

1 addition to any State or local sales tax. This tax does not apply to accommodations
2 furnished by nonprofit charitable, educational, or religious organizations or to a
3 business that offers to rent fewer than five units.

4 (b1) In addition to the tax authorized by subsection (b) of this section, the Madison
5 County Board of Commissioners may levy an additional room occupancy tax of up to
6 two percent (2%) of the gross receipts derived from the rental of accommodations
7 taxable under subsection (b) of this section. The levy, collection, administration, and
8 repeal of the tax authorized by this subsection must be in accordance with the provisions
9 of this section. Madison County may not levy a tax under this subsection unless it also
10 levies the tax authorized under subsection (b) of this section.

11 (c) Administration. ~~Except as otherwise provided in this section, a~~ tax levied
12 under this section shall be levied, administered, collected, and repealed as provided in
13 G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under
14 this section.

15 (d) Distribution and use of tax revenue. Madison County shall, on a quarterly
16 basis, remit the net proceeds of the occupancy tax to the Madison County Tourism
17 Development Authority. The Authority shall use at least two-thirds of the funds
18 remitted to it under this subsection to promote travel and tourism in Madison County
19 and shall use the remainder for tourism-related expenditures. ~~The administrative~~
20 ~~expenses of the Authority may not exceed fifteen percent (15%) of the funds remitted to~~
21 ~~it under this subsection.~~

22 The following definitions apply in this subsection:

- 23 (1) Net proceeds. – Gross proceeds less the cost to the county of
24 administering and collecting the tax, as determined by the finance
25 officer, not to exceed ~~five percent~~ 5% ~~of the gross proceeds. three~~
26 ~~percent (3%) of the first five hundred thousand dollars (\$500,000) of~~
27 ~~the gross proceeds collected each year and one percent (1%) of the~~
28 ~~remaining gross receipts collected each year.~~
- 29 (2) Promote travel and tourism. – To advertise or market an area or
30 activity, publish and distribute pamphlets and other materials, conduct
31 market research, or engage in similar promotional activities that attract
32 tourists or business travelers to the area; the term includes
33 administrative expenses incurred in engaging in the listed activities.
- 34 (3) Tourism-related expenditures. – Expenditures that are designed to
35 increase the use of lodging facilities in a county or to attract tourists or
36 business travelers to the county. The term includes expenditures to
37 construct, maintain, operate, or market a convention or meeting
38 facility, a visitors' center, or a coliseum and other expenditures that, in
39 the judgment of the Authority, will facilitate and promote tourism."

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