

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 787

Short Title: Chowan Occupancy Tax.

(Local)

Sponsors: Representatives R. Thompson; and James.

Referred to: Government.

March 22, 1989

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE CHOWAN COUNTY TO LEVY A ROOM
2 OCCUPANCY AND TOURISM DEVELOPMENT TAX.
3

4 The General Assembly of North Carolina enacts:

5 Section 1. Occupancy tax. (a) Authorization and scope. The Chowan County Board
6 of Commissioners may by resolution, after not less than 10 days' public notice and after
7 a public hearing held pursuant thereto, levy a room occupancy tax of three percent (3%)
8 of the gross receipts derived from the rental of any room, lodging, or accommodation
9 furnished by a hotel, motel, inn, tourist camp, or similar place within the county that is
10 subject to sales tax imposed by the State under G.S. 105-164.4(3). This tax is in
11 addition to any State or local sales tax. This tax does not apply to accommodations
12 furnished by nonprofit charitable, educational, or religious organizations.

13 (b) Collection. Every operator of a business subject to the tax levied under this
14 section shall, on and after the effective date of the levy of the tax, collect the tax. This
15 tax shall be collected as part of the charge for furnishing a taxable accommodation. The
16 tax shall be stated and charged separately from the sales records, and shall be paid by
17 the purchaser to the operator of the business as trustee for and on account of the county.
18 The tax shall be added to the sales price and shall be passed on to the purchaser instead
19 of being borne by the operator of the business. The county shall design, print, and
20 furnish to all appropriate businesses and persons in the county the necessary forms for
21 filing returns and instructions to ensure the full collection of the tax. An operator of a
22 business who collects the occupancy tax levied under this section may deduct from the
23 amount remitted to the county a discount of three percent (3%) of the amount collected.

1 (c) Administration. The county shall administer a tax levied under this section.
2 A tax levied under this section is due and payable to the county finance officer in
3 monthly installments on or before the 15th day of the month following the month in
4 which the tax accrues. Every person, firm, corporation, or association liable for the tax
5 shall, on or before the 15th day of each month, prepare and render a return on a form
6 prescribed by the county. The return shall state the total gross receipts derived in the
7 preceding month from rentals upon which the tax is levied.

8 A return filed with the county finance officer under this section is not a public
9 record as defined by G.S. 132-1 and may not be disclosed except as required by law.

10 (d) Penalties. A person, firm, corporation, or association who fails or refuses to
11 file the return required by this section shall pay a penalty of ten dollars (\$10.00) for
12 each day's omission. In case of failure or refusal to file the return or pay the tax for a
13 period of 30 days after the time required for filing the return or for paying the tax, there
14 shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to
15 any other penalty, with an additional tax of five percent (5%) for each additional month
16 or fraction thereof until the tax is paid. The board of commissioners may, for good
17 cause shown, compromise or forgive the penalties imposed by this subsection.

18 Any person who willfully attempts in any manner to evade a tax imposed
19 under this section or who willfully fails to pay the tax or make and file a return shall, in
20 addition to all other penalties provided by law, be guilty of a misdemeanor and shall be
21 punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to
22 exceed six months, or both.

23 (e) Distribution and use of tax revenue. Chowan County shall, on a quarterly
24 basis, remit the net proceeds of the occupancy tax to the Chowan Tourism Development
25 Authority. The Authority may spend funds remitted to it under this subsection only to
26 promote travel and tourism in Chowan County, to sponsor tourist-oriented events and
27 activities in Chowan County, and to finance tourist-related capital projects in Chowan
28 County. As used in this subsection, "net proceeds" means gross proceeds less the cost to
29 the county of administering and collecting the tax, as determined by the finance officer.

30 (f) Effective date of levy. A tax levied under this section shall become
31 effective on the date specified in the resolution levying the tax. That date must be the
32 first day of a calendar month, however, and may not be earlier than the first day of the
33 second month after the date the resolution is adopted.

34 (g) Repeal. A tax levied under this section may be repealed by a resolution
35 adopted by the Chowan County Board of Commissioners. Repeal of a tax levied under
36 this section shall become effective on the first day of a month and may not become
37 effective until the end of the fiscal year in which the repeal resolution was adopted.
38 Repeal of a tax levied under this section does not affect a liability for a tax that was
39 attached before the effective date of the repeal, nor does it affect a right to a refund of a
40 tax that accrued before the effective date of the repeal.

41 Sec. 2. Tourism Development Authority. (a) Appointment and membership.
42 When the board of commissioners adopts a resolution levying a room occupancy tax
43 under this act, it shall also adopt a resolution creating a county Tourism Development
44 Authority, which shall be a public authority under the Local Government Budget and

1 Fiscal Control Act. The resolution shall provide for the membership of the Authority
2 including the members' qualifications and terms of office, and for the filling of
3 vacancies on the Authority. The board of commissioners shall designate one member of
4 the Authority as chair and shall determine the compensation, if any, to be paid to
5 members of the Authority.

6 The Authority shall meet at the call of the chair and shall adopt rules of
7 procedure to govern its meetings. The county shall serve as the fiscal agent of the
8 Authority. The Finance Officer for Chowan County shall be the ex officio finance
9 officer of the Authority.

10 (b) Duties. The Authority shall promote travel, tourism, and conventions in the
11 county, sponsor tourist-related events and activities in the county, and finance tourist-
12 related capital projects in the county.

13 (c) Reports. The Authority shall report quarterly and at the close of the fiscal
14 year to the board of commissioners on its receipts and expenditures for the preceding
15 quarter and for the year in such detail as the board may require.

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