

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2013**

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**HOUSE BILL 307\***

Short Title: Haywood Co. Capital Expenditures Occup. Tax. (Local)

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Sponsors: Representative Queen (Primary Sponsor).

*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

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Referred to: Government, if favorable, Finance.

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March 14, 2013

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE HAYWOOD COUNTY TO LEVY A TWO PERCENT ROOM  
OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Haywood County Board of Commissioners 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 county 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. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose. Haywood County may not levy a tax under this act unless it also levies the tax authorized in Sections 10, 10.1, and 10.2 of Part V of Chapter 908 of the 1983 Session Laws, as amended by Chapter 942 of the 1985 Session Laws (Regular Session 1986), Chapter 48 of the 1987 Session Laws, Chapter 540 of the 1995 Session Laws, and S.L. 2007-337.

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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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

**SECTION 1.(c)** Distribution and Use of Tax Revenue. – Haywood County shall, on a monthly basis, remit the net proceeds of the occupancy tax to the Haywood County Tourism Development Authority. The Authority shall create a Tourism Product Development Fund, the purpose of which is to provide financial assistance for tourism-related capital projects that significantly benefit patronage of lodging facilities in Haywood County and shall remit the net proceeds of the tax levied under this act into the Fund on a monthly basis. Funds not expended from the Fund at the end of the fiscal year do not revert. The Authority may not use more than five percent (5%) of the net proceeds for administrative expenses. For purposes of this subsection, "net proceeds" means the gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed one percent (1%) of the gross proceeds collected each year.

**SECTION 2.** Product Development Committee. – (a) Appointment and Membership. – When the Board of Commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating the Haywood County Product Development Committee, which shall be a public authority under the Local Government Budget and Fiscal Control Act and which shall review and evaluate proposals from applicants for tourism-related capital expenditure projects and make recommendations to



1 the Authority regarding the use and disposition of funds in the Tourism Product Development  
2 Fund. The resolution shall provide that the Committee is composed of 11 voting members and  
3 four ex officio members. The voting members shall be composed of one member representing  
4 each zip code, and the remaining members allocated to zip codes contributing more than ten  
5 percent (10%) of the total taxes collected in the previous fiscal year and weighted by  
6 percentage of total taxes collected in the previous fiscal year. No district shall have more than  
7 five voting representatives on the Committee. The four ex officio, nonvoting members shall be  
8 composed of the Haywood County Tourism Development Authority Executive Director, the  
9 Haywood County Manager, the Haywood County finance officer, and the Executive Director of  
10 the Haywood County Economic Development Commission. Product Development Committee  
11 members shall be individuals from the lodging or tourism-related industry recommended by  
12 each municipality or taxing district and approved by the Haywood County Board of  
13 Commissioners.

14 The resolution shall include provisions for the members' terms of office and for the  
15 filling of vacancies on the Authority. The Product Development Committee shall designate one  
16 member of the Committee as chair.

17 The Committee shall meet at the call of the chair and shall adopt rules of procedure  
18 to govern its meetings. The finance officer for Haywood County shall be the ex officio finance  
19 officer of the Committee. The Committee, before recommending a project to the Authority,  
20 shall require the applicant for the project to submit a feasibility study demonstrating, to the  
21 satisfaction of the Committee, the economic value of the project to the area, including a  
22 showing that the project will significantly benefit the utilization of lodging facilities in  
23 Haywood County, and may not recommend a project to the Authority that fails to meet these  
24 requirements.

25 **SECTION 2.(b) Duties.** – The Authority shall expend the net proceeds of the tax  
26 levied under this act for the purposes provided in Section 1 of this act. The Authority shall  
27 award funds only to projects recommended and approved by the Committee. Awards shall be in  
28 the form of grants for projects. Projects must be located in Haywood County.

29 **SECTION 2.(c) Reports.** – The Authority shall report quarterly and at the close of  
30 the fiscal year to the Haywood County Board of Commissioners on its receipts and  
31 expenditures for the preceding quarter and for the year in such detail as the Board of  
32 Commissioners may require.

33 **SECTION 3.** This act is effective when it becomes law and expires on July 1,  
34 2023.