

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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**HOUSE BILL 583
Committee Substitute Reported Without Prejudice 6/28/01**

Short Title: Modify Nash Occupancy Tax.

(Local)

Sponsors:

Referred to:

March 13, 2001

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE NASH COUNTY OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Sections 1 and 2 of Chapter 32 of the 1987 Session Laws, as amended by S.L. 1993-545 and S.L. 1997-255, read as rewritten:

"Section 1. Occupancy tax. = (a) Authorization and scope. = The Nash 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. = In addition to the tax authorized by subsection (a) of this section, the Nash County Board of Commissioners may levy an additional room occupancy tax of up to ~~three percent (3%)~~ two percent (2%) of the gross receipts derived from the rental of accommodations taxable under subsection (a). The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. Nash 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 = A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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.

~~(e)(c) Distribution and use of tax revenue. = Nash County shall, on a quarterly basis, remit the net proceeds of the occupancy taxes tax levied under subsection (a) of this section to the Nash Tourism Development Authority, itemized by tax. Authority and the net proceeds of the occupancy tax levied under subsection (a1) of this section to the City of Rocky Mount. Of the net proceeds of the tax levied under subsection (a) of this section, the~~ The Authority shall spend at least two-thirds of the funds remitted to it only

1 to promote travel and tourism in Nash County, and shall spend the remainder on
2 tourism-related expenditures. ~~The Authority shall spend the net proceeds of the tax~~
3 ~~levied under subsection (a1) of this section only to construct, maintain, operate, or~~
4 ~~market a convention center.~~The City of Rocky Mount shall spend the funds remitted to
5 it only for tourism-related expenditures within Nash County that have been specifically
6 approved in advance by the Nash County Tourism Development Authority. The
7 following definitions apply in this subsection:

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

26 "Sec. 2. Tourism Development Authority. = (a) Appointment and membership. =
27 When the Board of Commissioners adopts a resolution levying a room occupancy tax
28 under this act, it shall also adopt a resolution creating a county Tourism Development
29 Authority, which shall be a public authority under the Local Government Budget and
30 Fiscal Control Act. The resolution shall provide for the Board of Commissioners to
31 appoint the membership of the Authority, for the terms of office of the members, and
32 for the filling of vacancies on the Authority.~~The members of the Authority shall be~~
33 ~~citizens of Nash County.~~ At least one-third of the members must be individuals who are
34 affiliated with businesses that collect the tax in the county. If the ~~authority~~Authority has
35 an even number of members, then at least one-half of the members shall have
36 experience in the promotion of travel and tourism. If the Authority has an odd number
37 of members, then at least one less than one-half of the members shall have experience in
38 the promotion of travel and tourism. The Board of Commissioners shall designate one
39 member of the Authority as chair and shall determine the compensation, if any, to be
40 paid to members of the Authority.

41 The Authority shall meet at the call of the chair or upon a written request signed by
42 at least one-third of its members and shall adopt rules of procedure to govern its

1 meetings. The Finance Officer for Nash County shall be the ex officio finance officer of
2 the Authority.

3 (b) Duties. = The Authority shall promote travel, tourism, and conventions in the
4 county, and shall expend the net tax proceeds distributed to it under this act for the
5 purposes provided in Section 1(c) of this act. ~~sponsor tourist-related events and~~
6 ~~activities in the county, and finance tourist-related capital projects in the county, such as~~
7 ~~the construction of a civic center and utilities.~~

8 (c) Reports. = The Authority shall report quarterly and at the close of the fiscal
9 year to the Board of County Commissioners on its receipts and expenditures for the
10 preceding quarter and for the year in such detail as the Board may require."

11 **SECTION 2.** This act is effective when it becomes law.