

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 665

Short Title: City of Monroe Occupancy Tax.

(Local)

Sponsors: Senators Plyler and Purcell.

Referred to: Finance.

March 22, 2001

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE CITY OF MONROE TO LEVY A ROOM
2 OCCUPANCY AND TOURISM DEVELOPMENT TAX.
3

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Monroe occupancy tax. (a) Authorization and Scope. The
6 Monroe City Council may levy a room occupancy tax of up to five percent (5%) of the
7 gross receipts derived from the rental of any room, lodging, or accommodation
8 furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is
9 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in
10 addition to any State or local sales tax. This tax does not apply to accommodations
11 furnished by nonprofit charitable, educational, or religious organizations when
12 furnished in furtherance of their nonprofit purpose.

13 **SECTION 1.(b)** Administration. A tax levied under this section shall be
14 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
15 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

16 The tax collector may collect any unpaid taxes levied under this act through
17 the use of attachment and garnishment proceedings as provided in G.S. 105-368 for
18 collection of property taxes. The tax collector has the same enforcement powers
19 concerning the tax authorized by this act as the Secretary of Revenue in enforcing the
20 State sales tax under G.S. 105-164.30.

21 **SECTION 1.(c)** Distribution and Use of Tax Revenue. The tax collector
22 shall account for the proceeds of a tax levied under this act to the city finance director
23 on a monthly basis. The city shall use at least five percent (5%) of the net proceeds of
24 the tax to promote tourism and economic development. The city shall use the remaining
25 net proceeds of the tax for construction, operation, and maintenance of a civic center,
26 for Downtown Monroe Development, for economic development, and for other public
27 purposes.

1 **SECTION 2.** City administrative provisions. -- G.S. 160A-215 reads as
2 rewritten:

3 **"§ 160A-215. Uniform provisions for room occupancy taxes.**

4 (a) Scope. – This section applies only to municipalities the General Assembly
5 has authorized to levy room occupancy taxes. For the purpose of this section, the term
6 "city" means a municipality.

7 (b) Levy. – A room occupancy tax may be levied only by resolution, after not
8 less than 10 days' public notice and after a public hearing held pursuant thereto. A room
9 occupancy tax shall become effective on the date specified in the resolution levying the
10 tax. That date must be the first day of a calendar month, however, and may not be
11 earlier than the first day of the second month after the date the resolution is adopted.

12 (c) Collection. – Every operator of a business subject to a room occupancy tax
13 shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall
14 be collected as part of the charge for furnishing a taxable accommodation. The tax shall
15 be stated and charged separately from the sales records and shall be paid by the
16 purchaser to the operator of the business as trustee for and on account of the taxing city.
17 The tax shall be added to the sales price and shall be passed on to the purchaser instead
18 of being borne by the operator of the business. The taxing city shall design, print, and
19 furnish to all appropriate businesses and persons in the city the necessary forms for
20 filing returns and instructions to ensure the full collection of the tax. An operator of a
21 business who collects a room occupancy tax may deduct from the amount remitted to
22 the taxing city a discount equal to the discount the State allows the operator for State
23 sales and use tax.

24 (d) Administration. – The taxing city shall administer a room occupancy tax it
25 levies. A room occupancy tax is due and payable to the city finance officer in monthly
26 installments on or before the fifteenth day of the month following the month in which
27 the tax accrues. Every person, firm, corporation, or association liable for the tax shall,
28 on or before the fifteenth day of each month, prepare and render a return on a form
29 prescribed by the taxing city. The return shall state the total gross receipts derived in the
30 preceding month from rentals upon which the tax is levied. A room occupancy tax
31 return filed with the city finance officer is not a public record and may not be disclosed
32 except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

33 (e) Penalties. – A person, firm, corporation, or association who fails or refuses to
34 file a room occupancy tax return or pay a room occupancy tax as required by law is
35 subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a
36 return for State sales and use taxes. The governing board of the taxing city has the same
37 authority to waive the penalties for a room occupancy tax that the Secretary of Revenue
38 has to waive the penalties for State sales and use taxes.

39 (f) Repeal or Reduction. – A room occupancy tax levied by a city may be
40 repealed or reduced by a resolution adopted by the governing body of the city. Repeal or
41 reduction of a room occupancy tax shall become effective on the first day of a month
42 and may not become effective until the end of the fiscal year in which the resolution
43 was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for
44 a tax that was attached before the effective date of the repeal or reduction, nor does it

1 affect a right to a refund of a tax that accrued before the effective date of the repeal or
2 reduction.

3 (g) This section applies only to the Cities of Goldsboro, Greensboro, Lumberton,
4 Monroe, Mount Airy, Shelby, and Statesville, to the Towns of Banner Elk, Mooresville,
5 and St. Pauls, and to the municipalities in Brunswick County."

6 **SECTION 3.** This act is effective when it becomes law.