

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE DRH70683-MC-34 (5/17)

Short Title: Halifax Occupancy Tax. (Local)

Sponsors: Representative L. Allen.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AMEND THE OCCUPANCY TAX IN HALIFAX COUNTY.

The General Assembly of North Carolina enacts:

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

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

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

(b) ~~Administration.~~ – A tax levied under this section ~~must~~shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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

(c) ~~Distribution and use.~~Use of Tax Revenue. – Halifax County ~~must~~shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Halifax County Tourism Development Authority. The Authority ~~must~~shall use at least

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

3 The following definitions apply to this subsection:

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

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

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

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

41 (c) Reports. – The Authority ~~must~~shall report quarterly and at the close of the  
42 fiscal year to the Halifax County Board of County Commissioners on its receipts and  
43 expenditures for the preceding quarter and for the year in such detail as the Board may  
44 require.

- 1        **"Sec. 3.** This act is effective upon ratification."  
2                **SECTION 2.** This act is effective when it becomes law.