

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2009**

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**HOUSE BILL 1667**  
**Committee Substitute Favorable 6/2/10**

Short Title:   Davie County Omnibus Occupancy Tax. (Local)

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Sponsors:

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Referred to:

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May 13, 2010

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CERTAIN UNITS OF LOCAL GOVERNMENT  
LOCATED WITHIN DAVIE COUNTY TO LEVY A ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**PART I: MOCKSVILLE OCCUPANCY TAX**

**SECTION 1.1.** Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners of the Town of Mocksville 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 1.1.(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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 1.1.(c)** Distribution and Use of Tax Revenue. – The Town of Mocksville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Mocksville 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 Mocksville and shall use the remainder for tourism-related expenditures.

The following definitions apply in this section:

- (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.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in the listed activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Mocksville Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.



1           **SECTION 1.2.** Tourism Development Authority. – (a) Appointment and  
2 Membership. – When the Board of Commissioners adopts a resolution levying a room  
3 occupancy tax under this act, it shall also adopt a resolution creating the Mocksville Tourism  
4 Development Authority, which shall be a public authority under the Local Government Budget  
5 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,  
6 including the members' terms of office, and for the filling of vacancies on the Authority. At  
7 least one-third of the members shall be individuals who are affiliated with businesses that  
8 collect the tax in the town, and at least one-half of the members shall be individuals who are  
9 currently active in the promotion of travel and tourism in the town. The Board of  
10 Commissioners shall designate one member of the Authority as chair and shall determine the  
11 compensation, if any, to be paid to members of the Authority.

12           The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
13 govern its meetings. The finance officer for the Town of Mocksville shall be the ex officio  
14 finance officer of the Authority.

15           **SECTION 1.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax  
16 levied under this Part for the purposes provided in Section 1.1 of this act. The Authority shall  
17 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
18 activities in the town, and finance tourist-related capital projects in the town.

19           **SECTION 1.2.(c) Reports.** – The Authority shall report quarterly and at the close  
20 of the fiscal year to the Board of Commissioners of the Town of Mocksville on its receipts and  
21 expenditures for the preceding quarter and for the year in such detail as the Board of  
22 Commissioners may require.

## 23 24 **PART II: BERMUDA RUN OCCUPANCY TAX**

25           **SECTION 2.1.** Occupancy tax. – (a) Authorization and Scope. – The Bermuda  
26 Run Town Council may levy a room occupancy tax of up to three percent (3%) of the gross  
27 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,  
28 motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by  
29 the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This  
30 tax does not apply to accommodations furnished by nonprofit charitable, educational, or  
31 religious organizations when furnished in furtherance of their nonprofit purpose.

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

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

40           The following definitions apply in this section:

- 41           (1) Net proceeds. – Gross proceeds less the cost to the town of administering  
42 and collecting the tax, as determined by the finance officer, not to exceed  
43 three percent (3%) of the first five hundred thousand dollars (\$500,000) of  
44 gross proceeds collected each year and one percent (1%) of the remaining  
45 gross proceeds collected each year.
- 46           (2) Promote travel and tourism. – To advertise or market an area or activity,  
47 publish and distribute pamphlets and other materials, conduct market  
48 research, or engage in similar promotional activities that attract tourists or  
49 business travelers to the area; the term includes administrative expenses  
50 incurred in engaging in the listed activities.

- 1 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
2 Bermuda Run Tourism Development Authority, are designed to increase the  
3 use of lodging facilities, meeting facilities, or convention facilities in the  
4 town or to attract tourists or business travelers to the town. The term  
5 includes tourism-related capital expenditures.

6 **SECTION 2.2.** Tourism Development Authority. – (a) Appointment and  
7 Membership. – When the Town Council adopts a resolution levying a room occupancy tax  
8 under this act, it shall also adopt a resolution creating the Bermuda Run Tourism Development  
9 Authority, which shall be a public authority under the Local Government Budget and Fiscal  
10 Control Act. The resolution shall provide for the membership of the Authority, including the  
11 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of  
12 the members shall be individuals who are affiliated with businesses that collect the tax in the  
13 town, and at least one-half of the members shall be individuals who are currently active in the  
14 promotion of travel and tourism in the town. The Town Council shall designate one member of  
15 the Authority as chair and shall determine the compensation, if any, to be paid to members of  
16 the Authority.

