

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**D**

**HOUSE DRH70266-MCx-117 (3/16)**

Short Title: Yadkin County Occupancy Tax.

(Local)

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Sponsors: Representative Holmes.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE YADKIN COUNTY TO LEVY A ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners of Yadkin County may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, 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 when furnished in furtherance of their nonprofit purpose.

**SECTION 1.(b)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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.

**SECTION 1.(c)** Definitions. – The following definitions apply in this act:

- (1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross proceeds collected each year.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

- 1 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
2 the Yadkin County Tourism Development Authority, are designed to  
3 increase the use of lodging facilities, meeting facilities, or convention  
4 facilities in the county or to attract tourists or business travelers to the  
5 county. The term includes tourism-related capital expenditures.

6 **SECTION 1.(d)** Distribution and Use of Tax Revenue. – Yadkin County  
7 shall, on a quarterly basis, remit to the Jonesville Tourism Development Authority the  
8 net proceeds of the occupancy tax authorized under this section and collected within the  
9 Town of Jonesville. If the town has not created a tourism development authority, the  
10 county must hold the town's funds in trust until it does so. Yadkin County shall, on a  
11 quarterly basis, remit the remaining net proceeds of the occupancy tax to the Yadkin  
12 County Tourism Development Authority. The Yadkin County Tourism Development  
13 Authority shall use at least two-thirds of the funds remitted to it under this subsection to  
14 promote travel and tourism in Yadkin County and shall use the remainder for  
15 tourism-related expenditures.

16 **SECTION 2.** Tourism Development Authority. – (a) Appointment and  
17 Membership. – When the Board of Commissioners adopts a resolution levying a room  
18 occupancy tax under this act, it shall also adopt a resolution creating the Yadkin County  
19 Tourism Development Authority, which shall be a public authority under the Local  
20 Government Budget and Fiscal Control Act. The resolution adopted by the Board of  
21 Commissioners shall provide for the membership of the Authority, including the  
22 members' terms of office, and for the filling of vacancies on the Authority. At least  
23 one-third of the members shall be individuals who are affiliated with businesses that  
24 collect the tax in the county, and at least one-half of the members shall be individuals  
25 who are currently active in the promotion of travel and tourism in the county. The Board  
26 of Commissioners shall designate one member of the Authority as chair and shall  
27 determine the compensation, if any, to be paid to members of the Authority.

28 The Authority shall meet at the call of the chair and shall adopt rules of  
29 procedure to govern its meetings. The Finance Officer for Yadkin County shall be the  
30 ex officio finance officer of the Authority.

31 In order to receive a distribution of funds under this act, the Jonesville Town  
32 Council must have adopted a resolution creating a town Tourism Development  
33 Authority.

34 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of  
35 the tax levied under this act for the purposes provided in Section 1 of this act. The  
36 Authority shall promote travel, tourism, and conventions in the county, sponsor  
37 tourist-related events and activities in the county, and finance tourist-related capital  
38 projects in the county.

39 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the  
40 close of the fiscal year to the Yadkin County Board of Commissioners on its receipts  
41 and expenditures for the preceding quarter and for the year in such detail as the Board of  
42 Commissioners may require.

43 **SECTION 3.** Administrative provisions. – G.S. 153A-155(g) reads as  
44 rewritten:

1       "(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe,  
2 Cabarrus, Camden, Carteret, Chowan, Clay, Craven, Cumberland, Currituck, Dare,  
3 Davie, Duplin, Durham, Franklin, Granville, Halifax, Madison, Martin, Montgomery,  
4 Nash, New Hanover, New Hanover County District U, Pasquotank, Pender, Person,  
5 Randolph, Richmond, Rockingham, Rowan, Scotland, Stanly, Transylvania, Tyrrell,  
6 Vance, ~~and Washington~~ Washington, and Yadkin Counties, to Watauga County District  
7 U, and to the Township of Averagesboro in Harnett County."

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