

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 859
Committee Substitute Favorable 7/3/97

Short Title: Various Room Tax Changes.

(Local)

Sponsors:

Referred to:

April 7, 1997

A BILL TO BE ENTITLED

1
2 **AN ACT TO AUTHORIZE BRUNSWICK COUNTY TO LEVY A ROOM**
3 **OCCUPANCY AND TOURISM DEVELOPMENT TAX, TO AUTHORIZE**
4 **CERTAIN MUNICIPALITIES IN BRUNSWICK COUNTY TO LEVY OR**
5 **INCREASE ROOM OCCUPANCY TAXES, TO AUTHORIZE THE CITY OF**
6 **LUMBERTON TO LEVY AN ADDITIONAL, TEMPORARY ROOM**
7 **OCCUPANCY TAX, TO MODIFY THE PURPOSES FOR WHICH THE**
8 **LUMBERTON ROOM OCCUPANCY TAX CAN BE USED, AND TO**
9 **AUTHORIZE PERSON COUNTY TO LEVY A ROOM OCCUPANCY AND**
10 **TOURISM DEVELOPMENT TAX.**

11 The General Assembly of North Carolina enacts:

12 Section 1. Brunswick County occupancy tax. (a) Authorization and scope. The
13 Brunswick County Board of Commissioners may levy a room occupancy tax of one
14 percent (1%) of the gross receipts derived from the rental of any room, lodging, or
15 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the
16 county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3) and
17 from the rental of private residences and cottages within the county that are exempt from
18 the sales tax imposed under G.S. 105-164.4(a)(3) solely because they are rented for less
19 than 15 days. This tax is in addition to any State or local sales tax. This tax does not

1 apply to accommodations furnished by nonprofit charitable, educational, or religious
2 organizations when furnished in furtherance of their nonprofit purpose, or to
3 accommodations subject to a municipal room occupancy tax at the rate of six percent
4 (6%).

5 (b) Administration. A tax levied under this section shall be levied, administered,
6 collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S.
7 153A-155 apply to a tax levied under this section.

8 (c) Distribution and use of tax revenue. Brunswick County shall, on a quarterly
9 basis, remit the net proceeds of the occupancy tax to the Brunswick Tourism
10 Development Authority. The Authority shall use at least two-thirds of the funds remitted
11 to it under this subsection to promote travel and tourism in Brunswick County and shall
12 use the remainder for tourism-related expenditures.

13 The following definitions apply in this subsection:

14 (1) Net proceeds. – Gross proceeds less the cost to the county of
15 administering and collecting the tax, as determined by the finance
16 officer, not to exceed three percent (3%) of the gross proceeds.

17 (2) Promote travel and tourism. – To advertise or market an area or activity,
18 publish and distribute pamphlets and other materials, conduct market
19 research, or engage in similar promotional activities that attract tourists
20 or business travelers to the area; the term includes administrative
21 expenses incurred in engaging in the listed activities.

22 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
23 the Authority, are designed to increase the use of lodging facilities,
24 meeting facilities, and convention facilities in a county by attracting
25 tourists or business travelers to the county. The term includes tourism-
26 related capital expenditures.

27 Section 2. Brunswick Tourism Development Authority. (a) Appointment and
28 membership. When the board of commissioners of Brunswick County adopts a
29 resolution levying a room occupancy tax under Section 1 of this act, it shall also adopt a
30 resolution creating a county Tourism Development Authority, which shall be a public
31 authority under the Local Government Budget and Fiscal Control Act. The Authority
32 shall have 10 members appointed by the Brunswick County Commissioners as follows:

33 (1) Five individuals who are currently involved in the promotion of travel
34 and tourism, selected by the Brunswick County Commissioners.

35 (2) Five individuals selected jointly by the South Brunswick Islands
36 Chamber of Commerce and the Southport-Oak Island Chamber of
37 Commerce.

38 The resolution shall provide for the members' terms of office and for the filling
39 of vacancies on the Authority. The board of commissioners shall designate one member
40 of the Authority as chair and shall determine the compensation, if any, to be paid to
41 members of the Authority.

1 The Authority shall meet at the call of the chair and shall adopt rules of
2 procedure to govern its meetings. The Finance Officer for Brunswick County shall be the
3 ex officio finance officer of the Authority.

4 (b) Duties. The Authority shall expend the net proceeds of the tax levied under
5 Section 1 of this act for the purposes provided in Section 1 of this act. The Authority
6 shall promote travel, tourism, and conventions in the county, sponsor tourist-related
7 events and activities in the county, and finance tourist-related capital projects in the
8 county.

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

12 Section 3. County administrative provisions. Section 3(b) of S.L. 1997-102
13 reads as rewritten:

14 "(b) This section applies only to ~~Madison County~~, Brunswick, Madison, and Person
15 Counties."

16 Section 4. Conforming change. Section 2(a2) of Chapter 664 of the 1991
17 Session Laws, as enacted by Chapter 617 of the 1993 Session Laws, is repealed.

18 Section 5. Municipal administrative provisions. (a) Article 9 of Chapter 160A
19 of the General Statutes is amended by adding a new section to read:

20 "**§ 160A-215. Uniform provisions for room occupancy taxes.**

21 (a) Scope. – This section applies only to municipalities the General Assembly has
22 authorized to levy room occupancy taxes. For the purpose of this section, the term 'city'
23 means a municipality.

