

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013**

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**HOUSE BILL 493
Senate Finance Committee Substitute Adopted 7/16/13**

Short Title: Robbinsville/Graham Occupancy Tax. (Local)

Sponsors:

Referred to:

April 2, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE TOWN OF ROBBINSVILLE TO LEVY AN OCCUPANCY
3 TAX, TO AMEND THE EXISTING GRAHAM COUNTY OCCUPANCY TAX, AND
4 TO CREATE A TAXING DISTRICT IN GRAHAM COUNTY FOR THE PURPOSE OF
5 LEVYING A THREE PERCENT ROOM OCCUPANCY AND TOURISM
6 DEVELOPMENT TAX.

7 The General Assembly of North Carolina enacts:

8
9 **PART I: TOWN OF ROBBINSVILLE OCCUPANCY TAX**

10 **SECTION 1.1.** Occupancy Tax. – (a) Authorization and Scope. – The Town
11 Council of the Town of Robbinsville may levy a room occupancy tax of up to three percent
12 (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation
13 furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is subject to
14 sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State
15 or local sales tax.

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17 administered, collected, and repealed as provided in G.S. 160A-215.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

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

24 The following definitions apply in this Part:

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



1 use of lodging facilities, meeting facilities, or convention facilities in the
2 town or to attract tourists or business travelers to the town. The term
3 includes tourism-related capital expenditures.

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

15 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
16 govern its meetings. The finance officer for the Town of Robbinsville shall be the ex officio
17 finance officer of the Authority.

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

22 **SECTION 1.2.(c)** Reports. – The Authority shall report quarterly and at the close
23 of the fiscal year to the Robbinsville Town Council on its receipts and expenditures for the
24 preceding quarter and for the year in such detail as the Town Council may require.

25 **SECTION 1.3.** G.S. 160A-215(g) reads as rewritten:

26 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an
27 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act,
28 subsection (c) supersedes that provision. The remainder of this section applies only to Beech
29 Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia,
30 Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lenoir,
31 Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville,
32 Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to the Towns of
33 Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone,
34 Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Fontana
35 Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland, McAdenville,
36 Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain,
37 Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon, West
38 Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to the
39 municipalities in Avery and Brunswick Counties."
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41 **PART II: GRAHAM COUNTY OCCUPANCY TAX**

42 **SECTION 2.1.** Chapter 969 of the 1985 Session Laws, as amended by Chapters
43 118 and 195 of the 1987 Session Laws and by Section 21(k) of S.L. 2007-527, and only as it
44 applies to Graham County, is rewritten and recodified as Sections 3.2 and 3.3 of this act. This
45 act does not affect the rights or liabilities of the county, a taxpayer, or another person arising
46 under the law rewritten and recodified by this act before the effective date, nor does it affect the
47 right to any refund or credit of a tax that accrued under the law rewritten and recodified by this
48 act before the effective date.

49 **SECTION 2.2.** Occupancy Tax. – (a) Authorization and Scope. – The Graham
50 County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the
51 gross receipts derived from the rental of any room, lodging, or accommodation furnished by a

1 hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax
2 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local
3 sales tax.

4 **SECTION 2.2.(b)** Administration. – A tax levied under this Part shall be levied,
5 administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in
6 G.S. 153A-155 apply to a tax levied under this Part.

7 **SECTION 2.2.(c)** Definitions. – The following definitions apply in this Part:

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

23 **SECTION 2.2.(d)** Distribution and Use of Tax Revenue. – Graham County shall,
24 on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part to the
25 Graham County Tourism Development Authority. The Authority shall use at least two-thirds of
26 the funds remitted to it under this subsection to promote travel and tourism in Graham County
27 and shall use the remainder for tourism-related expenditures.

28 **SECTION 2.3.** Tourism Development Authority. – (a) Appointment and
29 Membership. – When the Graham County Board of Commissioners adopts a resolution levying
30 a room occupancy tax under Section 5 of this act, it shall also ensure that the Graham County
31 Tourism Development Authority complies with the requirements of this act. Any changes to the
32 Authority shall be accomplished by adoption of a resolution. The Authority shall be a public
33 authority under the Local Government Budget and Fiscal Control Act. The resolution adopted
34 by the Board of Commissioners shall provide for the membership of the Authority, including
35 the members' terms of office, and for the filling of vacancies on the Authority. At least
36 one-third of the members shall be individuals who are affiliated with businesses that collect the
37 tax in the county, and at least one-half of the members shall be individuals who are currently
38 active in the promotion of travel and tourism in the county. The Board of Commissioners shall
39 designate one member of the Authority as chair and shall determine the compensation, if any,
40 to be paid to members of the Authority.

41 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
42 govern its meetings. The Finance Officer for Graham County shall be the ex officio finance
43 officer of the Authority.

44 **SECTION 2.3.(b)** Duties. – The Authority shall expend the net proceeds of the tax
45 levied under Section 2.2 of this act for the purposes provided in that section. The Authority
46 shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and
47 activities in the county, and finance tourist-related capital projects in the county.

