

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**SENATE BILL 339**  
**Finance Committee Substitute Adopted 5/12/05**  
**House Committee Substitute Favorable 7/28/05**  
**Fourth Edition Engrossed 8/23/05**

Short Title: Omnibus Occupancy Taxes-III.

(Local)

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Sponsors:

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Referred to:

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March 3, 2005

A BILL TO BE ENTITLED

1  
2 AN ACT AUTHORIZING THE TOWNS OF AHOSKIE AND ELKIN TO LEVY  
3 ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAXES, CREATING  
4 A TAXING DISTRICT IN OCRACOCKE TOWNSHIP FOR THE PURPOSES OF  
5 AUTHORIZING THE LEVY OF A ROOM OCCUPANCY AND TOURISM  
6 DEVELOPMENT TAX, AMENDING THE ROOM OCCUPANCY AND  
7 TOURISM DEVELOPMENT TAXES FOR THE COUNTIES OF CHOWAN AND  
8 MARTIN, AND REENACTING THE OCCUPANCY TAX AMENDMENTS IN  
9 CARTERET COUNTY.

10 The General Assembly of North Carolina enacts:

11 **PART I. TOWN OF AHOSKIE OCCUPANCY TAX.**

12 **SECTION 1.1.** Occupancy Tax. – (a) Authorization and Scope. – The  
13 Ahoskie Town Council may levy a room occupancy tax of up to three percent (3%) of  
14 the gross receipts derived from the rental of any room, lodging, or accommodation  
15 furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is  
16 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in  
17 addition to any State or local sales tax. This tax does not apply to accommodations  
18 furnished by nonprofit charitable, educational, or religious organizations when  
19 furnished in furtherance of their nonprofit purpose.

20 **SECTION 1.1.(b)** Administration. – A tax levied under this Part shall be  
21 levied, administered, collected, and repealed as provided in G.S. 160A-215. The  
22 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

23 **SECTION 1.1.(c)** Distribution and Use of Tax Revenue. – The Town of  
24 Ahoskie shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the  
25 Town of Ahoskie Tourism Development Authority. The Authority shall use at least  
26 two-thirds of the funds remitted to it under this subsection to promote travel and tourism  
27 in the town and shall use the remainder for tourism-related expenditures.

1 The following definitions apply in this Part:

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

17 **SECTION 1.2.** Town of Ahoskie Tourism Development Authority. – (a)  
18 Appointment and Membership. – When the Ahoskie Town Council adopts a resolution  
19 levying a room occupancy tax under this act, it shall also adopt a resolution creating a  
20 town Tourism Development Authority, which shall be a public authority under the  
21 Local Government Budget and Fiscal Control Act. The resolution shall provide for the  
22 membership of the Authority, including the members' terms of office, and for the filling  
23 of vacancies on the Authority. At least one-third of the members must be individuals  
24 affiliated with businesses that collect the tax in the town, and at least one-half of the  
25 members must be individuals currently active in the promotion of travel and tourism in  
26 the town. The town council shall designate one member of the Authority as chair and  
27 shall determine the compensation, if any, to be paid to members of the Authority.

28 The Authority shall meet at the call of the chair and shall adopt rules of  
29 procedure to govern its meetings. The Finance Officer for the Town of Ahoskie shall be  
30 the ex officio finance officer of the Authority.

31 **SECTION 1.2.(b)** Duties. – The Authority shall expend the net proceeds of  
32 the tax levied under this Part for the purposes provided in this Part. The Authority shall  
33 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
34 activities in the town, and finance tourist-related capital projects in the town.

35 **SECTION 1.2.(c)** Reports. – The Authority shall report quarterly and at the  
36 close of the fiscal year to the Ahoskie Town Council on its receipts and expenditures for  
37 the preceding quarter and for the year in such detail as the town council may require.

## 38 **PART II. ELKIN OCCUPANCY TAX.**

39 **SECTION 2.1.** Occupancy Tax. – (a) Authorization and Scope. – The Elkin  
40 Town Council may levy a room occupancy tax of up to six percent (6%) of the gross  
41 receipts derived from the rental of any room, lodging, or accommodation furnished by a  
42 hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales  
43 tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State  
44

1 or local sales tax. This tax does not apply to accommodations furnished by nonprofit  
2 charitable, educational, or religious organizations when furnished in furtherance of their  
3 nonprofit purpose.

4 **SECTION 2.1.(b)** Administration. – A tax levied under this Part shall be  
5 levied, administered, collected, and repealed as provided in G.S. 160A-215. The  
6 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

7 **SECTION 2.1.(c)** Distribution and Use of Tax Revenue. – The Town of  
8 Elkin shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Elkin  
9 Tourism Development Authority. The Authority shall use at least two-thirds of the  
10 funds remitted to it under this subsection to promote travel and tourism in Elkin and  
11 shall use the remainder for tourism-related expenditures.