24 (b) Levy. – A room occupancy tax may be levied only by resolution, after not less
25 than 10 days' public notice and after a public hearing held pursuant thereto. A room
26 occupancy tax shall become effective on the date specified in the resolution levying the
27 tax. That date must be the first day of a calendar month, however, and may not be earlier
28 than the first day of the second month after the date the resolution is adopted.

29 (c) Collection. – Every operator of a business subject to a room occupancy tax
30 shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall
31 be collected as part of the charge for furnishing a taxable accommodation. The tax shall
32 be stated and charged separately from the sales records and shall be paid by the purchaser
33 to the operator of the business as trustee for and on account of the taxing city. The tax
34 shall be added to the sales price and shall be passed on to the purchaser instead of being
35 borne by the operator of the business. The taxing city shall design, print, and furnish to
36 all appropriate businesses and persons in the city the necessary forms for filing returns
37 and instructions to ensure the full collection of the tax. An operator of a business who
38 collects a room occupancy tax may deduct from the amount remitted to the taxing city a
39 discount equal to the discount the State allows the operator for State sales and use tax.

40 (d) Administration. – The taxing city shall administer a room occupancy tax it
41 levies. A room occupancy tax is due and payable to the city finance officer in monthly
42 installments on or before the 15th day of the month following the month in which the tax
43 accrues. Every person, firm, corporation, or association liable for the tax shall, on or

1 before the 15th day of each month, prepare and render a return on a form prescribed by
2 the taxing city. The return shall state the total gross receipts derived in the preceding
3 month from rentals upon which the tax is levied. A room occupancy tax return filed with
4 the city finance officer is not a public record and may not be disclosed except in
5 accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

6 (e) Penalties. – A person, firm, corporation, or association who fails or refuses to
7 file a room occupancy tax return or pay a room occupancy tax as required by law is
8 subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a
9 return for State sales and use taxes. The governing board of the taxing city has the same
10 authority to waive the penalties for a room occupancy tax that the Secretary of Revenue
11 has to waive the penalties for State sales and use taxes.

12 (f) Repeal or Reduction. – A room occupancy tax levied by a city may be repealed
13 or reduced by a resolution adopted by the governing body of the city. Repeal or
14 reduction of a room occupancy tax shall become effective on the first day of a month and
15 may not become effective until the end of the fiscal year in which the resolution was
16 adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax
17 that was attached before the effective date of the repeal or reduction, nor does it affect a
18 right to a refund of a tax that accrued before the effective date of the repeal or reduction."

19 (b) This section applies only to the municipalities in Brunswick County and the
20 City of Lumberton.

21 Section 6. Shallotte occupancy tax. (a) Authorization and scope. The Board of
22 Aldermen of the Town of Shallotte may levy a room occupancy tax of up to three percent
23 (3%) of the gross receipts derived from the rental of any room, lodging, or
24 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the
25 town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3) and
26 from the rental of private residences and cottages within the town that are exempt from
27 the sales tax imposed under G.S. 105-164.4(a)(3) solely because they are rented for less
28 than 15 days. This tax is in addition to any State or local sales tax. This tax does not
29 apply to accommodations furnished by nonprofit charitable, educational, or religious
30 organizations when furnished in furtherance of their nonprofit purpose.

31 (b) Administration. A tax levied under this section shall be levied, administered,
32 collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S.
33 160A-215 apply to a tax levied under this section.

34 (c) Distribution and use of tax revenue. The Town of Shallotte shall, on a
35 quarterly basis, remit the net proceeds of the occupancy tax to the Shallotte Tourism
36 Development Authority. The Authority shall use at least one-half of the funds remitted to
37 it under this subsection to promote travel and tourism in Shallotte and shall use the
38 remainder for tourism-related expenditures.

39 The following definitions apply in this subsection:

40 (1) Net proceeds. – Gross proceeds less the cost to the town of
41 administering and collecting the tax, as determined by the finance
42 officer, not to exceed three percent (3%) of the first five hundred

1 thousand dollars (\$500,000) of gross proceeds collected each year and
2 one percent (1%) of the remaining gross receipts collected each year.

3 (2) Promote travel and tourism. – To advertise or market an area or activity,
4 publish and distribute pamphlets and other materials, conduct market
5 research, or engage in similar promotional activities that attract tourists
6 or business travelers to the area; the term includes administrative
7 expenses incurred in engaging in the listed activities.

8 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
9 the Authority, are designed to increase the use of lodging facilities,
10 meeting facilities, or convention facilities in the town or to attract
11 tourists or business travelers to the town. The term includes tourism-
12 related capital expenditures.

13 Section 7. Shallotte Tourism Development Authority. (a) Appointment and
14 membership. When the Board of Aldermen of the Town of Shallotte adopts a resolution
15 levying a room occupancy tax under Section 6 of this act, it shall also adopt a resolution
16 creating a town Tourism Development Authority, which shall be a public authority under
17 the Local Government Budget and Fiscal Control Act. The Authority shall have five
18 members appointed by the board of aldermen. The resolution shall provide for the
19 membership of the Authority, including the members' terms of office, and for the filling
20 of vacancies on the Authority. At least one-third of the members must be individuals
21 who are affiliated with businesses that collect the tax in the town and at least three-
22 fourths of the members must be individuals who are currently active in the promotion of
23 travel and tourism in the town. The Board of Aldermen of the Town of Shallotte shall
24 designate one member of the Authority as chair and shall determine the compensation, if
25 any, to be paid to members of the Authority.