48 **SECTION 2.3.(c)** Reports. – The Authority shall report quarterly and at the close
49 of the fiscal year to the Graham County Board of Commissioners on its receipts and
50 expenditures for the preceding quarter and for the year in such detail as the Board of
51 Commissioners may require.

1 **SECTION 2.4.(a)** Section 3 of Chapter 969 of the 1985 Session Laws reads as
2 rewritten:

3 "Sec. 3. This act applies only to the following counties: ~~Graham~~, Clay, Durham, Macon,
4 Polk, and Transylvania."

5 **SECTION 2.4.(b)** Section 3 of Chapter 118 of the 1987 Session Laws reads as
6 rewritten:

7 "Sec. 3. This act applies only to the following counties: ~~Clay, Graham, Clay~~ and Macon."

8 **SECTION 2.4.(c)** Section 2 of Chapter 195 of the 1987 Session Laws reads as
9 rewritten:

10 "Sec. 2. This act applies only to the following counties: ~~Clay, Graham, Clay~~ and Macon."
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12 **PART III: GRAHAM COUNTY DISTRICT G OCCUPANCY TAX**

13 **SECTION 3.1.** Graham County District G Created. – Graham County District G is
14 created as a taxing district. Its jurisdiction consists of that part of Graham County that is located
15 outside of the incorporated area of the Town of Robbinsville. Graham County District G is a
16 body politic and corporate and has the power to carry out the provisions of this act. The
17 Graham County Board of Commissioners shall serve ex officio as the governing body of the
18 district, and the officers of the County shall serve as the officers of the governing body of the
19 district. A simple majority of the governing body constitutes a quorum, and approval by a
20 majority of those present is sufficient to determine any matter before the governing body, if a
21 quorum is present.

22 **SECTION 3.2.** Occupancy Tax. – (a) Authorization and Scope. – The governing
23 body of Graham County District G may levy a room occupancy tax of up to three percent (3%)
24 of the gross receipts derived from the rental of any room, lodging, or accommodation furnished
25 by a hotel, motel, inn, tourist camp, or similar place within the district that is subject to sales
26 tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or
27 local sales tax. Graham County District G may not levy a tax under this subsection unless
28 Graham County also levies a tax of not less than three percent (3%) under subsection 1(a) of
29 Chapter 969 of the 1985 Session Laws (Regular Session 1986), as recodified and rewritten as
30 Section 2.2 of this act.

31 **SECTION 3.2.(b)** Administration. – A tax levied under this Part shall be levied,
32 administered, collected, and repealed as provided in G.S. 153A-155 as if Graham County
33 District G were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under
34 this Part.

35 **SECTION 3.2.(c)** Definitions. – The following definitions apply in this Part:

- 36 (1) Net proceeds. – Gross proceeds less the cost to the district of administering
37 and collecting the tax, as determined by the finance officer, not to exceed
38 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
39 gross proceeds collected each year and one percent (1%) of the remaining
40 gross receipts collected each year.
- 41 (2) Promote travel and tourism. – To advertise or market an area or activity,
42 publish and distribute pamphlets and other materials, conduct market
43 research, or engage in similar promotional activities that attract tourists or
44 business travelers to the area. The term includes administrative expenses
45 incurred in engaging in the listed activities.
- 46 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
47 Tourism Development Authority, are designed to increase the use of lodging
48 facilities, meeting facilities, or convention facilities in the district or to
49 attract tourists or business travelers to the district. The term includes
50 tourism-related capital expenditures.

1 **SECTION 3.2.(d)** Distribution and Use of Tax Revenue. – Graham County District
2 G shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Graham County
3 Tourism Development Authority. The Authority shall use at least two-thirds of the proceeds
4 remitted to it to promote travel and tourism in Graham County District G and shall use the
5 remainder for tourism-related expenditures. In accordance with the North Carolina Constitution
6 and the United States Constitution, the tax proceeds may be used only for the direct benefit of
7 the jurisdiction of Graham County District G. None of the proceeds may be used to promote
8 travel or tourism in areas within Graham County that are outside of the district or for
9 tourism-related expenditures in the county that are outside of the district.

10 **SECTION 3.3.** G.S. 153A-155(g) reads as rewritten:

11 "(g) Applicability. – Subsection (c) of this section applies to all counties and county
12 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of
13 a local act, subsection (c) supersedes that provision. The remainder of this section applies only
14 to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,
15 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,
16 Durham, Forsyth, Franklin, Granville, Halifax, Haywood, Henderson, Jackson, Madison,
17 Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton, Pasquotank,
18 Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford,
19 Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and Wilson
20 Counties, to Graham County District G, to New Hanover County District U, to Surry County
21 District S, to Watauga County District U, to Wilkes County District K, to Yadkin County
22 District Y, and to the Township of Averasboro in Harnett County and the Ocracoke Township
23 Taxing District."
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25 **PART IV: EFFECTIVE DATE**

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