12 The following definitions apply in this Part:

13 (1) Net proceeds. – Gross proceeds less the cost to the town of  
14 administering and collecting the tax, as determined by the finance  
15 officer, not to exceed three percent (3%) of the first five hundred  
16 thousand dollars (\$500,000) of gross proceeds collected each year and  
17 one percent (1%) of the remaining gross receipts collected each year.

18 (2) Promote travel and tourism. – To advertise or market an area or  
19 activity, publish and distribute pamphlets and other materials, conduct  
20 market research, or engage in similar promotional activities that attract  
21 tourists or business travelers to the area. The term includes  
22 administrative expenses incurred in engaging in the listed activities.

23 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
24 the Tourism Development Authority, are designed to increase the use  
25 of lodging facilities, meeting facilities, or convention facilities in a  
26 town or to attract tourists or business travelers to the town. The term  
27 includes tourism-related capital expenditures.

28 **SECTION 2.2.** Elkin Tourism Development Authority. – (a) Appointment  
29 and Membership. – When the Elkin Town Council adopts a resolution levying a room  
30 occupancy tax under this act, it shall also adopt a resolution creating a town Tourism  
31 Development Authority, which shall be a public authority under the Local Government  
32 Budget and Fiscal Control Act. The resolution shall provide for the membership of the  
33 Authority, including the members' terms of office, and for the filling of vacancies on the  
34 Authority. At least one-third of the members must be individuals affiliated with  
35 businesses that collect the tax in the town, and at least one-half of the members must be  
36 individuals currently active in the promotion of travel and tourism in the town. The  
37 town council shall designate one member of the Authority as chair and shall determine  
38 the compensation, if any, to be paid to members of the Authority.

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

42 **SECTION 2.2.(b)** Duties. – The Authority shall expend the net proceeds of  
43 the tax levied under this Part for the purposes provided in this Part. The Authority shall

1 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
2 activities in the town, and finance tourist-related capital projects in the town.

3 **SECTION 2.2.(c) Reports.** – The Authority shall report quarterly and at the  
4 close of the fiscal year to the Elkin Town Council on its receipts and expenditures for  
5 the preceding quarter and for the year in such detail as the town council may require.  
6

7 **PART III. OCRACOKE OCCUPANCY TAX.**

8 **SECTION 3.1. Occupancy Tax.** – The Ocracoke Township Taxing District  
9 is created. It is coterminous with Ocracoke Township in Hyde County. The Ocracoke  
10 Township Taxing District is a body politic and corporate and has the power to carry out  
11 the provisions of this Part. The Hyde County Board of Commissioners shall serve ex  
12 officio as the governing body of the district, and the officers of the county shall serve as  
13 the officers of the governing body of the district. A simple majority of the governing  
14 body constitutes a quorum, and approval by a majority of those present is sufficient to  
15 determine any matter before the governing body, if a quorum is present.

16 **SECTION 3.2.(a) Authorization and Scope.** – The governing body of  
17 Ocracoke Township Taxing District may levy a room occupancy tax of up to two  
18 percent (2%) of the gross receipts derived from the rental of any room, lodging, or  
19 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within  
20 the district that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).  
21 This tax is in addition to any State or local sales or room occupancy tax. This tax does  
22 not apply to accommodations furnished by nonprofit charitable, educational, or religious  
23 organizations.

24 **SECTION 3.2.(b) Administration.** – A tax levied under this Part shall be  
25 levied, administered, collected, and repealed as provided in G.S. 153A-155, as if it were  
26 a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.

27 **SECTION 3.2.(c) Distribution and Use of Tax Revenue.** – Ocracoke  
28 Township Taxing District shall, on a quarterly basis, distribute the net proceeds of the  
29 occupancy tax to the Ocracoke Township Tourism Development Authority created  
30 pursuant to Section 3.3 of this act. The Authority shall use at least two-thirds of the  
31 proceeds distributed to it to promote travel and tourism in the district and shall use the  
32 remainder for tourism-related expenditures in the district. In accordance with the North  
33 Carolina Constitution and the United States Constitution, the tax proceeds may be used  
34 only for the direct benefit of Ocracoke Township. None of the proceeds may be used to  
35 promote travel or tourism in areas within Hyde County that are outside of the district or  
36 for tourism-related expenditures in the county that are outside of the district.

