

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS55412-MC_x-31 (5/17)

Short Title: Tryon Occupancy Tax. (Local)

Sponsors: Senator Apodaca.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF TRYON TO LEVY A ROOM
OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners of Tryon may levy a room occupancy tax of up to three percent (3%) 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. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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. – The Town of Tryon shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Tryon 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 the Town of Tryon 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 proceeds collected each year.

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

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

11 **SECTION 2.** Tourism Development Authority. – (a) Appointment and
12 Membership. – When the Board of Commissioners adopts a resolution levying a room
13 occupancy tax under this act, it shall also adopt a resolution creating the Tryon Tourism
14 Development Authority, which shall be a public authority under the Local Government
15 Budget and Fiscal Control Act. The resolution shall provide for the membership of the
16 Authority, including the members' terms of office, and for the filling of vacancies on the
17 Authority. At least one-third of the members shall be individuals who are affiliated with
18 businesses that collect the tax in the town, and at least one-half of the members shall be
19 individuals who are currently active in the promotion of travel and tourism in the town.
20 The Board of Commissioners shall designate one member of the Authority as chair and
21 shall determine the compensation, if any, to be paid to members of the Authority.

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

25 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of the
26 tax levied under this act for the purposes provided in Section 1 of this act. The
27 Authority shall promote travel, tourism, and conventions in the town, sponsor
28 tourist-related events and activities in the town, and finance tourist-related capital
29 projects in the town.

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

34 **SECTION 3.** Administrative provisions. – G.S. 160A-215(g) reads as rewritten:

35 "(g) This section applies only to Beech Mountain District W, to the Cities of
36 Belmont, Elizabeth City, Eden, Gastonia, Goldsboro, Greensboro, High Point, Kings
37 Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Reidsville,
38 Roanoke Rapids, Shelby, Statesville, Washington, and Wilmington, to the Towns of
39 Beech Mountain, Blowing Rock, Carolina Beach, Carrboro, Franklin, Kure Beach,
40 Jonesville, Mooresville, North Topsail Beach, Selma, Smithfield, St. Pauls, Troutman,
41 Tryon, West Jefferson, Wilkesboro, and Wrightsville Beach, and to the municipalities in
42 Avery and Brunswick Counties."

43 **SECTION 4.** This act is effective when it becomes law.