26 The Authority shall meet at the call of the chair and shall adopt rules of
27 procedure to govern its meetings. The Finance Officer for the Town of Shallotte shall be
28 the ex officio finance officer of the Authority.

29 (b) Duties. The Authority shall expend the net proceeds of the tax levied under
30 Section 6 of this act for the purposes provided in Section 6 of this act. The Authority
31 shall promote travel, tourism, and conventions in the town, sponsor tourist-related events
32 and activities in the town, and finance tourist-related capital projects in the town.

33 (c) Reports. The Authority shall report quarterly and at the close of the fiscal year
34 to the Board of Aldermen of the Town of Shallotte on its receipts and expenditures for
35 the preceding quarter and for the year in such detail as the board may require.

36 Section 8. Caswell Beach occupancy tax changes. Section 1 of Chapter 664 of
37 the 1991 Session Laws reads as rewritten:

38 "Section 1. Caswell Beach Occupancy Tax. (a) Authorization and Scope. The
39 Board of Commissioners of the Town of Caswell Beach may ~~by resolution, after not less~~
40 ~~than 10 days' public notice and a public hearing held pursuant thereto,~~ levy a room occupancy
41 tax of up to three percent (3%) of the gross receipts derived from the rental of
42 accommodations within the town that are subject to sales tax imposed by the State under
43 G.S. 105-164.4(a)(3) and from the rental of private residences and cottages within the

1 town that are exempt from the sales tax imposed under G.S. 105-164.4(a)(3) solely
2 because they are rented for less than 15 days.

3 (a) Authorization of Additional Tax. In addition to the tax authorized by
4 subsection (a) of this section, the Board of Commissioners of the Town of Caswell Beach
5 may levy an additional room occupancy tax of up to two percent (2%) of the gross
6 receipts derived from the rental of accommodations taxable under subsection (a). The
7 levy, collection, administration, and repeal of the tax authorized by this subsection shall
8 be in accordance with the provisions of this section. The Town of Caswell Beach may
9 not levy a tax under this subsection unless it also levies the tax authorized under
10 subsection (a) of this section.

11 (b) Administration. A tax levied under this section shall be levied,
12 administered, collected, and repealed as provided in G.S. 160A-215. The penalties
13 provided in G.S. 160A-215 apply to a tax levied under this section.

14 ~~Collection.~~ Every operator of a business subject to the tax levied by this act shall, on
15 and after the effective date of the tax, collect the tax. This tax shall be collected as part of
16 the charge for furnishing a taxable accommodation. The tax shall be stated and charged
17 separately from the sales records, and shall be paid by the purchaser to the operator of the
18 business as trustee for and on account of the town. The occupancy tax levied under this
19 act shall be added to the sales price and shall be passed on to the purchaser instead of
20 being borne by the owner of the business. The town shall design, print, and furnish to all
21 appropriate businesses in the town the necessary forms for filing returns and instructions
22 to ensure the full collection of the tax.

23 ~~(c) Administration.~~ The town shall administer the occupancy tax levied under this
24 act. A tax levied under this act is due and payable to the town tax collector in monthly
25 installments on or before the fifteenth day of the month following the month in which the
26 tax accrues. Every person, firm, or corporation liable for the tax shall, on or before the
27 fifteenth day of each month, prepare and render a return on a form prescribed by the
28 town. The return shall state the total gross receipts derived in the preceding month from
29 rentals upon which the tax is levied.

30 A return filed with the town tax collector under this act is not a public record as
31 defined by G.S. 132-1 and may not be disclosed except as required by law.

32 ~~(d) Penalties.~~ A person, firm, corporation, or association who fails or refuses to
33 file the return required by this act shall pay a penalty of ten dollars (\$10.00) for each
34 day's omission. In case of failure or refusal to file the return or pay the tax for a period of
35 30 days after the time required for filing the return or for paying the tax, there shall be an
36 additional tax, as a penalty, of five percent (5%) of the tax due in addition to any other
37 penalty, with an additional penalty of five percent (5%) for each additional month or
38 fraction thereof until the tax is paid. The board of commissioners may, for good cause
39 shown, compromise or forgive the additional tax penalties imposed by this subsection.

40 Any person who willfully attempts in any manner to evade a tax imposed under this
41 act or who willfully fails to pay the tax or make and file a return shall, in addition to all
42 other penalties provided by law, be guilty of a misdemeanor and shall be punishable by a

1 ~~fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months,~~
2 ~~or both.~~

3 (e)(c) Use of Proceeds. The town may use the proceeds of a tax levied under ~~this act~~
4 subsection (a) of this section only for tourism-related expenditures. As used in ~~this act,~~
5 section, the term 'tourism-related expenditures' includes the following types of
6 expenditures: criminal justice system, fire protection, public facilities and utilities, health
7 facilities, solid waste and sewage treatment, and the control and repair of waterfront
8 erosion. These funds may not be used for services normally provided by the town on
9 behalf of its citizens unless these services promote tourism and enlarge its economic
10 benefits by enhancing the ability of the town to attract and provide for tourists.