37 The following definitions apply in this Part:

- 38 (1) Net proceeds. – Gross proceeds less the cost to the district of  
39 administering and collecting the tax, as determined by the finance  
40 officer, not to exceed three percent (3%) of the first five hundred  
41 thousand dollars (\$500,000) of gross proceeds collected each year and  
42 one percent (1%) of the remaining gross receipts collected each year.
- 43 (2) Promote travel and tourism. – To advertise or market an area or  
44 activity, publish and distribute pamphlets and other materials, conduct

1 market research, or engage in similar promotional activities that attract  
 2 tourists or business travelers to the area. The term includes  
 3 administrative expenses incurred in engaging in the listed activities.

- 4 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
 5 the Tourism Development Authority, are designed to increase the use  
 6 of lodging facilities, meeting facilities, or convention facilities in a  
 7 district or to attract tourists or business travelers to the district. The  
 8 term includes tourism-related capital expenditures.

9 **SECTION 3.3.(a)** Ocracoke Township Tourism Development Authority. –  
 10 Appointment and Membership. – The Board of Commissioners of Hyde County shall  
 11 adopt a resolution creating the Ocracoke Township Tourism Development Authority,  
 12 which shall be a public authority under the Local Government Budget and Fiscal  
 13 Control Act. The Tourism Development Authority shall have five members in addition  
 14 to the Finance Officer. The resolution shall provide for the membership of the  
 15 Authority, including the members' terms of office, and for the filling of vacancies on the  
 16 Authority. At least one-third of the members must be individuals affiliated with  
 17 businesses that collect the tax in the district, and at least one-half of the members must  
 18 be individuals currently active in the promotion of travel and tourism in the district. The  
 19 Board of Commissioners shall designate one member of the Authority as chair and shall  
 20 determine the compensation, if any, to be paid to members of the Authority.

21 The Authority shall meet at the call of the chair and shall adopt rules of  
 22 procedure to govern its meetings. The Finance Officer for Hyde County shall be the ex  
 23 officio finance officer of the Authority.

24 **SECTION 3.3.(b)** Duties. – The Authority shall expend the net proceeds of  
 25 the tax levied under this Part for the purposes provided in Section 3.2 of this Part. The  
 26 Authority shall promote travel and tourism in the district and make tourism-related  
 27 expenditures in the district.

28 **SECTION 3.3.(c)** Reports. – The Authority shall report quarterly and at the  
 29 close of the fiscal year to the Hyde County Board of Commissioners on its receipts and  
 30 expenditures for the preceding quarter and for the year in such detail as the board may  
 31 require.

32  
 33 **PART IV. CHOWAN OCCUPANCY TAX.**

34 **SECTION 4.** S.L. 1989-174 reads as rewritten:

35 **"Section 1.** ~~Occupancy tax.~~ Occupancy Tax. – (a) ~~Authorization and scope.~~ Scope. – The  
 36 Chowan County Board of Commissioners may ~~by resolution, after not less than 10 days'~~  
 37 ~~public notice and after a public hearing held pursuant thereto,~~ levy a room occupancy  
 38 tax of three percent (3%) of the gross receipts derived from the rental of any room,  
 39 lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar  
 40 place within the county that is subject to sales tax imposed by the State under  
 41 ~~G.S. 105-164.4(3).~~ G.S. 105-164.4(a)(3). This tax is in addition to any State or local  
 42 sales tax. This tax does not apply to accommodations furnished by nonprofit charitable,  
 43 educational, or religious ~~organizations.~~ organizations when furnished in furtherance of  
 44 their nonprofit purpose.

1       (a1) Authorization of Additional Tax. – In addition to the tax authorized by  
2 subsection (a) of this section, the Chowan County Board of Commissioners may levy an  
3 additional room occupancy tax of up to two percent (2%) of the gross receipts derived  
4 from the rental of accommodations taxable under subsection (a) of this section. The  
5 levy, collection, administration, and repeal of the tax authorized by this subsection must  
6 be in accordance with the provisions of this section. Chowan County may not levy a tax  
7 under this subsection unless it also levies the tax authorized under subsection (a) of this  
8 section.

9       ~~(b) Collection. Every operator of a business subject to the tax levied under this~~  
10 ~~section shall, on and after the effective date of the levy of the tax, collect the tax. This~~  
11 ~~tax shall be collected as part of the charge for furnishing a taxable accommodation. The~~  
12 ~~tax shall be stated and charged separately from the sales records, and shall be paid by~~  
13 ~~the purchaser to the operator of the business as trustee for and on account of the county.~~  
14 ~~The tax shall be added to the sales price and shall be passed on to the purchaser instead~~  
15 ~~of being borne by the operator of the business. The county shall design, print, and~~  
16 ~~furnish to all appropriate businesses and persons in the county the necessary forms for~~  
17 ~~filing returns and instructions to ensure the full collection of the tax. An operator of a~~  
18 ~~business who collects the occupancy tax levied under this section may deduct from the~~  
19 ~~amount remitted to the county a discount of three percent (3%) of the amount collected.~~

