

GENERAL ASSEMBLY OF NORTH CAROLINA  
1989 SESSION

CHAPTER 171  
HOUSE BILL 332

AN ACT TO REPEAL THE CARTERET COUNTY OCCUPANCY TAX LEGISLATION AND ENACT NEW LEGISLATION AUTHORIZING CARTERET COUNTY TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

Section 1. Chapter 375 of the 1987 Session Laws is repealed.

Sec. 2. Levy of Tax. (a) The Board of Commissioners of Carteret County may by resolution, after not less than 10 days' public notice and after public hearing held pursuant thereto, levy a room occupancy and tourism development tax.

(b) Collection of the tax, and liability therefor, shall begin and continue only on and after the first day of a calendar month set by the board of county commissioners in the resolution levying the tax, which in no case may be earlier than the first day of the second succeeding calendar month after the date of the adoption of the resolution.

(c) The board of county commissioners, upon adoption of the resolution, shall cause a certified copy of the resolution to be delivered immediately to the Carteret County Tax Collector. Upon receiving a copy of the resolution, the Carteret County Tax Collector shall proceed to administer the tax in Carteret County.

Sec. 3. Occupancy Tax. The county room occupancy and tourism development tax that may be levied under this act shall be three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by any hotel, motel, inn, tourist camp, condominium, cottage, campground, rental agency, or other similar place within the county now subject to the three percent (3%) sales tax imposed by the State under G.S. 105-164.4(3). This tax is in addition to any local sales tax. This tax does not apply to gross receipts derived by the following entities from accommodations furnished by them:

- (1) Religious organizations.
- (2) Educational organizations.
- (3) Any business that offers to rent fewer than five units.
- (4) Summer camps.
- (5) Any room or lodging rented to the same person for 90 or more continuous days.
- (6) Charitable, benevolent, and other nonprofit organizations.

Sec. 4. Administration of Tax; Penalties. (a) The Carteret County Tax Collector shall collect and administer the room occupancy tax levied by the Carteret

County Board of Commissioners pursuant to this act. The county may adopt rules to implement this act.

(b) Any person, firm, corporation, or association who fails or refuses to file the return required by this act shall pay a penalty of ten dollars (\$10.00) for each day's omission.

(c) In addition, in case of failure or refusal to file the return or pay the tax for a period of 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 for each additional month or fraction thereof until the occupancy tax is paid.

(d) Any person who willfully attempts in any manner to evade the tax imposed by this act 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.

Sec. 5. Collection of Tax. Every operator of a business subject to the tax levied under this act shall, on and after the effective date of the levy of the tax, collect the three percent (3%) room occupancy tax. This tax shall be collected as part of the charge for the furnishing of any taxable accommodations. The tax shall be stated and charged separately from the sales records, and shall be paid by the purchaser to the operator of the business as trustee for and on account of Carteret County. The room occupancy tax levied pursuant to this act shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The Carteret County Tax Collector shall design, print, and furnish to all appropriate businesses in Carteret County the necessary forms for filing returns and instructions to ensure the full collection of the tax. The Carteret County Tax Supervisor may adopt the form used for the reporting and collecting of local sales and use taxes to this purpose.

Sec. 6. Disposition of Taxes Collected. The finance officer of Carteret County shall distribute the net proceeds of the funds collected for the following purposes:

- (1) Fifty-five percent (55%) of the net proceeds shall be paid to the Carteret County Tourism Development Bureau and shall be used for advertisement and promotion of Carteret County as a tourism destination and for associated administrative expenses. Administrative expenses shall be limited to fifteen percent (15%) of the total budget of the Tourism Development Bureau.
- (2) Twenty percent (20%) of the net proceeds shall be given to Carteret County for the operation and maintenance of the Crystal Coast Civic Center and for tourist-related services.
- (3) Twenty-five percent (25%) of the net proceeds shall be distributed to the municipalities within Carteret County and shall be divided among them in the same manner as the one percent (1%) sales tax is distributed by point of collection. These funds shall be used for tourist-related services.

"Tourist-related services" means public services associated with the tourism industry including, but not limited to, beach access, water access, fire, police, and rescue services, public park and recreation areas, parking facilities, historic preservation, beautification projects, clean county program, and any other public services as required.

Sec. 7. Creation of Carteret County Tourism Development Bureau. (a) The Carteret County Board of Commissioners upon adopting a resolution levying a room occupancy tax pursuant to this act shall adopt a resolution creating the Carteret County Tourism Development Bureau for the purpose of management of the promotion and development of tourism in Carteret County.

(b) The Bureau shall consist of nine members and shall be appointed by the board of county commissioners by the selection of two Bureau members from each list of nominees submitted by the following organizations:

- (1) Carteret County Chamber of Commerce.
- (2) Crystal Coast Hotel/Motel Association.
- (3) Carteret County Board of Realtors.

The nominees submitted by the Chamber of Commerce shall be individuals who have demonstrated an interest in convention and tourism development, and the nominees submitted by the Hotel/Motel Association and the Board of Realtors shall be individuals who collect the occupancy tax levied under this act.

However, notwithstanding the foregoing, the board of county commissioners shall appoint those persons named to serve by their respective organizations.

Three additional Bureau members shall be appointed by the board of county commissioners who are dedicated to the promotion of travel and tourism in Carteret County, one of whom must be a county commissioner and one of whom must be a mayor of a Carteret County municipality.

(c) All members of the Bureau shall serve without compensation. The term for each appointment shall be for three years except for the initial term which shall be as follows: chamber of commerce nominees, one one-year term and one two-year term; hotel/motel association nominees, one two-year term and one three-year term; board of realtors nominees, one one-year term and one three-year term; other appointments, one one-year term, one two-year term, and one three-year term.

No member shall serve more than two consecutive three-year terms. Members appointed to fill the unexpired terms shall serve for the remainder of the unexpired terms which they are appointed to fill.

(d) The Bureau shall select a chairman and shall meet at the call of the chairman and shall adopt bylaws and rules of procedure to govern its meetings.

(e) The Bureau shall submit its annual budget to the board of county commissioners for approval each year. Interim budget amendments shall also be submitted for approval as required.

(f) The Bureau may contract with any person, firm, or agency to advise, assist, manage, or promote travel and tourism in Carteret County and to carry out the purposes for which this tax is levied.

Sec. 8. Tax Return. A tax return filed with the Carteret County Tax Collector pursuant to this act is not a public record as defined by G.S. 132-1 and may not be

disclosed except as required by law. A person who unlawfully discloses a tax return filed pursuant to this part is guilty of a misdemeanor and is punishable by a fine of not less than two hundred dollars (\$200.00) nor more than one thousand dollars (\$1,000), imprisonment, or both.

Sec. 9. Repeal of Levy. (a) The Carteret County Board of Commissioners may, by resolution, repeal the levy of the room occupancy tax in Carteret County, but no repeal of taxes levied under this act shall be effective until the end of the fiscal year in which the repeal resolution was adopted.

(b) No liability for any tax levied under this act that attached prior to the date on which a levy is repealed is discharged as a result of the repeal, and no right to a refund of tax that accrued prior to the effective date on which a levy is repealed may be denied as a result of the repeal.

Sec. 10. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 31st day of May, 1989.