11 The town may use the proceeds of a tax levied under subsection (a1) of this
12 section only for beach renourishment.

13 (f) ~~Effective Date of Levy. A tax levied under this act shall become effective on~~
14 ~~the date specified in the resolution levying the tax. That date must be the first day of a~~
15 ~~calendar month, however, and may not be earlier than the first day of the second month~~
16 ~~after the date the resolution is adopted.~~

17 (g) ~~Repeal. The Board of Commissioners of the Town of Caswell Beach may by~~
18 ~~resolution repeal a tax levied under this act. Repeal of a tax levied under this act shall~~
19 ~~become effective on the first day of a month and may not become effective until the end~~
20 ~~of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied~~
21 ~~under this act does not affect a liability for a tax that was attached before the effective~~
22 ~~date of the repeal, nor does it affect a right to a refund of a tax that accrued before the~~
23 ~~effective date of the repeal."~~

24 Section 9. Holden Beach occupancy tax changes. Section 1 of Chapter 963 of
25 the 1987 Session Laws reads as rewritten:

26 "Section 1. Occupancy tax. (a) Authorization and scope. The Holden Beach
27 Town Council may ~~by resolution, after not less than 10 days' public notice and after a public~~
28 ~~hearing held pursuant thereto,~~ levy a room occupancy tax of no more than three percent
29 (3%) of the gross receipts derived from the rental of any room, lodging, or similar
30 accommodation furnished by a hotel, motel, inn, or similar place within the town that is
31 subject to sales tax imposed by the State under G.S. ~~105-164.4(3)~~ 105-164.4(a)(3) and on
32 the rental of all private residences and cottages, regardless of whether the residence or
33 cottage is rented for less than 15 days. This tax is in addition to any State or local sales
34 tax. This tax does not apply to accommodations furnished by nonprofit charitable,
35 educational, or religious organizations.

36 (a1) Authorization of additional tax. In addition to the tax authorized by subsection
37 (a) of this section, the Holden Beach Town Council may levy an additional room
38 occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of
39 accommodations taxable under subsection (a). The levy, collection, administration, and
40 repeal of the tax authorized by this subsection shall be in accordance with the provisions
41 of this section. The Holden Beach Town Council may not levy a tax under this
42 subsection unless it also levies the tax authorized under subsection (a) of this section.

1 (b) Administration. A tax levied under this section shall be levied, administered,
2 collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S.
3 160A-215 apply to a tax levied under this section.

4 ~~Collection. Every operator of a business subject to the tax levied under this section shall,~~
5 ~~on and after the effective date of the levy of the tax, collect the tax. This tax shall be~~
6 ~~collected as part of the charge for furnishing a taxable accommodation. The tax shall be~~
7 ~~stated and charged separately from the sales records, and shall be paid by the purchaser to~~
8 ~~the operator of the business as trustee for and on account of the town. The tax shall be~~
9 ~~added to the sales price and shall be passed on to the purchaser instead of being borne by~~
10 ~~the operator of the business. The town shall design, print, and furnish to all appropriate~~
11 ~~businesses and persons in the town the necessary forms for filing returns and instructions~~
12 ~~to ensure the full collection of the tax.~~

13 (e) ~~Administration. The town shall administer a tax levied under this section. A~~
14 ~~tax levied under this section is due and payable to the Holden Beach tax collector in~~
15 ~~monthly installments on or before the 15th day of the month following the month in~~
16 ~~which the tax accrues. Every person, firm, corporation, or association liable for the tax~~
17 ~~shall, on or before the 15th day of each month, prepare and render a return on a form~~
18 ~~prescribed by the town. The return shall state the total gross receipts derived in the~~
19 ~~preceding month from rentals upon which the tax is levied. A return filed with the tax~~
20 ~~collector under this section is not a public record as defined by G.S. 132-1 and may not~~
21 ~~be disclosed except as required by law.~~

22 The tax collector may collect any unpaid taxes levied under this ~~act~~section through
23 the use of attachment and garnishment proceedings as provided in G.S. 105-368 for
24 collection of property taxes. The tax collector has the same enforcement powers
25 concerning the tax imposed by this act as does the Secretary of Revenue in enforcing the
26 State sales tax under G.S. 105-164.30.

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

34 Any person who willfully attempts in any manner to evade a tax imposed under this
35 section or who willfully fails to pay the tax or make and file a return shall, in addition to
36 all other penalties provided by law, be guilty of a misdemeanor and shall be punishable
37 by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six
38 months, or both. The town council may, for good cause shown, compromise or forgive
39 the penalties imposed by this subsection.

40 (e) (c) Distribution and use of tax revenue. The tax collector shall remit the
41 proceeds of this tax to the town on a monthly basis. The ~~funds received by the town~~
42 pursuant to this act ~~proceeds of the tax levied under subsection (a) of this section~~ shall be
43 allocated to a special fund and used only for tourism-related expenditures. As used in

1 this act, the term 'tourism-related expenditures' includes the following types of
2 expenditures: criminal justice system, fire protection, public facilities and utilities, health
3 facilities, solid waste and sewage treatment, and the control and repair of water front
4 erosion. These funds may not be used for services normally provided by the town on
5 behalf of its citizens unless these services promote tourism and enlarge its economic
6 benefits by enhancing the ability of the town to attract and provide for tourists.