20       ~~(c) Administration. The county shall administer a tax levied under this section. A~~  
21 ~~tax levied under this section is due and payable to the county finance officer in monthly~~  
22 ~~installments on or before the 15th day of the month following the month in which the~~  
23 ~~tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or~~  
24 ~~before the 15th day of each month, prepare and render a return on a form prescribed by~~  
25 ~~the county. The return shall state the total gross receipts derived in the preceding month~~  
26 ~~from rentals upon which the tax is levied.~~

27       ~~A return filed with the county finance officer under this section is not a public record~~  
28 ~~as defined by G.S. 132-1 and may not be disclosed except as required by law. A tax~~  
29 ~~levied under this section shall be levied, administered, collected, and repealed as~~  
30 ~~provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax~~  
31 ~~levied in this section.~~

32       ~~(d) Penalties. A person, firm, corporation, or association who fails or refuses to~~  
33 ~~file the return required by this section shall pay a penalty of ten dollars (\$10.00) for~~  
34 ~~each day's omission. In case of failure or refusal to file the return or pay the tax for a~~  
35 ~~period of 30 days after the time required for filing the return or for paying the tax, there~~  
36 ~~shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to~~  
37 ~~any other penalty, with an additional tax of five percent (5%) for each additional month~~  
38 ~~or fraction thereof until the tax is paid. The board of commissioners may, for good~~  
39 ~~cause shown, compromise or forgive the penalties imposed by this subsection.~~

40       ~~Any person who willfully attempts in any manner to evade a tax imposed under this~~  
41 ~~section or who willfully fails to pay the tax or make and file a return shall, in addition to~~  
42 ~~all other penalties provided by law, be guilty of a misdemeanor and shall be punishable~~  
43 ~~by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six~~  
44 ~~months, or both.~~

1 (e) ~~Distribution and use of tax revenue.~~Use of Tax Revenue. – Chowan County  
2 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Chowan  
3 Tourism Development Authority. ~~The Authority may spend funds remitted to it under~~  
4 ~~this subsection only to promote travel and tourism in Chowan County, to sponsor~~  
5 ~~tourist-oriented events and activities in Chowan County, and to finance tourist-related~~  
6 ~~capital projects in Chowan County. As used in this subsection, "net proceeds" means~~  
7 ~~gross~~ The Authority shall use at least two-thirds of the funds remitted to it under this  
8 section to promote travel and tourism in Chowan County and the remainder for  
9 tourism-related expenditures.

10 The following definitions apply in this act:

11 (1) Net proceeds. – Gross proceeds less the cost to the county of  
12 administering and collecting the tax, as determined by the finance  
13 ~~officer.~~officer, not to exceed three percent (3%) of the first five  
14 hundred thousand dollars (\$500,000) of gross proceeds collected each  
15 year and one percent (1%) of the remaining gross receipts collected  
16 each year.

17 (2) Promote travel and tourism. – To advertise or market an area or  
18 activity, publish and distribute pamphlets and other materials, conduct  
19 market research, or engage in similar promotional activities that attract  
20 tourists or business travelers to the area. The term includes  
21 administrative expenses incurred in engaging in these activities.

22 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
23 the Authority, are designed to increase the use of lodging facilities,  
24 meeting facilities, and convention facilities in a county by attracting  
25 tourists or business travelers to the county. The term includes  
26 tourism-related capital expenditures.

27 (f) ~~Effective date of levy.~~ A tax levied under this section shall become effective  
28 on the date specified in the resolution levying the tax. That date must be the first day of  
29 a calendar month, however, and may not be earlier than the first day of the second  
30 month after the date the resolution is adopted.

31 (g) ~~Repeal.~~ A tax levied under this section may be repealed by a resolution  
32 adopted by the Chowan County Board of Commissioners. Repeal of a tax levied under  
33 this section shall become effective on the first day of a month and may not become  
34 effective until the end of the fiscal year in which the repeal resolution was adopted.  
35 ~~Repeal of a tax levied under this section does not affect a liability for a tax that was~~  
36 ~~attached before the effective date of the repeal, nor does it affect a right to a refund of a~~  
37 ~~tax that accrued before the effective date of the repeal.~~

38 "Sec. 2. Tourism Development Authority. = (a) Appointment and  
39 ~~membership.~~Membership. – When the board of commissioners adopts a resolution  
40 levying a room occupancy tax under this act, it shall also adopt a resolution creating a  
41 county Tourism Development Authority, which shall be a public authority under the  
42 Local Government Budget and Fiscal Control Act. ~~The resolution shall provide for the~~  
43 ~~membership of the Authority including the members' qualifications and terms of office,~~  
44 ~~and for the filling of vacancies on the Authority.~~At least one-third of the members must

1 be individuals affiliated with businesses that collect the tax in the county and at least  
2 one-half must be individuals currently active in the promotion of travel and tourism in  
3 the county. The board of commissioners shall designate one member of the Authority as  
4 chair and shall determine the compensation, if any, to be paid to members of the  
5 Authority.

