

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

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**SENATE BILL 442**  
**House Committee Substitute Favorable 7/3/07**

Short Title: Caswell Co./Yanceyville Occupancy Tax.

(Local)

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Sponsors:

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Referred to:

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March 1, 2007

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CASWELL COUNTY AND THE TOWN OF  
YANCEYVILLE TO LEVY A ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**CASWELL COUNTY**

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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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

1 increase the use of lodging facilities, meeting facilities, or convention  
2 facilities in the county or to attract tourists or business travelers to the  
3 county. The term includes tourism-related capital expenditures.

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

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

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

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

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

### 33 **TOWN OF YANCEYVILLE**

34 **SECTION 3.** Occupancy tax. – (a) Authorization and Scope. – The  
35 Yanceyville Town Council may levy a room occupancy tax of up to three percent (3%)  
36 of the gross receipts derived from the rental of any room, lodging, or accommodation  
37 furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is  
38 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in  
39 addition to any State or local sales tax. This tax does not apply to accommodations  
40 furnished by nonprofit charitable, educational, or religious organizations when  
41 furnished in furtherance of their nonprofit purpose.

42 **SECTION 3.(b)** Administration. – A tax levied under this section shall be  
43 levied, administered, collected, and repealed as provided in G.S. 160A-215. The  
44 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

1           **SECTION 3.(c)** Definitions. – The following definitions apply in this act:

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

17          **SECTION 3.(d)** Distribution and Use of Tax Revenue. – The Town of  
18          Yanceyville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to  
19          the Yanceyville Tourism Development Authority. The Authority shall use at least  
20          two-thirds of the funds remitted to it under this subsection to promote travel and tourism  
21          in Yanceyville and shall use the remainder for tourism-related expenditures.

22          **SECTION 4.** Tourism Development Authority. – (a) Appointment and  
23          Membership. – When the Town Council adopts a resolution levying a room occupancy  
24          tax under this act, it shall also adopt a resolution creating the Yanceyville Tourism  
25          Development Authority, which shall be a public authority under the Local Government  
26          Budget and Fiscal Control Act. The resolution shall provide for the membership of the  
27          Authority, including the members' terms of office, and for the filling of vacancies on the  
28          Authority. At least one-third of the members shall be individuals who are affiliated with  
29          businesses that collect the tax in the town, and at least one-half of the members shall be  
30          individuals who are currently active in the promotion of travel and tourism in the town.  
31          The Town Council shall designate one member of the Authority as chair and shall  
32          determine the compensation, if any, to be paid to members of the Authority.

33          The Authority shall meet at the call of the chair and shall adopt rules of  
34          procedure to govern its meetings. The finance officer for the Town of Yanceyville shall  
35          be the ex officio finance officer of the Authority.

36          **SECTION 4.(b)** Duties. – The Authority shall expend the net proceeds of  
37          the tax levied under this act for the purposes provided in Section 3 of this act. The  
38          Authority shall promote travel, tourism, and conventions in the town, sponsor  
39          tourist-related events and activities in the town, and finance tourist-related capital  
40          projects in the town.

41          **SECTION 4.(c)** Reports. – The Authority shall report quarterly and at the  
42          close of the fiscal year to the Yanceyville Town Council on its receipts and expenditures  
43          for the preceding quarter and for the year in such detail as the Town Council may  
44          require.

**1 ADMINISTRATIVE PROVISIONS****2 SECTION 5.** G.S. 153A-155(g) reads as rewritten:

**3** "(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe,  
**4** Cabarrus, Camden, Carteret, Caswell, Chowan, Clay, Craven, Cumberland, Currituck,  
**5** Dare, Davie, Duplin, Durham, Franklin, Granville, Halifax, Madison, Martin,  
**6** Montgomery, Nash, New Hanover, New Hanover County District U, Pasquotank,  
**7** Pender, Person, Randolph, Richmond, Rockingham, Rowan, Scotland, Stanly,  
**8** Transylvania, Tyrrell, Vance, and Washington Counties, to Watauga County District U,  
**9** and to the Township of Averasboro in Harnett County."

**10 SECTION 6.** G.S. 160-215(g) reads as rewritten:

**11** "(g) This section applies only to Beech Mountain District W, to the Cities of  
**12** Belmont, Elizabeth City, Eden, Gastonia, Goldsboro, Greensboro, High Point, Kings  
**13** Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Reidsville,  
**14** Roanoke Rapids, Shelby, Statesville, Washington, and Wilmington, to the Towns of  
**15** Ahoskie, Beech Mountain, Benson, Blowing Rock, Boiling Springs, Burgaw, Carolina  
**16** Beach, Carrboro, Dobson, Elkin, Franklin, Jonesville, Kenly, Kure Beach, Mooresville,  
**17** North Topsail Beach, Pilot Mountain, Selma, Smithfield, St. Pauls, Troutman, Tryon,  
**18** West Jefferson, Wilkesboro, ~~and Wrightsville Beach, Wrightsville Beach,~~ and  
**19** Yanceyville, and to the municipalities in Avery and Brunswick Counties."

**20 EFFECTIVE DATE****21 SECTION 7.** This act is effective when it becomes law.