7 The town may use the proceeds of a tax levied under subsection (a1) of this
8 section only for beach renourishment.

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

13 ~~(g) Repeal. A tax levied under this section may be repealed by a resolution~~
14 ~~adopted by the Holden Beach Town Council. Repeal of a tax levied under this section~~
15 ~~shall become effective on the first day of a month and may not become effective until the~~
16 ~~end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied~~
17 ~~under this section does not affect a liability for a tax that was attached before the effective~~
18 ~~date of the repeal, nor does it affect a right to a refund of a tax that accrued before the~~
19 ~~effective date of the repeal."~~

20 Section 10. Ocean Isle Beach occupancy tax changes. Part IX of Chapter 908
21 of the 1983 Session Laws, as amended by Chapter 985 of the 1983 Session Laws and
22 Chapter 857 of the 1989 Session Laws, as it relates to the Town of Ocean Isle Beach
23 only, is reenacted and rewritten as Section 11 of this act.

24 Section 11. Ocean Isle Beach occupancy tax. (a) Authorization and scope. The
25 Board of Commissioners of the Town of Ocean Isle Beach may levy a room occupancy
26 tax of up to three percent (3%) of the gross receipts derived from the rental of any room,
27 lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place
28 within the town that is subject to sales tax imposed by the State under G.S. 105-
29 164.4(a)(3) and from the rental of private residences and cottages, whether or not the
30 residence or cottage is rented for less than 15 days. This tax is in addition to any State or
31 local sales tax.

32 (b) Authorization of additional tax. In addition to the tax authorized by subsection
33 (a) of this section, the Board of Commissioners of the Town of Ocean Isle Beach may
34 levy an additional room occupancy tax of up to two percent (2%) of the gross receipts
35 derived from the rental of accommodations taxable under subsection (a). The levy,
36 collection, administration, and repeal of the tax authorized by this subsection shall be in
37 accordance with the provisions of this section. The town council may not levy a tax
38 under this subsection unless it also levies the tax authorized under subsection (a) of this
39 section.

40 (c) Administration. A tax levied under this section shall be levied, administered,
41 collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S.
42 160A-215 apply to a tax levied under this section.

1 The tax collector may collect any unpaid taxes levied under this section
2 through the use of attachment and garnishment proceedings as provided in G.S. 105-368
3 for collection of property taxes. The tax collector has the same enforcement powers
4 concerning the tax imposed by this act as does the Secretary of Revenue in enforcing the
5 State sales tax under G.S. 105-164.30.

6 (d) Distribution and use of tax revenue. The Town of Ocean Isle Beach may use
7 the proceeds of the tax levied pursuant to subsection (a) of this section only for tourism-
8 related expenditures. As used in this section, "tourism-related expenditures" includes any
9 of the following expenditures: criminal justice system, fire protection, public facilities
10 and utilities, health facilities, solid waste and sewage treatment, and the control and repair
11 of waterfront erosion. The term does not include, however, expenditures for services
12 normally provided by the town on behalf of its citizens unless these services promote
13 tourism and enlarge its economic benefits by enhancing the ability of the town to attract
14 and provide for tourists.

15 The Town of Ocean Isle Beach may use the proceeds of the tax levied pursuant
16 to subsection (b) of this section only for beach renourishment.

17 Section 12. Sunset Beach occupancy tax changes. Section 1 of Chapter 956 of
18 the 1987 Session Laws reads as rewritten:

19 "Section 1. Occupancy tax. (a) Authorization and scope. The Sunset Beach
20 Town Council may ~~by resolution, after not less than 10 days' public notice and after a public~~
21 ~~hearing held pursuant thereto,~~ levy a room occupancy tax of no more than three percent
22 (3%) of the gross receipts derived from the rental of any room, lodging, or similar
23 accommodation furnished by a hotel, motel, inn, or similar place within the town that is
24 subject to sales tax imposed by the State under G.S. ~~105-164.4(3)~~ 105-164.4(a)(3) and on
25 the rental of all private residences and cottages, regardless of whether the residence or
26 cottage is rented for less than 15 days. This tax is in addition to any State or local sales
27 tax. This tax does not apply to accommodations furnished by nonprofit charitable,
28 educational, or religious organizations.

29 (a1) Authorization of additional tax. In addition to the tax authorized by subsection
30 (a) of this section, the Sunset Beach Town Council may levy an additional room
31 occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of
32 accommodations taxable under subsection (a). The levy, collection, administration, and
33 repeal of the tax authorized by this subsection shall be in accordance with the provisions
34 of this section. The Town of Sunset Beach may not levy a tax under this subsection
35 unless it also levies the tax authorized under subsection (a) of this section.

36 (b) Administration. A tax levied under this section shall be levied, administered,
37 collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S.
38 160A-215 apply to a tax levied under this section.

39 ~~Collection. Every operator of a business subject to the tax levied under this section shall,~~
40 ~~on and after the effective date of the levy of the tax, collect the tax. This tax shall be~~
41 ~~collected as part of the charge for furnishing a taxable accommodation. The tax shall be~~
42 ~~stated and charged separately from the sales records, and shall be paid by the purchaser to~~
43 ~~the operator of the business as trustee for and on account of the town. The tax shall be~~

1 added to the sales price and shall be passed on to the purchaser instead of being borne by
2 the operator of the business. The town shall design, print, and furnish to all appropriate
3 businesses and persons in the town the necessary forms for filing returns and instructions
4 to ensure the full collection of the tax.