6 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
7 govern its meetings. The county shall serve as the fiscal agent of the Authority. The  
8 Finance Officer for Chowan County shall be the ex officio finance officer of the  
9 Authority.

10 (b) Duties. = The Authority shall expend the net proceeds of the tax levied under  
11 this act for the purposes provided in Section 1 of this act. The Authority shall promote  
12 travel, tourism, and conventions in the county, sponsor tourist-related events and  
13 activities in the county, and finance tourist-related capital projects in the county.

14 (c) Reports. = The Authority shall report quarterly and at the close of the fiscal  
15 year to the board of commissioners on its receipts and expenditures for the preceding  
16 quarter and for the year in such detail as the board may require.

17 "Sec. 3. This act is effective upon ratification."  
18

## 19 **PART V. MARTIN OCCUPANCY TAX.**

### 20 **SECTION 5.** S.L. 1991-80 reads as rewritten:

21 "Section 1. Occupancy Tax. = (a) Authorization and ~~scope.~~Scope. = The Martin  
22 County Board of Commissioners may ~~by resolution, after not less than 10 days' public~~  
23 ~~notice and after a public hearing held pursuant thereto,~~ levy a room occupancy tax of up  
24 to three percent (3%) of the gross receipts derived from the rental of any room, lodging,  
25 or similar accommodation furnished by a hotel, motel, inn, tourist camp, or similar  
26 place within the county that is subject to sales tax imposed by the State under  
27 G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does  
28 not apply to accommodations furnished by nonprofit charitable, educational, or religious  
29 organizations, when furnished in furtherance of their nonprofit purpose, by summer  
30 camps, or by businesses that offer to rent no more than five units.

31 (a1) Authorization of Additional Tax. – In addition to the tax authorized by  
32 subsection (a) of this section, the Martin County Board of Commissioners may levy an  
33 additional room occupancy tax of up to three percent (3%) of the gross receipts derived  
34 from the rental of accommodations taxable under subsection (a) of this section. The  
35 levy, collection, administration, and repeal of the tax authorized by this subsection must  
36 be in accordance with the provisions of this section. Martin County may not levy a tax  
37 under this subsection unless it also levies the tax authorized under subsection (a) of this  
38 section.

39 (b) ~~Collection. Every operator of a business subject to the tax levied under this~~  
40 ~~section shall, on and after the effective date of the levy of the tax, collect the tax. This~~  
41 ~~tax shall be collected as part of the charge for furnishing a taxable accommodation. The~~  
42 ~~tax shall be stated and charged separately from the sales records, and shall be paid by~~  
43 ~~the purchaser to the operator of the business as trustee for and on account of the county.~~  
44 ~~The tax shall be added to the sales price and shall be passed on to the purchaser instead~~

1 of being borne by the operator of the business. The county shall design, print, and  
2 furnish to all appropriate businesses and persons in the county the necessary forms for  
3 filing returns and instructions to ensure the full collection of the tax.

4 (c) Administration. The county shall administer a tax levied under this section. A  
5 tax levied under this section is due and payable to the county finance officer in monthly  
6 installments on or before the fifteenth day of the month following the month in which  
7 the tax accrues. Every person, firm, corporation, or association liable for the tax shall,  
8 on or before the fifteenth day of each month, prepare and render a return on a form  
9 prescribed by the county. The return shall state the total gross receipts derived in the  
10 preceding month from rentals upon which the tax is levied.

11 A return filed with the county finance officer under this section is not a public record  
12 as defined by G.S. 132-1 and may not be disclosed except as required by law. A tax  
13 levied under this section shall be levied, administered, collected, and repealed as  
14 provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax  
15 levied under this section.

16 (d) Penalties. A person, firm, corporation, or association who fails or refuses to  
17 file the return required by this section shall be subject to and pay a penalty of ten dollars  
18 (\$10.00) for each day's omission. In case of failure or refusal to file the return or pay the  
19 tax for a period of 30 days after the time required for filing the return or for paying the  
20 tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due in  
21 addition to any other penalty, with an additional tax of five percent (5%) for each  
22 additional month or fraction thereof until the tax is paid. The board of commissioners  
23 may, for good cause shown, compromise or forgive the additional tax penalties imposed  
24 by this subsection.

25 Any person who willfully attempts in any manner to evade a tax imposed under this  
26 section or who willfully fails to pay the tax or make and file a return shall, in addition to  
27 all other penalties provided by law, be guilty of a misdemeanor and shall be punishable  
28 by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six  
29 months, or both.

