

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1748
Committee Substitute Favorable 6/22/00

Short Title: Change Granville Room Tax Use.

(Local)

Sponsors:

Referred to:

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE PURPOSES FOR WHICH THE GRANVILLE COUNTY
OCCUPANCY TAX CAN BE USED FOR A LIMITED PERIOD OF TIME, TO
ESTABLISH A TOURISM DEVELOPMENT AUTHORITY, AND TO MAKE
TECHNICAL CHANGES.

The General Assembly of North Carolina enacts:

Section 1. Chapter 454 of the 1993 Session Laws reads as rewritten:

"Section 1. Occupancy tax.

(a) Authorization and Scope.

The Granville County Board of Commissioners may ~~by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto,~~ levy a room occupancy tax of ~~five percent (5%)~~ 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. The combined occupancy tax rates for Granville County and any city or town that is located in Granville County and is authorized to levy a room occupancy tax may not exceed six percent (6%).

1 (b) Administration.

2 A tax levied under this section shall be levied, administered, collected, and repealed
3 as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax
4 levied under this section.

5 (b) Collection.

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

15 (e) Administration.

16 ~~The county shall administer a tax levied under this section. A tax levied under this~~
17 ~~section is due and payable to the county finance officer in monthly installments on or~~
18 ~~before the 15th day of the month following the month in which the tax accrues. Every~~
19 ~~person, firm, corporation, or association liable for the tax shall, on or before the 15th day~~
20 ~~of each month, prepare and render a return on a form prescribed by the county. The~~
21 ~~return shall state the total gross receipts derived in the preceding month from rentals upon~~
22 ~~which the tax is levied.~~

23 ~~A return filed with the county finance officer under this section is not a public record~~
24 ~~as defined by G.S. 132-1 and may not be disclosed except as required by law.~~

25 (d) Penalties.

26 ~~A person, firm, corporation, or association who fails or refuses to file the return~~
27 ~~required by this section is subject to the civil and criminal penalties set by G.S. 105-236~~
28 ~~for failure to pay or file a return for State sales and use taxes. The board of~~
29 ~~commissioners has the same authority to waive the penalties for a room occupancy tax~~
30 ~~that the Secretary of Revenue has to waive the penalties for State sales and use taxes.~~

31 (e) Distribution and Use of Tax Revenue.

32 ~~Granville County shall use at least two-thirds of the proceeds of the tax revenue to~~
33 ~~promote travel and tourism and shall use the remaining tax proceeds for tourism-related~~
34 ~~expenditures. The term "promote travel and tourism" means to~~
35 The county shall, on a
36 quarterly basis, remit the net proceeds of the occupancy tax to the Granville County
37 Tourism Development Authority. The Authority may use up to two-thirds of the funds
38 remitted to it under this subsection for the following tourism-related expenditures

39 (i) developing facilities for fishing tournaments, skiing tournaments, and boating
40 events; (ii) constructing facilities for festivals; (iii) constructing tournament grade
41 multipurpose athletic facilities; and (iv) financing other similar capital expenditures. The
42 Authority shall use the remaining net proceeds to promote travel and tourism in Granville
43 County.

1 The following definitions apply in this subsection:

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

5 (2) Promote travel and tourism. – To advertise or market an area or activity,
6 publish and distribute pamphlets and other materials, conduct market
7 research, or engage in similar promotional activities that attract tourists
8 or business travelers to the county; ~~the county.~~ The term includes
9 administrative expenses incurred in engaging in the listed activities. The
10 term "tourism-related expenditures" means expenditures that

11 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
12 the Authority, are designed to increase the use of lodging facilities in the
13 county or to attract tourists or business travelers to the county ~~and~~
14 expenditures by the county to administer and collect the tax; ~~it~~ county. The
15 term includes expenditures for the construction or maintenance of a
16 convention or meeting facility to be used primarily by individuals who are not
17 residents of the county and for the construction or maintenance of a coliseum
18 or a visitors' center, but does not include other tourism-related capital
19 expenditures.

20 (f) Effective Date of Levy.

21 ~~A tax levied under this section shall become effective on the date specified in the~~
22 ~~resolution levying the tax. That date must be the first day of a calendar month, however,~~
23 ~~and may not be earlier than the first day of the second month after the date the resolution~~
24 ~~is adopted.~~

25 (g) Repeal.

26 ~~A tax levied under this section may be repealed by a resolution adopted by the~~
27 ~~Granville County Board of Commissioners. Repeal of a tax levied under this section~~
28 ~~shall become effective on the first day of a month and may not become effective until the~~
29 ~~end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied~~
30 ~~under this section does not affect a liability for a tax that was attached before the effective~~
31 ~~date of the repeal, nor does it affect a right to a refund of a tax that accrued before the~~
32 ~~effective date of the repeal.~~

33 Sec. 1.1. Granville Tourism Development Authority.

34 (a) Appointment and Membership.

