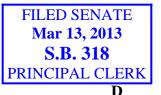
## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2013



## SENATE DRS35166-MCx-70A\* (02/18)

| Short Title: | Haywood Co. Capital Expenditures Occup. Tax. | (Local) |
|--------------|--|---------|
| Sponsors:    | Senator J. Davis (Primary Sponsor).          |         |
| Referred to: |  |         |

#### A BILL TO BE ENTITLED

# AN ACT TO AUTHORIZE HAYWOOD COUNTY TO LEVY A TWO PERCENT ROOM OCCUPANCY TAX.

4 The General Assembly of North Carolina enacts:

SECTION 1. Occupancy tax. - (a) Authorization and Scope. - The Havwood 5 6 County Board of Commissioners may levy a room occupancy tax of up to two percent (2%) of 7 the gross receipts derived from the rental of any room, lodging, or accommodation furnished by 8 a hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax 9 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local 10 sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, 11 educational, or religious organizations when furnished in furtherance of their nonprofit 12 purpose. Haywood County may not levy a tax under this act unless it also levies the tax 13 authorized in Sections 10, 10.1, and 10.2 of Part V of Chapter 908 of the 1983 Session Laws, as 14 amended by Chapter 942 of the 1985 Session Laws (Regular Session 1986), Chapter 48 of the 15 1987 Session Laws, Chapter 540 of the 1995 Session Laws, and S.L. 2007-337.

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administered, collected, and repealed as provided in G.S. 153A-155.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.

19 SECTION 1.(c) Distribution and Use of Tax Revenue. – Haywood County shall, 20 on a monthly basis, remit the net proceeds of the occupancy tax to the Haywood County 21 Tourism Development Authority. The Authority shall create a Tourism Product Development 22 Fund, the purpose of which is to provide financial assistance for tourism-related capital projects that significantly benefit patronage of lodging facilities in Haywood County and shall remit the 23 24 net proceeds of the tax levied under this act into the Fund on a monthly basis. Funds not 25 expended from the Fund at the end of the fiscal year do not revert. The Authority may not use 26 more than five percent (5%) of the net proceeds for administrative expenses. For purposes of 27 this subsection, "net proceeds" means the gross proceeds less the cost to the county of 28 administering and collecting the tax, as determined by the finance officer, not to exceed one 29 percent (1%) of the gross proceeds collected each year.

30 **SECTION 2.** Product Development Committee. – (a) Appointment and 31 Membership. – When the Board of Commissioners adopts a resolution levying a room 32 occupancy tax under this act, it shall also adopt a resolution creating the Haywood County 33 Product Development Committee, which shall be a public authority under the Local 34 Government Budget and Fiscal Control Act and which shall review and evaluate proposals 35 from applicants for tourism-related capital expenditure projects and make recommendations to 36 the Authority regarding the use and disposition of funds in the Tourism Product Development



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### **General Assembly of North Carolina**

1 Fund. The resolution shall provide that the Committee is composed of 11 voting members and 2 four ex officio members. The voting members shall be composed of one member representing 3 each zip code, and the remaining members allocated to zip codes contributing more than ten 4 percent (10%) of the total taxes collected in the previous fiscal year and weighted by 5 percentage of total taxes collected in the previous fiscal year. No district shall have more than 6 five voting representatives on the Committee. The four ex officio, nonvoting members shall be 7 composed of the Haywood County Tourism Development Authority Executive Director, the 8 Haywood County Manager, the Haywood County finance officer, and the Executive Director of 9 the Haywood County Economic Development Commission. Product Development Committee 10 members shall be individuals from the lodging or tourism-related industry recommended by 11 each municipality or taxing district and approved by the Haywood County Board of 12 Commissioners.

13 The resolution shall include provisions for the members' terms of office and for the 14 filling of vacancies on the Authority. The Product Development Committee shall designate one 15 member of the Committee as chair.

16 The Committee shall meet at the call of the chair and shall adopt rules of procedure 17 to govern its meetings. The finance officer for Haywood County shall be the ex officio finance 18 officer of the Committee. The Committee, before recommending a project to the Authority, 19 shall require the applicant for the project to submit a feasibility study demonstrating, to the 20 satisfaction of the Committee, the economic value of the project to the area, including a 21 showing that the project will significantly benefit the utilization of lodging facilities in 22 Haywood County, and may not recommend a project to the Authority that fails to meet these 23 requirements.

SECTION 2.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in Section 1 of this act. The Authority shall award funds only to projects recommended and approved by the Committee. Awards shall be in the form of grants for projects. Projects must be located in Haywood County.

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

32 SECTION 3. This act is effective when it becomes law and expires on July 1, 33 2023.