30 (e) ~~Distribution and use~~Use of tax revenue.~~Tax Revenue.~~ – Martin County shall,  
31 on a ~~monthly~~quarterly basis, remit the net proceeds of the occupancy tax to the Martin  
32 County Travel and Tourism Authority. ~~The Authority may spend funds remitted to it~~  
33 ~~under this subsection only to further the development of travel and tourism and cultural,~~  
34 ~~recreational, and historic activities in Martin County through advertising and promotion,~~  
35 ~~to sponsor tourist oriented events and activities in Martin County, and to finance~~  
36 ~~tourist related capital activities and projects in Martin County. As used in this~~  
37 ~~subsection, "net proceeds" means gross~~ The Authority shall use at least two-thirds of the  
38 funds remitted to it under this subsection to promote travel and tourism in Martin  
39 County and shall use the remainder for tourism-related expenditures.

40 The following definitions apply in this act:

41 (1) Net proceeds. – Gross proceeds less the cost to the county of  
42 administering and collecting the tax, which may tax, as determined by  
43 the finance officer, not to exceed three percent (3%) of the first five  
44 hundred thousand dollars (\$500,000) of gross proceeds.

1 collected each year and one percent (1%) of the remaining gross  
2 receipts collected each year.

3 (2) Promote travel and tourism. – To advertise or market an area or  
4 activity, publish and distribute pamphlets and other materials, conduct  
5 market research, or engage in similar promotional activities that attract  
6 tourists or business travelers to the area. The term includes  
7 administrative expenses incurred in engaging in the listed activities.

8 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
9 the Tourism Development Authority, are designed to increase the use  
10 of lodging facilities, meeting facilities, or convention facilities in a  
11 county or to attract tourists or business travelers to the county. The  
12 term includes tourism-related capital expenditures.

13 ~~(f) Effective date of levy. A tax levied under this section shall become effective~~  
14 ~~on the date specified in the resolution levying the tax. That date must be the first day of~~  
15 ~~a calendar month, however, and may not be earlier than the first day of the second~~  
16 ~~month after the date the resolution is adopted.~~

17 ~~(g) Repeal. A tax levied under this section may be repealed by a resolution~~  
18 ~~adopted by the Martin County Board of Commissioners. Repeal of a tax levied under~~  
19 ~~this section shall become effective on the first day of a month and may not become~~  
20 ~~effective until the end of the fiscal year in which the repeal resolution was adopted.~~  
21 ~~Repeal of a tax levied under this section does not affect a liability for a tax that was~~  
22 ~~attached before the effective date of the repeal, nor does it affect a right to a refund of a~~  
23 ~~tax that accrued before the effective date of the repeal.~~

24 "Sec. 2. Martin County ~~Travel and Tourism~~ Development Authority. = (a)  
25 Appointment and membership. ~~Membership.~~ – When the board of commissioners  
26 adopts a resolution levying a room occupancy tax under this act, it shall also adopt a  
27 resolution creating the Martin County ~~Travel and Tourism~~ Development Authority,  
28 which shall be a public authority under the Local Government Budget and Fiscal  
29 Control Act. The resolution shall provide that the Authority shall be composed of the  
30 following 12 members:

31 (1) A Martin County Commissioner appointed by the Martin County  
32 Board of Commissioners.

33 (2) Two owners or operators of restaurants, motels, hotels, or other taxable  
34 accommodations in Martin County that have at least five units,  
35 nominated by representatives of this industry, both to be appointed by  
36 the Martin County Board of Commissioners.

37 (3) One member selected by the Martin County Chamber of Commerce to  
38 be appointed by the Martin County Board of Commissioners.

39 (4) One member appointed by the Martin County Board of  
40 Commissioners selected from the Martin County Economic  
41 Development Commission.

42 (5) Five members, one appointed by each member of the Martin County  
43 Board of Commissioners.

- 1 (6) One member appointed by the Martin County Board of  
2 Commissioners selected from the Martin County Historical Society.
- 3 (7) One member appointed by the Martin County Board of  
4 Commissioners selected from the Robersonville Downtown Merchants  
5 Association.

6 The appointees shall be made from throughout the County by the Martin County  
7 Board of Commissioners. At least one-third of the members must be individuals  
8 affiliated with businesses that collect the tax in the county and at least one-half of the  
9 members must be individuals currently active in the promotion of travel and tourism in  
10 the county. All members of the Authority shall serve without compensation. Vacancies  
11 shall be filled in the same manner as original appointments. Members appointed to fill  
12 vacancies shall serve for the remainder of the unexpired term. The Authority shall elect  
13 each year from its membership a Chair. No member may serve as Chair more than two  
14 one-year terms in succession. The Authority shall meet at the call of the Chair or of any  
15 three members and shall adopt rules of procedure to govern its meetings. The Finance  
16 Officer for Martin County shall be the ex officio finance officer of the Authority.

