

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

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**HOUSE BILL 1942\*  
Committee Substitute Favorable 6/10/10**

Short Title: Wilkes County Occupancy Tax.

(Local)

Sponsors:

Referred to:

May 25, 2010

A BILL TO BE ENTITLED

AN ACT TO CREATE A SPECIAL TAXING DISTRICT MADE UP OF THE UNINCORPORATED AREAS OF WILKES COUNTY AND TO AUTHORIZE THE SPECIAL TAXING DISTRICT IN WILKES COUNTY TO LEVY UP TO A SIX PERCENT ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Wilkes County District K Created. – Wilkes County District K is created as a taxing district. Its jurisdiction consists of that part of Wilkes County that is located outside of the incorporated areas within the County. Wilkes County District K is a body politic and corporate and has the power to carry out the provisions of this act. The Wilkes County Board of Commissioners shall serve ex officio as the governing body of the district, and the officers of the County shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

**SECTION 2.** Occupancy Tax. – (a) Authorization and Scope. – The governing body of Wilkes County District K may levy a room occupancy tax of up to six percent (6%) 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 district 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 2.(b)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Wilkes County District K were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.

**SECTION 2.(c)** Definitions. – The following definitions apply in this act:

- (1) Net proceeds. – Gross proceeds less the cost to the district 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 receipts 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.



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

6 **SECTION 2.(d)** Distribution and Use of Tax Revenue. – Wilkes County District K  
7 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Wilkes County  
8 District K Tourism Development Authority. The Authority shall use at least two-thirds of the  
9 proceeds remitted to it to promote travel and tourism in Wilkes County District K and shall use  
10 the remainder for tourism-related expenditures. In accordance with the North Carolina  
11 Constitution and the United States Constitution, the tax proceeds may be used only for the  
12 direct benefit of the jurisdiction of Wilkes County District K. None of the proceeds may be  
13 used to promote travel or tourism in areas within Wilkes County that are outside of the district  
14 or for tourism-related expenditures in the County that are outside of the district.

15 **SECTION 3.** Wilkes County District K Tourism Development Authority. – (a)  
16 Appointment and Membership. – When the governing body of the district adopts a resolution  
17 levying a room occupancy tax under this act, it shall also adopt a resolution creating the Wilkes  
18 County District K Tourism Development Authority, which shall be a public authority under the  
19 Local Government Budget and Fiscal Control Act. The resolution shall provide for the  
20 membership of the Authority, including the members' terms of office, and for the filling of  
21 vacancies on the Authority. At least one-third of the members must be individuals affiliated  
22 with businesses that collect the tax in the district, and at least one-half of the members must be  
23 individuals currently active in the promotion of travel and tourism in the district. The board of  
24 commissioners shall designate one member of the Authority as chair and shall determine the  
25 compensation, if 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 procedure to  
27 govern its meetings. The Finance Officer for Wilkes County shall be the ex officio finance  
28 officer of the Authority.

29 **SECTION 3.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
30 levied under this act for the purposes provided in Section 2 of this act. The Authority shall  
31 promote travel, tourism, and conventions in the district, sponsor tourist-related events and  
32 activities in the district, and finance tourist-related capital projects in the district.

33 **SECTION 3.(c)** Reports. – The Authority shall report quarterly and at the close of  
34 the fiscal year to the governing body of the district on its receipts and expenditures for the  
35 preceding quarter and for the year in such detail as the governing body of the district may  
36 require.

37 **SECTION 4.** G.S. 153A-155(g) reads as rewritten:

38 "**§ 153A-155. Uniform provisions for room occupancy taxes.**

39 (g) This section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke,  
40 Cabarrus, Camden, Carteret, Caswell, Chowan, Clay, Craven, Cumberland, Currituck, Dare,  
41 Davie, Duplin, Durham, Franklin, Granville, Halifax, Haywood, Madison, Martin, McDowell,  
42 Montgomery, Nash, New Hanover, New Hanover County District U, Northampton,  
43 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan,  
44 Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, and Washington Counties, to  
45 Surry County District S, to Watauga County District U, to Yadkin County District Y, to Wilkes  
46 County District K, and to the Township of Averasboro in Harnett County and the Ocracoke  
47 Township Taxing District."

48 **SECTION 5.** This act is effective when it becomes law.