5 (e) Administration. The town shall administer a tax levied under this section. A
6 tax levied under this section is due and payable to the Sunset Beach tax collector in
7 monthly installments on or before the 15th day of the month following the month in
8 which the tax accrues. Every person, firm, corporation, or association liable for the tax
9 shall, on or before the 15th day of each month, prepare and render a return on a form
10 prescribed by the town. The return shall state the total gross receipts derived in the
11 preceding month from rentals upon which the tax is levied. A return filed with the tax
12 collector under this section is not a public record as defined by G.S. 132-1 and may not
13 be disclosed except as required by law.

14 The tax collector may collect any unpaid taxes levied under this act ~~section~~ through
15 the use of attachment and garnishment proceedings as provided in G.S. 105-368 for
16 collection of property taxes. The tax collector has the same enforcement powers
17 concerning the tax imposed by this act as does the Secretary of Revenue in enforcing the
18 State sales tax under G.S. 105-164.30.

19 (d) Penalties. A person, firm, corporation, or association who fails or refuses to
20 file the return required by this section shall pay a penalty of ten dollars (\$10.00) for each
21 day's omission. In case of failure or refusal to file the return or pay the tax for a period of
22 30 days after the time required for filing the return or for paying the tax, there shall be an
23 additional tax, as a penalty, of five percent (5%) of the tax due in addition to any other
24 penalty, with an additional tax of five percent (5%) for each additional month or fraction
25 thereof until the tax is paid.

26 Any person who willfully attempts in any manner to evade a tax imposed under this
27 section or who willfully fails to pay the tax or make and file a return shall, in addition to
28 all other penalties provided by law, be guilty of a misdemeanor and shall be punishable
29 by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six
30 months, or both. The town council may, for good cause shown, compromise or forgive
31 the penalties imposed by this subsection.

32 (e) (c) Distribution and use of tax revenue. The tax collector shall remit the
33 proceeds of this tax to the town on a monthly basis. The funds received by the town
34 pursuant to this act shall be allocated town shall allocate the proceeds of the tax levied
35 pursuant to subsection (a) of this section to a special fund and ~~used~~ shall use them only
36 for tourism-related expenditures. As used in this act, the term 'tourism-related
37 expenditures' includes the following types of expenditures: criminal justice system, fire
38 protection, public facilities and utilities, health facilities, solid waste and sewage
39 treatment, and the control and repair of water front erosion. These funds may not be used
40 for services normally provided by the town on behalf of its citizens unless these services
41 promote tourism and enlarge its economic benefits by enhancing the ability of the town to
42 attract and provide for tourists.

1 The town may use the proceeds of the tax levied pursuant to subsection (a1) of this
2 section only for beach renourishment.

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

7 ~~(g) Repeal. A tax levied under this section may be repealed by a resolution~~
8 ~~adopted by the Sunset Beach Town Council. Repeal of a tax levied under this section~~
9 ~~shall become effective on the first day of a month and may not become effective until the~~
10 ~~end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied~~
11 ~~under this section does not affect a liability for a tax that was attached before the effective~~
12 ~~date of the repeal, nor does it affect a right to a refund of a tax that accrued before the~~
13 ~~effective date of the repeal."~~

14 Section 13. Yaupon Beach occupancy tax changes. Section 1 of Chapter 820
15 of the 1991 Session Laws reads as rewritten:

16 "Section 1. Yaupon Beach Occupancy Tax. (a) Authorization and Scope. The
17 Board of Commissioners of the Town of Yaupon Beach may ~~by resolution, after not less~~
18 ~~than 10 days' public notice and a public hearing held pursuant thereto,~~ levy a room occupancy
19 tax of up to three percent (3%) of the gross receipts derived from the rental of
20 accommodations within the town that are subject to sales tax imposed by the State under
21 G.S. 105-164.4(a)(3) and from the rental of private residences and cottages within the
22 town that are exempt from the sales tax imposed under G.S. 105-164.4(a)(3) solely
23 because they are rented for less than 15 days.

24 (a1) Authorization of Additional Tax. In addition to the tax authorized by
25 subsection (a) of this section, the Board of Commissioners of the Town of Yaupon Beach
26 may levy an additional room occupancy tax of up to two percent (2%) of the gross
27 receipts derived from the rental of accommodations taxable under subsection (a). The
28 levy, collection, administration, and repeal of the tax authorized by this subsection shall
29 be in accordance with the provisions of this section. The Town of Yaupon Beach may
30 not levy a tax under this subsection unless it also levies the tax authorized under
31 subsection (a) of this section.

32 (b) Administration. A tax levied under this section shall be levied,
33 administered, collected, and repealed as provided in G.S. 160A-215. The penalties
34 provided in G.S. 160A-215 apply to a tax levied under this section.

35 ~~Collection. Every operator of a business subject to the tax levied by this act shall, on and~~
36 ~~after the effective date of the tax, collect the tax. This tax shall be collected as part of the~~
37 ~~charge for furnishing a taxable accommodation. The tax shall be stated and charged~~
38 ~~separately from the sales records, and shall be paid by the purchaser to the operator of the~~
39 ~~business as trustee for and on account of the town. The occupancy tax levied under this~~
40 ~~act shall be added to the sales price and shall be passed on to the purchaser instead of~~
41 ~~being borne by the owner of the business. The town shall design, print, and furnish to all~~
42 ~~appropriate businesses in the town the necessary forms for filing returns and instructions~~
43 ~~to ensure the full collection of the tax.~~