17 (b) Terms of office. = Members of the Authority shall serve three-year terms  
18 except that the Martin County Commissioner appointed pursuant to subdivision (a)(1)  
19 shall be appointed yearly by the chairman of the board of commissioners and initial  
20 appointees shall serve the following terms:

- 21 (1) The Martin County Commissioner appointed pursuant to subdivision  
22 (a)(1): one year.
- 23 (2) One representative of the motel and restaurant industry appointed  
24 pursuant to subdivision (a)(2): one year.
- 25 (3) One representative of the motel and restaurant industry appointed  
26 pursuant to subdivision (a)(2): three years.
- 27 (4) The representative of the Martin County Chamber of Commerce  
28 appointed pursuant to subdivision (a)(3): three years.
- 29 (5) The representative of the Martin County Economic Development  
30 Commission appointed pursuant to subdivision (a)(4): two years.
- 31 (6) Three members appointed by Martin County Commissioners pursuant  
32 to subdivision (a)(5): one year.
- 33 (7) Two representatives appointed by Martin County Commissioners  
34 pursuant to subdivision (a)(5): three years.
- 35 (8) The representative of the Martin County Historical Society appointed  
36 pursuant to subdivision (a)(6): two years.
- 37 (9) The representative of the Robersonville Downtown Merchants  
38 Association appointed pursuant to subdivision (a)(7): three years.

39 (c) Limitation on terms. = No member of the Authority shall serve more than two  
40 consecutive three-year terms.

41 ~~(d) Powers and duties. The Authority may contract with any person, firm, or~~  
42 ~~agency to assist it in carrying out the purposes for which the tax proceeds levied by this~~  
43 ~~act may be expended.~~ Duties. – The Authority shall expend the net proceeds of the tax  
44 levied under this act for the purposes provided in this act. The Authority shall promote

1 travel, tourism, and conventions in the county, sponsor tourist-related events and  
2 activities in the county, and finance tourist-related capital projects in the county. The  
3 board of county commissioners may from time to time determine an appropriate  
4 percentage not to exceed five percent (5%) of net proceeds that may be expended for  
5 administrative services.

6 (e) Reports. – The Authority shall report quarterly and at the close of the fiscal  
7 year to the board of commissioners on its receipts and expenditures for the preceding  
8 quarter and for the year in such detail as the board may require.

9 ~~(f) Notwithstanding the provisions of this act, the board of commissioners may~~  
10 ~~abolish the Martin County Travel and Tourism Authority and itself function and carry~~  
11 ~~out the duties of the Authority provided in this act.~~

12 "Sec. 3. This act is effective upon ratification."  
13

#### 14 **PART VI. UNIFORM PROVISIONS.**

15 **SECTION 6.1.** G.S. 153A-155(g) reads as rewritten:

16 "(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe,  
17 Cabarrus, Camden, Carteret, Caswell, Chowan, Craven, Cumberland, Currituck, Dare,  
18 Davie, Duplin, Durham, Granville, Halifax, Madison, ~~Martin,~~ Montgomery, Nash, New  
19 Hanover, Pasquotank, Pender, Person, Randolph, Richmond, Rowan, Scotland, Stanly,  
20 Transylvania, Tyrrell, Vance, and Washington Counties, to Watauga County District U,  
21 and to the Township of Averasboro in Harnett ~~County~~ County and the Ocracoke  
22 Township Taxing District."

23 **SECTION 6.2.** G.S. 160A-215(g) reads as rewritten:

24 "(g) This section applies only to Beech Mountain District W, to the Cities of  
25 Elizabeth City, Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain,  
26 Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Roanoke Rapids, Shelby,  
27 Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain,  
28 Blowing Rock, Carolina Beach, Carrboro, Elkin, Franklin, Kure Beach, Jonesville,  
29 Mooreville, North Topsail Beach, Selma, Smithfield, St. Pauls, West Jefferson,  
30 Wilkesboro, ~~and Wrightsville Beach, Wrightsville Beach, and Yanceyville,~~ and to the  
31 municipalities in Avery and Brunswick Counties."  
32

#### 33 **PART VII. CARTERET OCCUPANCY TAX.**

34 **SECTION 7.** S.L. 2005-120 is reenacted.  
35

#### 36 **PART VIII. CASWELL COUNTY OCCUPANCY TAX.**

37 **SECTION 8.1.** Occupancy Tax. – (a) Authorization and Scope. – The  
38 Caswell County Board of Commissioners may levy a room occupancy tax of up to three  
39 percent (3%) of the gross receipts derived from the rental of any room, lodging, or  
40 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within  
41 the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).  
42 This tax is in addition to any State or local sales tax. This tax does not apply to  
43 accommodations furnished by nonprofit charitable, educational, or religious  
44 organizations when furnished in furtherance of their nonprofit purpose.

