

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 2445
Senate Finance Committee Substitute Adopted 7/6/06

Short Title: Halifax/Ahoskie Occupancy Tax.

(Local)

Sponsors:

Referred to:

May 24, 2006

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE TOWN OF AHOSKIE TO LEVY A ROOM
2 OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO AMEND THE
3 OCCUPANCY TAX IN HALIFAX COUNTY.
4

5 The General Assembly of North Carolina enacts:

6 **PART I. HALIFAX OCCUPANCY TAX**

7 **SECTION 1.** Chapter 377 of the 1987 Session Laws, as amended by S.L.
8 2005-46, reads as rewritten:

9 "**Section 1.** Occupancy ~~tax.~~Tax. – (a) Authorization and ~~scope.~~Scope. – The
10 Halifax County Board of Commissioners may levy a room occupancy tax of three
11 percent (3%) of the gross receipts derived from the rental of any room, lodging, or
12 similar accommodation furnished by a hotel, motel, inn, or similar place within the
13 county that is subject to sales tax imposed by the State under G.S 105-164.4(a)(3). This
14 tax is in addition to any State or local sales tax. This tax does not apply to
15 accommodations furnished by nonprofit charitable, educational, or religious
16 organizations.

17 (a1) Authorization of ~~additional tax.~~Additional Tax. – In addition to the tax
18 authorized by subsection (a) of this section, the Halifax County Board of
19 Commissioners may levy an additional room occupancy tax of up to two percent (2%)
20 of the gross receipts derived from the rental of accommodations taxable under
21 subsection (a) of this section. The levy, collection, administration, and repeal of the tax
22 authorized by this subsection ~~must~~shall be in accordance with the provisions of this
23 section. Halifax County may not levy a tax under this subsection unless it also levies the
24 tax authorized under subsection (a) of this section.

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26 administered, collected, and repealed as provided in G.S. 153A-155.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

28 (c) Distribution and ~~use~~Use of ~~tax revenue.~~Tax Revenue. – Halifax County
29 ~~must~~shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the

1 Halifax County Tourism Development Authority. The Authority ~~must~~shall use at least
2 two-thirds of the funds remitted to it under this subsection to promote travel and tourism
3 in Halifax County and ~~must~~shall use the remainder for tourism-related expenditures.

4 The following definitions apply to this subsection:

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

21 **"Sec. 2.** Tourism Development Authority. = (a) Appointment and
22 ~~membership.~~Membership. – When the Halifax County Board of Commissioners adopts
23 a resolution levying a room occupancy tax under this act, it ~~must~~shall also adopt a
24 resolution creating a county Tourism Development Authority, which shall be a public
25 authority under the Local Government Budget and Fiscal Control Act. The resolution
26 ~~must~~shall provide for the membership of the Authority including the members'
27 qualifications and terms of office, and for the filling of vacancies on the Authority. At
28 least one-fifth of the members must be individuals who are affiliated with businesses
29 that collect the tax in the county, and at least ~~three-fourths~~one-half of the members must
30 be individuals who are currently active in the promotion of travel and tourism in the
31 county. ~~The Authority must designate one member as chair and one member as~~
32 ~~treasurer.~~The board of commissioners shall designate one member of the Authority as
33 chair and shall determine the compensation, if any, to be paid to members of the
34 Authority.

35 The Authority ~~must~~shall meet at the call of the chair and ~~must~~shall adopt rules of
36 procedure to govern its meetings. The Finance Officer for Halifax County shall be the
37 ex officio finance officer of the Authority.

38 (b) Duties. – The Authority must expend the net proceeds of the tax levied under
39 this act for the purposes provided in Section 1 of this act. The Authority must promote
40 travel, tourism, and conventions in the county, sponsor tourist-related events and
41 activities in the county, and finance tourist-related capital projects in the county.

42 (c) Reports. – The Authority ~~must~~shall report quarterly and at the close of the
43 fiscal year to the Halifax County Board of ~~County~~ Commissioners on its receipts and

1 expenditures for the preceding quarter and for the year in such detail as the Board may
2 require.

3 "Sec. 3. This act is effective upon ratification."

4 **PART II. TOWN OF AHOSKIE OCCUPANCY TAX**

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

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

16 **SECTION 2.1.(c)** Distribution and Use of Tax Revenue. – The Town of
17 Ahoskie shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
18 Town of Ahoskie Tourism Development Authority. The Authority shall use at least
19 two-thirds of the funds remitted to it under this part to promote travel and tourism in the
20 town and shall use the remainder for tourism-related expenditures.

21 The following definitions apply in this part:

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

37 **SECTION 2.2.** Town of Ahoskie Tourism Development Authority. – (a)
38 Appointment and Membership. – When the Ahoskie Town Council adopts a resolution
39 levying a room occupancy tax under this part, it shall also adopt a resolution creating a
40 town Tourism Development Authority, which shall be a public authority under the
41 Local Government Budget and Fiscal Control Act. The resolution shall provide for the
42 membership of the Authority, including the members' terms of office, and for the filling
43 of vacancies on the Authority. At least one-third of the members must be individuals
44 affiliated with businesses that collect the tax in the town, and at least one-half of the

1 members must be individuals currently active in the promotion of travel and tourism in
2 the town. The town council shall designate one member of the Authority as chair and
3 shall determine the compensation, if any, to be paid to members of the Authority.

4 The Authority shall meet at the call of the chair and shall adopt rules of
5 procedure to govern its meetings. The Finance Officer for the Town of Ahoskie shall be
6 the ex officio finance officer of the Authority.

7 **SECTION 2.2.(b) Duties.** – The Authority shall expend the net proceeds of
8 the tax levied under this part for the purposes provided in this part. The Authority shall
9 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
10 activities in the town, and finance tourist-related capital projects in the town.

11 **SECTION 2.2.(c) Reports.** – The Authority shall report quarterly and at the
12 close of the fiscal year to the Ahoskie Town Council on its receipts and expenditures for
13 the preceding quarter and for the year in such detail as the town council may require.

14 **PART III. UNIFORM PROVISIONS**

15 **SECTION 3.** G.S. 160A-215(g) reads as rewritten:

16 "(g) This section applies only to Beech Mountain District W, to the Cities of
17 Belmont, Elizabeth City, Eden, Gastonia, Goldsboro, Greensboro, High Point, Kings
18 Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Reidsville,
19 Roanoke Rapids, Shelby, Statesville, Washington, and Wilmington, to the Towns of
20 Ahoskie, Beech Mountain, Blowing Rock, Carolina Beach, Carrboro, Franklin, Kure
21 Beach, Jonesville, Mooresville, North Topsail Beach, Selma, Smithfield, St. Pauls,
22 Troutman, West Jefferson, Wilkesboro, and Wrightsville Beach, and to the
23 municipalities in Avery and Brunswick Counties."

24 **PART IV. EFFECTIVE DATE**

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