

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

S

1

SENATE BILL 2125*

Short Title: Cherokee County Occupancy Tax. (Local)

Sponsors: Senator Snow.

Referred to: Finance.

May 29, 2008

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE CHEROKEE COUNTY TO LEVY UP TO A SIX
2 PERCENT ROOM OCCUPANCY TAX.

3
4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** S.L. 1983-1055 is rewritten to read:

6 **"SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Cherokee
7 County Board of Commissioners may levy a room occupancy tax of up to six percent
8 (6%) of the gross receipts derived from the rental of any room, lodging, or
9 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
10 the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
11 This tax is in addition to any State or local sales tax. This tax does not apply to
12 accommodations furnished by nonprofit charitable, educational, or religious
13 organizations when furnished in furtherance of their nonprofit purpose.

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15 administered, collected, and repealed as provided in G.S. 153A-155.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

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

22 The following definitions apply in this subsection:

- 23 (1) Net proceeds. – Gross proceeds less the cost to the county of
24 administering and collecting the tax, as determined by the finance
25 officer, not to exceed three percent (3%) of the first five hundred
26 thousand dollars (\$500,000) of gross proceeds collected each year and
27 one percent (1%) of the remaining gross receipts collected each year.
- 28 (2) Promote travel and tourism. – To advertise or market an area or
29 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 county or to attract tourists or business travelers to the county. The
8 term includes tourism-related capital expenditures.

9 **"SECTION 2.** Cherokee County Tourism Development Authority. – (a)
10 Appointment and Membership. – When the Cherokee County Board of Commissioners
11 adopts a resolution levying a room occupancy tax under this Act, it shall also adopt a
12 resolution creating a county Tourism Development Authority, which shall be a public
13 authority under the Local Government Budget and Fiscal Control Act. The resolution
14 shall provide for the membership of the Authority, including the members' terms of
15 office, and for the filling of vacancies on the Authority. At least one-third of the
16 members must be individuals who are affiliated with businesses that collect the tax in
17 the county, and at least one-half of the members must be individuals who are currently
18 active in the promotion of travel and tourism in the county. The board of commissioners
19 shall designate one member of the Authority as chair and shall determine the
20 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 procedure to
22 govern its meetings. The Finance Officer for Cherokee County shall be the ex officio
23 finance officer of the Authority.

24 **"SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
25 levied under this Act for the purposes provided in this Act. The Authority shall promote
26 travel, tourism, and conventions in the county, sponsor tourist-related events and
27 activities in the county, and finance tourist-related capital projects in the county.

28 **"SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the close of
29 the fiscal year to the Cherokee 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 **SECTION 2.** S.L. 153A-155(g) reads as rewritten:

33 **"§ 153A-155. Uniform provisions for room occupancy taxes.**

34 (g) This section applies only to Alleghany, Anson, Brunswick, Buncombe,
35 Burke, Cabarrus, Camden, Carteret, Caswell, Cherokee, Chowan, Clay, Craven,
36 Cumberland, Currituck, Dare, Davie, Duplin, Durham, Franklin, Granville, Halifax,
37 Haywood, Madison, Martin, McDowell, Montgomery, Nash, New Hanover, New
38 Hanover County District U, Northampton, Pasquotank, Pender, Perquimans, Person,
39 Randolph, Richmond, Rockingham, Rowan, Sampson, Scotland, Stanly, Swain,
40 Transylvania, Tyrrell, Vance, and Washington Counties, to Watauga County District U,
41 to Yadkin County District Y, and to the Township of Averagesboro in Harnett County and
42 the Ocracoke Township Taxing District."

43 **SECTION 3.** This act is effective when it becomes law.