

GENERAL ASSEMBLY OF NORTH CAROLINA  
1993 SESSION

CHAPTER 410  
SENATE BILL 692

AN ACT AUTHORIZING PITT COUNTY TO INCREASE ITS ROOM OCCUPANCY TAX FROM THREE PERCENT TO NO MORE THAN SIX PERCENT, TO PROVIDE FOR THE USE OF THE PROCEEDS OF THE ADDITIONAL TAX, AND TO MODIFY THE EXISTING PITT COUNTY ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

PART I.

AUTHORIZATION FOR ADDITIONAL PITT COUNTY ROOM OCCUPANCY TAX

Section 1.1. Levy of Additional Occupancy Tax. (a) Authorization. In addition to the tax authorized by Chapter 143 of the 1987 Session Laws, the Pitt County Board of Commissioners may by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto, levy an additional room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under that Chapter. The levy, collection, administration, and repeal of the tax authorized by this act shall be in accordance with the provisions of Sections 1 and 2 of Chapter 143 of the 1987 Session Laws. Pitt County may not levy a tax under this act unless it also levies the tax authorized under Chapter 143 of the 1987 Session Laws.

(b) Use of Proceeds of Additional Tax. Pitt County shall, on a monthly basis, remit to the Pitt-Greenville Convention and Visitors Authority the net proceeds, as defined in Section 1(e) of Chapter 143 of the 1987 Session Laws, of the tax levied under this act.

The proceeds are to be used and disbursed by the Authority in the following manner:

- (1) If Pitt County and the City of Greenville have advanced funds in acquiring property for a convention center, then until the county and the city have both been fully reimbursed, the Authority shall pay fifty percent (50%) of the funds it receives under this section to the City of Greenville, and fifty percent (50%) of the funds it receives under this section to Pitt County, for the purpose of refunding funds advanced by the city and the county in the acquisition of property to be used by the Pitt-Greenville Convention and Visitors Authority as a convention center.

- (2) After full reimbursement of the city and the county as provided in subdivision (1) of this section, the Authority shall use the funds it receives under this section only to finance, construct, maintain, operate, or market a convention center.

A "convention center" is a facility to be used primarily by individuals who are not residents of Pitt County for conventions and other meetings.

Sec. 1.2. Reduction of Tax. The Pitt County Board of Commissioners may adopt a resolution to reduce the tax levied pursuant to Section 1.1 of this act. Reduction of the tax shall be subject to the provisions governing repeal of the tax in Section 1(g) of Chapter 143 of the 1987 Session Laws.

## PART II.

### MODIFICATIONS TO EXISTING PITT COUNTY ROOM OCCUPANCY TAX

Sec. 2.1. Section 1(d) of Chapter 143 of the 1987 Session Laws reads as rewritten:

"(d) Penalties. A person, firm, corporation, or association who fails or refuses to file the return required by this section shall pay a penalty of ten dollars (\$10.00) for each day's omission. In case of failure or refusal to file the return or pay the tax for a period of thirty (30) days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to any other penalty, with an additional tax of five percent (5%) for each additional month or fraction thereof until the tax is paid.

~~Any person who willfully attempts in any manner to evade the occupancy tax levied under this section or who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both. The Board of Commissioners may, for good cause shown, compromise or forgive the penalties imposed by this subsection. is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The Board of Commissioners has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes."~~

Sec. 2.2. Section 1(e) of Chapter 143 of the 1987 Session Laws reads as rewritten:

"(e) Distribution and use of tax revenue. Pitt County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Pitt-Greenville Convention and Visitors Authority. The Authority ~~may~~ shall spend at least two-thirds of the funds remitted to it under this subsection only for promotion, activities, and programs aiding and encouraging travel, tourism, and conventions in Pitt County. As used in this subsection, 'net proceeds' means gross to promote travel and tourism in Pitt County and the City of Greenville and may use the remainder of the proceeds remitted to it only for tourism-related expenditures. The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance

~~officer.~~ officer, not to exceed seven percent (7%) of the amount collected.

- (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 are designed to increase the use of lodging facilities in a county or to attract tourists or business travelers to the county and expenditures incurred by the county in collecting the tax. The term includes expenditures to construct, maintain, operate, or market a convention center and other expenditures that, in the judgment of the Authority, the County, and the City, will facilitate and support tourism."

Sec. 2.3. Section 2(b) of Chapter 143 of the 1987 Session Laws reads as rewritten:

"(b) Powers and duties. The Authority may contract with any person, firm, or agency to advise and assist it in the ~~promotion of activities and programs aiding and encouraging travel, tourism, and conventions.~~ expenditure of funds remitted to it by the County. The Authority shall prepare an annual budget based on anticipated revenues and shall submit the budget to the Pitt County Manager and Greenville City Manager for processing and approval through the regular budget procedure of the County and City. The Authority shall make quarterly reports to the Pitt County Board of Commissioners and the Greenville City Council detailing its revenues, expenditures, and activities. An annual audit report shall be conducted and distributed to the County and the City by the Authority."

PART III.  
EFFECTIVE DATE

Sec. 3.1. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 20th day of July, 1993.

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Dennis A. Wicker  
President of the Senate

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Daniel Blue, Jr.  
Speaker of the House of Representatives