

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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HOUSE BILL 1721  
Committee Substitute Favorable 6/10/04  
Committee Substitute #2 Favorable 6/30/04

Short Title: Currituck Occupancy Tax Changes.

(Local)

Sponsors:

Referred to:

May 27, 2004

A BILL TO BE ENTITLED

AN ACT TO ALLOW AN INCREASE IN THE CURRITUCK COUNTY  
OCCUPANCY TAX AND TO CHANGE THE PURPOSES FOR WHICH THE  
TAX MAY BE USED.

The General Assembly of North Carolina enacts:

**SECTION 1.** Section 1 of Chapter 209 of the 1987 Session Laws, as amended by Chapter 155 of the 1991 Session Laws and Chapter 155 of the 1999 Session Laws, is amended by adding a new subsection to read:

"(a2) Second Additional Occupancy Tax. – In addition to the tax authorized by subsections (a) and (a1) of this section, the Currituck County Board of Commissioners may levy a room occupancy tax of up to 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 act. Currituck County may not levy a tax under this subsection unless it also levies the tax under subsections (a) and (a1)."

**SECTION 2.** Section 1(e) of Chapter 209 of the 1987 Session Laws, as amended by Chapter 155 of the 1991 Session Laws, reads as rewritten:

"(e) Use of tax revenue. Currituck County shall use ~~at least seventy five percent (75%) of the net proceeds of the tax levied under subsection (a) of this section only for tourist related purposes, including construction and maintenance of public facilities and buildings, garbage, refuse, and solid waste collection and disposal, police protection, and emergency services. tourism-related expenditures, including beach nourishment.~~ The remainder of the net proceeds of the tax levied under subsection (a) shall be deposited in the Currituck County General Fund and may be used for any lawful purpose. Currituck County ~~may~~ shall use at least two-thirds of the net proceeds of the tax levied under ~~subsection~~ subsections (a1) and (a2) of this section, to the extent that they are needed, for capital costs, operation, and maintenance of the Currituck Wildlife Museum. Whatever is not needed for the capital costs, operation, and maintenance of

1 ~~the Currituck Wildlife Museum shall be used for tourist related purposes. As used in~~  
2 ~~this subsection, 'net proceeds' means gross proceeds less the cost to the county of~~  
3 ~~administering and collecting the tax, as determined by the finance officer. section to~~  
4 ~~promote travel and tourism and shall use the remainder of those funds for~~  
5 ~~tourism-related expenditures.~~

6 The following definitions apply in this subsection:

- 7       (1) Beach nourishment. – The placement of sand, from other sand sources,  
8 on a beach or dune by mechanical means and other associated  
9 activities that are in conformity with the North Carolina Coastal  
10 Management Program along the shorelines of the Atlantic Ocean of  
11 North Carolina and connecting inlets for the purpose of widening the  
12 beach to benefit public recreational use and mitigating damage and  
13 erosion from storms to inland property. The term includes  
14 expenditures for any of the following:
- 15       a. Costs directly associated with qualifying for projects either  
16 contracted through the U.S. Army Corps of Engineers or  
17 otherwise permitted by all appropriate federal and State  
18 agencies.
- 19       b. The nonfederal share of the cost required to construct these  
20 projects.
- 21       c. The costs associated with providing enhanced public beach  
22 access.
- 23       d. The costs of associated nonhardening activities such as the  
24 planting of vegetation, the building of dunes, and the placement  
25 of sand fences.
- 26       (2) Net proceeds. – Gross proceeds less the cost to the county of  
27 administering and collecting the tax, as determined by the finance  
28 officer, not to exceed three percent (3%) of the first five hundred  
29 thousand dollars (\$500,000) of gross proceeds collected each year and  
30 one percent (1%) of the remaining gross receipts collected each year.
- 31       (3) Promote travel and tourism. – To advertise or market an area or  
32 activity, publish and distribute pamphlets and other materials, conduct  
33 market research, or engage in similar promotional activities that attract  
34 tourists or business travelers to the area; the term includes  
35 administrative expenses incurred in engaging in these activities.
- 36       (4) Tourism-related expenditures. – Expenditures that, in the judgment of  
37 the Currituck County Board of Commissioners, are designed to  
38 increase the use of lodging facilities, meeting facilities, recreational  
39 facilities, and convention facilities in a county by attracting tourists or  
40 business travelers to the county. The term includes tourism-related  
41 capital expenditures and beach nourishment."
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1           **SECTION 3.** Chapter 209 of the 1987 Session Laws, as amended by Chapter  
2 155 of the 1991 Session Laws and Chapter 155 of the 1999 Session Laws, is amended  
3 by adding a new section to read:

4           "Section 1.1. Currituck County Tourism Development Authority. – (a)  
5 Appointment and Membership. – When the board of commissioners adopts a resolution  
6 levying a room occupancy tax under this act, it shall also adopt a resolution creating a  
7 county Tourism Development Authority, which shall be a public authority under the  
8 Local Government Budget and Fiscal Control Act. The Authority shall be composed of  
9 six members: five voting members and one ex officio nonvoting member. The ex  
10 officio nonvoting member shall be the county's designated travel and tourism  
11 representative. The voting members shall be as follows:

12           (1) The county commissioner representing the Moyock Township.

13           (2) The county commissioner representing the Crawford Township.

14           (3) The county commissioner representing the Poplar Branch Township.

15           (4) The county commissioner representing the Fruitville Township.

16           (5) The at-large county commissioner.

17           (b) Administration. – The resolution creating the Authority shall designate one  
18 member of the Authority to serve as the initial chair and provide for the members' terms  
19 of office and for the filling of vacancies on the Authority. After the initial term, the  
20 Authority must elect a chair from among its members. The members of the Authority  
21 shall serve without pay. The Authority shall meet at the call of the chair and shall adopt  
22 rules of procedure to govern its meetings. The Finance Officer for Currituck County  
23 shall be the ex officio finance officer of the Authority.

24           (c) Duties. – The Authority shall expend the net proceeds of the tax levied under  
25 this act for the purposes provided in Section 1 of this act. The Authority shall promote  
26 travel, tourism, and conventions in the county, sponsor tourist-related events and  
27 activities in the county, and finance tourist-related capital projects in the county.

28           (d) Reports. – The Authority shall report quarterly and at the close of the fiscal  
29 year to the board of commissioners on its receipts and expenditures for the preceding  
30 quarter and for the year in such detail as the board may require."

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