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

8 ~~A return filed with the town tax collector under this act is not a public record as~~
9 ~~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 act shall pay a penalty of ten dollars (\$10.00) for each
12 day's omission. ~~In case of failure or refusal to file the return or pay the tax for a period of~~
13 ~~30 days after the time required for filing the return or for paying the tax, there shall be an~~
14 ~~additional tax, as a penalty, of five percent (5%) of the tax due in addition to any other~~
15 ~~penalty, with an additional penalty of five percent (5%) for each additional month or~~
16 ~~fraction thereof until the tax is paid. The board of commissioners may, for good cause~~
17 ~~shown, compromise or forgive the additional tax penalties imposed by this subsection.~~

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

23 ~~(e)~~ (c) Use of Proceeds. The town may use the proceeds of a tax levied under this
24 ~~act subsection (a) of this section only for tourism-related expenditures. As used in this~~
25 ~~act, the term 'tourism-related expenditures' includes the following types of expenditures:~~
26 ~~criminal justice system, fire protection, public facilities and utilities, health facilities,~~
27 ~~solid waste and sewage treatment, and the control and repair of waterfront erosion. These~~
28 ~~funds may not be used for services normally provided by the town on behalf of its~~
29 ~~citizens unless these services promote tourism and enlarge its economic benefits by~~
30 ~~enhancing the ability of the town to attract and provide for tourists.~~

31 ~~The town may use the proceeds of a tax levied under subsection (a1) of this~~
32 ~~section only for beach renourishment.~~

33 (f) ~~Effective Date of Levy.~~ A tax levied under this act shall become effective on
34 the date specified in the resolution levying the tax. ~~That date must be the first day of a~~
35 ~~calendar month, however, and may not be earlier than the first day of the second month~~
36 ~~after the date the resolution is adopted.~~

37 (g) ~~Repeal.~~ The Board of Commissioners of the Town of Yaupon Beach may by
38 resolution repeal a tax levied under this act. ~~Repeal of a tax levied under this act shall~~
39 ~~become effective on the first day of a month and may not become effective until the end~~
40 ~~of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied~~
41 ~~under this act does not affect a liability for a tax that was attached before the effective~~
42 ~~date of the repeal, nor does it affect a right to a refund of a tax that accrued before the~~
43 ~~effective date of the repeal."~~

1 Section 14. Lumberton occupancy tax changes. Part IX of Chapter 908 of the
2 1983 Session Laws, as amended by Chapter 1028 of the 1983 Session Laws and Chapter
3 935 of the 1987 Session Laws, as it relates to the City of Lumberton only, is recodified
4 and rewritten as Section 15 of this act.

5 Section 15. Lumberton occupancy tax. (a) Authorization and scope. The
6 Lumberton City 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 city 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.

11 (b) Authorization of additional tax. In addition to the tax authorized by subsection
12 (a) of this section, the Lumberton City Council may levy an additional room occupancy
13 tax of up to three percent (3%) of the gross receipts derived from the rental of
14 accommodations taxable under subsection (a). The levy, collection, administration, and
15 repeal of the tax authorized by this subsection shall be in accordance with the provisions
16 of this section. The Lumberton City Council may not levy a tax under this subsection
17 unless it also levies the tax authorized under subsection (a) of this section. The
18 authorization to levy this tax expires August 1, 2000.

19 (c) Administration. A tax levied under this section shall be levied, administered,
20 collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S.
21 160A-215 apply to a tax levied under this section.

22 The tax collector may collect any unpaid taxes levied under this section
23 through the use of attachment and garnishment proceedings as provided in G.S. 105-368
24 for collection of property taxes. The tax collector has the same enforcement powers
25 concerning the tax imposed by this section as does the Secretary of Revenue in enforcing
26 the State sales tax under G.S. 105-164.30.

27 (d) Distribution and use of first three percent (3%) tax revenue. The City of
28 Lumberton shall, on a quarterly basis, remit the net proceeds of the first three percent
29 (3%) occupancy tax authorized in subsection (a) of this section to the Lumberton
30 Tourism Development Authority. The Authority shall use at least two-thirds of the funds
31 remitted to it under this subsection to promote travel and tourism in Lumberton and shall
32 use the remainder for tourism-related expenditures. Of the funds designated for tourism-
33 related expenditures, the Authority shall remit the first one hundred fifteen thousand
34 dollars (\$115,000) to the Carolina Civic Center Foundation, Inc. for tourism-related
35 expenditures. The Authority may use no more than twenty-three percent (23%) of the
36 funds remitted to it under this subsection for salaries in carrying out these purposes and
37 may use no more than ten percent (10%) of the funds remitted to it under this subsection
38 for other administrative costs in carrying out these purposes.

39 (e) Distribution and use of additional three percent (3%) tax revenue. The
40 City of Lumberton shall use the net proceeds of the additional tax authorized in
41 subsection (b) of this section for tourism-related expenditures and other public purposes.

42 (f) The following definitions apply in this section:

- 1 (1) Net proceeds. – Gross proceeds less the cost to the city of administering
2 and collecting the tax, as determined by the finance officer, not to
3 exceed four percent (4%) of the gross proceeds.
- 4 (2) Promote travel and tourism. – To advertise or market an area or activity,
5 publish and distribute pamphlets and other materials, conduct market
6 research, or engage in similar promotional activities that attract tourists
7 or business travelers to the area; the term includes administrative
8 expenses incurred in engaging in the listed activities.
- 9 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
10 the Authority, are designed to increase the use of lodging facilities,
11 meeting facilities, and convention facilities in a city by attracting
12 tourists or business travelers to the city. The term includes tourism-
13 related capital expenditures.

