

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**S**

**1**

**SENATE BILL 442**

Short Title: Caswell County Occupancy Tax. (Local)

---

Sponsors: Senator Foriest.

---

Referred to: Finance.

---

March 1, 2007

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CASWELL COUNTY TO LEVY A ROOM  
OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners of Caswell County may levy a room occupancy tax of up to 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 when furnished in furtherance of their nonprofit purpose.

**SECTION 1.(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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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.

**SECTION 1.(c)** Definitions. – The following definitions apply in this act:

- (1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross proceeds collected each year.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Caswell County Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention

1 facilities in the county or to attract tourists or business travelers to the  
2 county. The term includes tourism-related capital expenditures.

3 **SECTION 1.(d)** Distribution and Use of Tax Revenue. – Caswell County  
4 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Caswell  
5 County Tourism Development Authority. The Authority shall use at least two-thirds of  
6 the funds remitted to it under this subsection to promote travel and tourism in Caswell  
7 County and shall use the remainder for tourism-related expenditures.

8 **SECTION 2.** Tourism Development Authority. – (a) Appointment and  
9 Membership. – When the Board of Commissioners adopts a resolution levying a room  
10 occupancy tax under this act, it shall also adopt a resolution creating the Caswell  
11 County Tourism Development Authority, which shall be a public authority under the  
12 Local Government Budget and Fiscal Control Act. The resolution shall provide for the  
13 membership of the Authority, including the members' terms of office, and for the filling  
14 of vacancies on the Authority. At least one-third of the members shall be individuals  
15 who are affiliated with businesses that collect the tax in the county, and at least one-half  
16 of the members shall be individuals who are currently active in the promotion of travel  
17 and tourism in the county. The Board of Commissioners shall designate one member of  
18 the Authority as chair and shall determine the compensation, if any, to be paid to  
19 members of the Authority.

20 The Authority shall meet at the call of the chair and shall adopt rules of  
21 procedure to govern its meetings. The Finance Officer for Caswell County shall be the  
22 ex officio finance officer of the Authority.

23 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of  
24 the tax levied under this act for the purposes provided in Section 1 of this act. The  
25 Authority shall promote travel, tourism, and conventions in the county, sponsor  
26 tourist-related events and activities in the county, and finance tourist-related capital  
27 projects in the county.

28 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the  
29 close of the fiscal year to the Caswell County Board of Commissioners on its receipts  
30 and expenditures for the preceding quarter and for the year in such detail as the Board of  
31 Commissioners may require.

32 **SECTION 3.** Administrative provisions. – G.S. 153A-155(g) reads as  
33 rewritten:

34 "(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe,  
35 Cabarrus, Camden, Carteret, Caswell, Chowan, Clay, Craven, Cumberland, Currituck,  
36 Dare, Davie, Duplin, Durham, Franklin, Granville, Halifax, Madison, Martin,  
37 Montgomery, Nash, New Hanover, New Hanover County District U, Pasquotank,  
38 Pender, Person, Randolph, Richmond, Rockingham, Rowan, Scotland, Stanly,  
39 Transylvania, Tyrrell, Vance, and Washington Counties, to Watauga County District U,  
40 and to the Township of Averagesboro in Harnett County."

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