17 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
18 govern its meetings. The finance officer for the Town of Bermuda Run shall be the ex officio  
19 finance officer of the Authority.

20 **SECTION 2.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
21 levied under this Part for the purposes provided in Section 2.1 of this act. The Authority shall  
22 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
23 activities in the town, and finance tourist-related capital projects in the town.

24 **SECTION 2.2.(c)** Reports. – The Authority shall report quarterly and at the close  
25 of the fiscal year to the Bermuda Run Town Council on its receipts and expenditures for the  
26 preceding quarter and for the year in such detail as the Town Council may require.  
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### 28 **PART III: COOLEEMEE OCCUPANCY TAX**

29 **SECTION 3.1.** Occupancy tax. – (a) Authorization and Scope. – The Board of  
30 Commissioners of the Town of Cooleemee may levy a room occupancy tax of up to three  
31 percent (3%) of the gross receipts derived from the rental of any room, lodging, or  
32 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the town  
33 that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in  
34 addition to any State or local sales tax. This tax does not apply to accommodations furnished by  
35 nonprofit charitable, educational, or religious organizations when furnished in furtherance of  
36 their nonprofit purpose.

37 **SECTION 3.1.(b)** Administration. – A tax levied under this section shall be levied,  
38 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
39 G.S. 160A-215 apply to a tax levied under this section.

40 **SECTION 3.1.(c)** Distribution and Use of Tax Revenue. – The Town of  
41 Cooleemee shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the  
42 Cooleemee Tourism Development Authority. The Authority shall use at least two-thirds of the  
43 funds remitted to it under this subsection to promote travel and tourism in the Town of  
44 Cooleemee and shall use the remainder for tourism-related expenditures.

45 The following definitions apply in this section:

- 46 (1) Net proceeds. – Gross proceeds less the cost to the town of administering  
47 and collecting the tax, as determined by the finance officer, not to exceed  
48 three percent (3%) of the first five hundred thousand dollars (\$500,000) of  
49 gross proceeds collected each year and one percent (1%) of the remaining  
50 gross proceeds collected each year.

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

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

11 **SECTION 3.2.** 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 Cooleemee Tourism  
14 Development Authority, which shall be a public authority under the Local Government Budget  
15 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,  
16 including the members' terms of office, and for the filling of vacancies on the Authority. At  
17 least one-third of the members shall be individuals who are affiliated with businesses that  
18 collect the tax in the town, and at least one-half of the members shall be individuals who are  
19 currently active in the promotion of travel and tourism in the town. The Board of  
20 Commissioners shall designate one member of the Authority as chair and shall determine the  
21 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 procedure to  
23 govern its meetings. The finance officer for the Town of Cooleemee shall be the ex officio  
24 finance officer of the Authority.

25 **SECTION 3.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
26 levied under this Part for the purposes provided in Section 3.1 of this act. The Authority shall  
27 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
28 activities in the town, and finance tourist-related capital projects in the town.

29 **SECTION 3.2.(c)** Reports. – The Authority shall report quarterly and at the close  
30 of the fiscal year to the Cooleemee Board of Commissioners on its receipts and expenditures  
31 for the preceding quarter and for the year in such detail as the Board of Commissioners may  
32 require.

#### 33 **PART IV: ADMINISTRATIVE PROVISIONS**

34 **SECTION 4.** G.S. 160A-215(g) reads as rewritten:

35 "(g) This section applies only to Beech Mountain District W, to the Cities of Belmont,  
36 Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Greensboro, Hickory, High Point,  
37 Jacksonville, Kings Mountain, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe,  
38 Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Shelby, Statesville,  
39 Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda  
40 Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee,  
41 Cramerton, Dallas, Dobson, Elkin, Franklin, Jonesville, Kenly, Kure Beach, Leland,  
42 McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pilot Mountain,  
43 Ranlo, Selma, Smithfield, St. Pauls, Troutman, Tryon, West Jefferson, Wilkesboro,  
44 Wrightsville Beach, Yadkinville, and Yanceyville, and to the municipalities in Avery and  
45 Brunswick Counties."

#### 46 **PART V: EFFECTIVE DATE**

47 **SECTION 5.** This act is effective when it becomes law.  
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