14 Section 16. Lumberton Tourism Development Authority. (a) Appointment and
15 membership. When the Lumberton City Council adopts a resolution levying a room
16 occupancy tax under Section 15 of this act, it shall also adopt a resolution creating a city
17 Tourism Development Authority, which shall be a public authority under the Local
18 Government Budget and Fiscal Control Act. The resolution shall provide for the
19 members' terms of office and for the filling of vacancies on the Authority.

20 The Authority shall have eight members appointed by the city council and two
21 ex officio, nonvoting members, as follows:

- 22 (1) Four individuals who own or operate a hotel or motel in the city.
23 (2) Four individuals who are currently active in the promotion of travel and
24 tourism in the city.
25 (3) The Finance Officer for Lumberton, to serve ex officio.
26 (4) A member of the Lumberton City Council, designated by the city
27 council, to serve ex officio.

28 The Lumberton City Council shall designate one member of the Authority as chair and
29 shall determine the compensation, if any, to be paid to members of the Authority.

30 The Authority shall meet at the call of the chair and shall adopt rules of
31 procedure to govern its meetings.

32 (b) Duties. The Authority shall expend the net proceeds of the tax levied under
33 Section 15 of this act for the purposes provided in Section 15 of this act. The Authority
34 shall promote travel, tourism, and conventions in the city, sponsor tourist-related events
35 and activities in the city, and finance tourist-related capital projects in the city.

36 (c) Reports. The Authority shall report quarterly and at the close of the fiscal year
37 to the Lumberton City Council on its receipts and expenditures for the preceding quarter
38 and for the year in such detail as the Lumberton City Council may require.

39 Section 17. Person County occupancy tax. (a) Authorization and scope. The
40 Person County Board of Commissioners may levy a room occupancy tax of up to five
41 percent (5%) of the gross receipts derived from the rental of any room, lodging, or
42 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the
43 county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).

1 This tax is in addition to any State or local sales tax. This tax does not apply to
2 accommodations furnished by nonprofit charitable, educational, or religious
3 organizations when furnished in furtherance of their nonprofit purpose.

4 (b) Administration. Except as otherwise provided in this section, a tax levied
5 under this section shall be levied, administered, collected, and repealed as provided in
6 G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this
7 section.

8 (c) Distribution and use of tax revenue. Person County shall, on a quarterly basis,
9 remit the net proceeds of the occupancy tax to the Person Tourism Development
10 Authority. Of the net proceeds that accrue during the first four years that a tax is levied
11 under this section, the Authority may use up to two-thirds only for the following tourism-
12 related expenditures: (i) constructing or operating the Person County Historical Museum,
13 (ii) developing Lake Mayo for fishing tournaments, skiing tournaments, and other
14 activities designed to attract tourists to the lake from outside the county, and (iii)
15 supporting the May Festival and other festivals designed to attract tourists from outside
16 the county. The Authority shall use the remaining net proceeds that accrue during the
17 first four years that a tax is levied under this section only to promote travel and tourism in
18 Person County.

19 Of the net proceeds that accrue after this four-year period, the Authority shall
20 use at least two-thirds of the funds remitted to it under this subsection to promote travel
21 and tourism in Person County and shall use the remainder for tourism-related
22 expenditures.

23 The following definitions apply in this subsection:

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

37 Section 18. Person Tourism Development Authority. (a) Appointment and
38 membership. When the board of commissioners adopts a resolution levying a room
39 occupancy tax under Section 17 of this act, it shall also adopt a resolution creating a
40 county Tourism Development Authority, which shall be a public authority under the
41 Local Government Budget and Fiscal Control Act.

42 The Authority shall be composed of six members, three appointed by the
43 Person County Board of Commissioners and three appointed by the Roxboro City

1 Council. One of the three members appointed by each governing body must be an owner
2 or manager of a Person County hotel or motel. The remaining members must be
3 individuals who are currently active in the promotion of travel and tourism in the county.
4 The resolution shall determine the compensation, if any, to be paid to members of the
5 Authority.

6 The initial terms of the members who are owners or managers of a hotel or
7 motel shall be three years. Each governing body shall designate one of its remaining
8 appointees to serve an initial term of two years and the other to serve an initial term of
9 one year. Thereafter, all terms shall be three years. Vacancies shall be filled in the same
10 manner as original appointments, and members appointed to fill vacancies shall serve for
11 the remainder of the unexpired term.

12 At its first meeting and at the first meeting of each calendar year, the
13 membership of the Authority shall elect one member to serve as chair until the first
14 meeting of the following calendar year. The Authority shall meet at the call of the chair
15 and shall adopt rules of procedure to govern its meetings. The Finance Officer for Person
16 County shall be the ex officio finance officer of the Authority.

17 (b) Duties. The Authority shall expend the net proceeds of the tax levied under
18 Section 17 of this act for the purposes provided in Section 17 of this act. The Authority
19 shall promote travel, tourism, and conventions in the county, sponsor tourist-related
20 events and activities in the county, and finance tourist-related capital projects in the
21 county.

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

25 Section 19. Section 15(d) of this act becomes effective August 1, 1997, and
26 applies to taxes that accrue on or after that date. The remainder of this act is effective
27 when this act becomes law. Sections 15(b) and 15(e) of this act are repealed effective
28 August 1, 2000.