermen and the board of commissioners
20 shall serve a two-year term and one appointee of the board of aldermen
21 and the board of commissioners shall serve a three-year term, as
22 designated by the board of aldermen and board of county
23 commissioners;
- 24 (2) Of the three members appointed pursuant to subdivision (a)(4), the
25 appointee of the Winston-Salem Board of Aldermen shall serve a one-
26 year term, the appointee of the Winston-Salem Area Chamber of
27 Commerce shall serve a two-year term, and the appointee of the board
28 of county commissioners shall serve a three-year term.

29 Members may serve no more than two consecutive terms. The members shall elect a
30 chairman, who shall serve for a term of two years. The Authority shall meet at the call
31 of the chairman and shall adopt rules of procedure to govern its meetings. The finance
32 officer for Forsyth County shall be the ex officio finance officer of the Authority.

33 (b) The Tourism Development Authority may contract with any person, firm,
34 or agency to advise and assist it in the promotion of travel, tourism, and conventions
35 and may recommend to the board of county commissioners that county staff be
36 employed for this advice and assistance. Any county staff employed under this Part
37 shall be hired and supervised by the Tourism Development Authority, which shall pay
38 the salaries and expenses of this staff.

39 (c) The Tourism Development Authority shall report quarterly and at the
40 close of the fiscal year to the board of county commissioners on its receipts and
41 expenditures for the preceding quarter and for the year in such detail as the board may
42 require."

43 Sec. 4. This act is effective upon ratification.