

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE BILL 80\***

Short Title: West Jefferson Occupancy Tax.

(Local)

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Sponsors: Senator Garwood.

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Referred to: Finance.

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February 9, 2005

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE TOWN OF WEST JEFFERSON TO LEVY A  
2 ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.  
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4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The West  
6 Jefferson Board of Aldermen may levy a room occupancy tax of up to three percent  
7 (3%) of the gross receipts derived from the rental of any room, lodging, or  
8 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within  
9 the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).  
10 This tax is in addition to any State or local sales tax. This tax does not apply to  
11 accommodations furnished by nonprofit charitable, educational, or religious  
12 organizations when furnished in furtherance of their nonprofit purpose.

13 **SECTION 1.(b)** Administration. – A tax levied under this section shall be  
14 levied, administered, collected, and repealed as provided in G.S. 160A-215. The  
15 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

16 **SECTION 1.(c)** Distribution and Use of Tax Revenue. – The Town of West  
17 Jefferson shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the  
18 West Jefferson Tourism Development Authority. The Authority shall use at least  
19 two-thirds of the funds remitted to it under this subsection to promote travel and tourism  
20 in West Jefferson and shall use the remainder for tourism-related expenditures.

21 The following definitions apply in this subsection:

- 22 (1) Net proceeds. – Gross proceeds less the cost to the town of  
23 administering and collecting the tax, as determined by the finance  
24 officer, not to exceed three percent (3%) of the first five hundred  
25 thousand dollars (\$500,000) of gross proceeds collected each year and  
26 one percent (1%) of the remaining gross receipts collected each year.
- 27 (2) Promote travel and tourism. – To advertise or market an area or  
28 activity, publish and distribute pamphlets and other materials, conduct  
29 market research, or engage in similar promotional activities that attract

1 tourists or business travelers to the area; the term includes  
2 administrative expenses incurred in engaging in the listed activities.

- 3 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
4 the West Jefferson Tourism Development Authority, are designed to  
5 increase the use of lodging facilities, meeting facilities, or convention  
6 facilities in a town or to attract tourists or business travelers to the  
7 town. The term includes tourism-related capital expenditures.

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

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

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

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

30 **SECTION 3.** Town administrative provisions. – G.S. 160A-215(g) reads as  
31 rewritten:

32 "(g) This section applies only to Beech Mountain District W, to the Cities of  
33 Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington, Lincolnton,  
34 Lumberton, Monroe, Mount Airy, Shelby, Statesville, Washington, and Wilmington, to  
35 the Towns of Beech Mountain, Blowing Rock, Carolina Beach, Carrboro, Franklin,  
36 Kure Beach, Jonesville, Mooresville, North Topsail Beach, Selma, Smithfield, St. Pauls,  
37 West Jefferson, Wilkesboro, and Wrightsville Beach, and to the municipalities in Avery  
38 and Brunswick Counties."

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