35 The Board of County Commissioners shall adopt a resolution creating a county
36 Tourism Development Authority, which shall be a public authority under the Local
37 Government Budget and Fiscal Control Act. The Authority shall be composed of five
38 members who shall serve for staggered three-year terms. The members shall be
39 appointed as follows: three appointed by the Granville County Board of Commissioners,
40 one appointed by the Oxford City Council, and one appointed by the Creedmoor City
41 Council. One of the three members appointed by the Granville County Board of
42 Commissioners must be an owner or manager of a Granville County hotel or motel. The
43 remaining members must be individuals who are currently active in the promotion of

1 travel and tourism in the county. Vacancies shall be filled in the same manner as original
2 appointments, and members appointed to fill vacancies shall serve for the remainder of
3 the unexpired term. The resolution shall determine the compensation, if any, to be paid
4 to the members of the Authority.

5 At the first meeting of each calendar year, the membership of the Authority shall elect
6 one member to serve as chair until the first meeting of the following year. The Authority
7 shall meet at the call of the chair and shall adopt rules of procedure to govern its
8 meetings. The Finance Officer for Granville County shall be the ex officio finance
9 officer of the Authority.

10 (b) Duties.

11 The Authority shall expend the net proceeds of the tax levied under this act for the
12 purposes provided in this act. The Authority shall promote travel, tourism, and
13 conventions in the county, sponsor tourist-related events and activities in the county, and
14 finance tourist-related capital projects in the county.

15 (c) Reports.

16 The Authority shall report quarterly and at the close of the fiscal year to the Granville
17 County Board of Commissioners on its receipts and expenditures for the preceding
18 quarter and for the year in such detail as the board may require.

19 Sec. 2. This act is effective upon ratification."

20 Section 2. To achieve the staggered terms required on the Granville County
21 Tourism Development Authority, as provided in Section 1 of this act, the initial terms of
22 the members of the Authority shall be as follows: The initial term of the member who is
23 an owner or manager of a hotel or motel shall be three years. The Granville County
24 Board of Commissioners must designate one of its remaining appointees to serve an
25 initial term of two years and the other to serve an initial term of one year. The remaining
26 initial members shall serve terms of three years each. Thereafter, all terms shall be three
27 years.

28 Section 3. Section 1(a) of Chapter 454 of the 1993 Session Laws, as amended
29 by Section 1 of this act, reads as rewritten:

30 "(a) Authorization and Scope.

31 The Granville County Board of Commissioners may levy a room occupancy tax of
32 ~~three percent (3%)~~ five percent (5%) of the gross receipts derived from the rental of any
33 room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or
34 similar place within the county that is subject to sales tax imposed by the State under G.S.
35 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not
36 apply to accommodations furnished by nonprofit charitable, educational, or religious
37 organizations. The combined occupancy tax rates for Granville County and any city or
38 town that is located in Granville County and is authorized to levy a room occupancy tax
39 may not exceed six percent (6%)."

40 Section 4. Section 1(e) of Chapter 454 of the 1993 Session Laws, as amended
41 by Section 1 of this act, reads as rewritten:

42 "(e) Distribution and Use of Tax Revenue.

1 The county shall, on a quarterly basis, remit the net proceeds of the occupancy tax to
2 the Granville County Tourism Development Authority. The Authority ~~may~~ shall use up to
3 at least two-thirds of the funds remitted to it under this subsection ~~for the following~~
4 ~~tourism-related expenditures designed to attract tourists and business travelers from outside the~~
5 ~~county into the county: (i) developing facilities for fishing tournaments, skiing tournaments,~~
6 ~~and boating events; (ii) constructing facilities for festivals; (iii) constructing tournament grade~~
7 ~~multi-purpose athletic facilities; and (iv) financing other similar capital expenditures. The~~
8 ~~Authority shall use the remaining net proceeds to promote travel and tourism in Granville~~
9 ~~County. County and shall use the remainder for tourism-related expenditures.~~

10 The following definitions apply in this subsection:

- 11 (1) Net proceeds. – Gross proceeds less the cost to the county of
12 administering and collecting the tax, as determined by the finance
13 officer, not to exceed three percent (3%) of the gross proceeds.
- 14 (2) Promote travel and tourism. – To advertise or market an area or activity,
15 publish and distribute pamphlets and other materials, conduct market
16 research, or engage in similar promotional activities that attract tourists
17 or business travelers to the county. The term includes administrative
18 expenses incurred in engaging in the listed activities.
- 19 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
20 the Authority, are designed to increase the use of lodging facilities in the
21 county or to attract tourists or business travelers to the county. The term
22 includes tourism-related capital expenditures."

23 Section 5. G.S. 153A-155(g) reads as rewritten:

24 "(g) This section applies only to Avery, Brunswick, Craven, Currituck, Davie,
25 Granville, Madison, Nash, Person, Randolph, Scotland, and Transylvania Counties."

26 Section 6. Sections 3 and 4 of this act become effective October 1, 2007, and
27 apply to taxes collected on or after that date. The remainder of this act becomes effective
28 October 1, 2000, and applies to taxes collected on or after that date.