1           **SECTION 8.1.(b)** Administration. – A tax levied under this section shall be  
2 levied, administered, collected, and repealed as provided in G.S. 153A-155. The  
3 penalties provided in G.S. 153A-155 apply to a tax levied under this section.

4           **SECTION 8.1.(c)** Distribution and Use of Tax Revenue. – Caswell County  
5 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Caswell  
6 County Tourism Development Authority. The Authority shall use at least two-thirds of  
7 the funds remitted to it under this subsection to promote travel and tourism in Caswell  
8 County and shall use the remainder for tourism-related expenditures.

9           The following definitions apply in this subsection:

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

25           **SECTION 8.2.** Caswell County Tourism Development Authority. – (a)  
26 Appointment and Membership. – When the Caswell County Board of Commissioners  
27 adopts a resolution levying a room occupancy tax under this part, it shall also adopt a  
28 resolution creating a county Tourism Development Authority, which shall be a public  
29 authority under the Local Government Budget and Fiscal Control Act. The resolution  
30 shall provide for the membership of the Authority, including the members' terms of  
31 office, and for the filling of vacancies on the Authority. At least one-third of the  
32 members must be individuals who are affiliated with businesses that collect the tax in  
33 the county, and at least one-half of the members must be individuals who are currently  
34 active in the promotion of travel and tourism in the county. The board of commissioners  
35 shall designate one member of the Authority as chair and shall determine the  
36 compensation, if any, to be paid to members of the Authority.

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

40           **SECTION 8.2.(b)** Duties. – The Authority shall expend the net proceeds of  
41 the tax levied under this part for the purposes provided in this part. The Authority shall  
42 promote travel, tourism, and conventions in the county, sponsor tourist-related events  
43 and activities in the county, and finance tourist-related capital projects in the county.

1           **SECTION 8.2.(c)** Reports. – The Authority shall report quarterly and at the  
2 close of the fiscal year to the Caswell County Board of Commissioners on its receipts  
3 and expenditures for the preceding quarter and for the year in such detail as the board  
4 may require.

5  
6 **PART IX. YANCEYVILLE OCCUPANCY TAX.**

7           **SECTION 9.1.** Occupancy Tax. – (a) Authorization and Scope. – The  
8 Yanceyville Town Council may levy a room occupancy tax of up to three percent (3%)  
9 of the gross receipts derived from the rental of any room, lodging, or accommodation  
10 furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is  
11 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in  
12 addition to any State or local sales tax. This tax does not apply to accommodations  
13 furnished by nonprofit charitable, educational, or religious organizations when  
14 furnished in furtherance of their nonprofit purpose.

15           **SECTION 9.1.(b)** Administration. – A tax levied under this section shall be  
16 levied, administered, collected, and repealed as provided in G.S. 160A-215. The  
17 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

18           **SECTION 9.1.(c)** Distribution and Use of Tax Revenue. – The Town of  
19 Yanceyville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to  
20 the Yanceyville Tourism Development Authority. The Authority shall use at least  
21 two-thirds of the funds remitted to it under this subsection to promote travel and tourism  
22 in Yanceyville and shall use the remainder for tourism-related expenditures.

23           The following definitions apply in this subsection:

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

39           **SECTION 9.2.** Yanceyville Tourism Development Authority. – (a)  
40 Appointment and Membership. – When the Yanceyville Town Council adopts a  
41 resolution levying a room occupancy tax under this part, it shall also adopt a resolution  
42 creating a town Tourism Development Authority, which shall be a public authority  
43 under the Local Government Budget and Fiscal Control Act. The resolution shall  
44 provide for the membership of the Authority, including the members' terms of office,

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

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

10         **SECTION 9.2.(b) Duties.** – The Authority shall expend the net proceeds of  
11 the tax levied under this part for the purposes provided in this part. The Authority shall  
12 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
13 activities in the town, and finance tourist-related capital projects in the town.

14         **SECTION 9.2.(c) Reports.** – The Authority shall report quarterly and at the  
15 close of the fiscal year to the Yanceyville Town Council on its receipts and expenditures  
16 for the preceding quarter and for the year in such detail as the town council may require.

17  
18 **PART X. EFFECTIVE DATES.**

19         **SECTION 10.** This act is effective when it becomes law. Chowan and  
20 Martin counties must ensure that the membership of the Tourism Development  
21 Authorities are in compliance with the requirements of this act on or before January 1,  
22 2006.