

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 140
HOUSE BILL 305

AN ACT TO AUTHORIZE YANCEY COUNTY TO LEVY A ROOM OCCUPANCY
AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

Section 1. Occupancy Tax. (a) Authorization and Scope. The Yancey County Board of Commissioners may, by resolution, after not less than 10 days' public notice and a public hearing pursuant thereto, levy a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place of business within the county that is subject to sales tax imposed by the State or local sales tax laws. This tax does not apply to accommodations furnished by educational, religious, or summer camp organizations.

(b) Collection. Every operator of a business subject to the tax levied under this act shall, on and after the effective date of the levy of the tax, collect the tax as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business as trustee for and on account of the county. The tax shall be added to the sales price and shall be passed on to the purchaser. The county shall design, print, and furnish to all appropriate businesses the necessary forms for filing returns with instructions to ensure the full and proper collection of the tax.

(c) Administration. The county shall administer the tax levied under this act. The tax shall be due and payable to the county in monthly installments on or before the 15th day of the month following the month in which the tax is collected. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and submit a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals subject to the tax. A return filed with the county finance officer under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.

(d) Penalties. Any person, firm, corporation, or association subject to this tax who fails or refuses to file the required return shall pay a penalty of ten dollars (\$10.00) for each day's failure to file. In case of failure or refusal to file the return or to pay the tax due for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due for each additional month or fraction thereof until the tax due has been paid.

Any person, firm, corporation, or association that willfully attempts in any manner to evade the tax imposed by this act or who willfully fails to pay the tax or make and file a proper return shall be guilty of a misdemeanor punishable by a fine not to exceed one thousand dollars (\$1,000) and/or imprisonment not to exceed six months, in addition to any other penalties provided by law. The Board of Commissioners may, however, for good cause shown, compromise or forgive the penalties imposed by this subsection.

(e) **Distribution and Use of Revenue.** The Yancey County Board of Commissioners shall, on a quarterly basis, remit the net proceeds of the tax to the Yancey County Chamber of Commerce (hereinafter referred to as the Chamber), which shall administer the funds through its Tourism and Travel Development Committee. The Chamber may spend the funds remitted to it for the following purposes only:

- (1) Direct advertising for visitor promotions, conventions, travel, and tourism in Yancey County, including outdoor advertising, print media, broadcast media, and brochures;
- (2) Marketing and promotions expenses, including test market programs, consultant fees, entertainment, housing expenses, travel expenses, and registration fees; and
- (3) Other expenses that aid and encourage visitor promotions, conventions, travel, and tourism in Yancey County.

(f) **Effective Date of Levy.** A tax levied under this act shall become effective on the date specified in the resolution levying the tax, which date shall be the first day of the second calendar month after the date the resolution is adopted.

(g) **Repeal.** A tax levied under this act may be repealed by resolution of the Yancey County Board of Commissioners. Repeal of the tax levied under this act shall become effective on the first day of any designated month after the end of the county's fiscal year during which the repeal resolution is adopted. Repeal of a tax levied under this act shall not affect liability for taxes that attached before the effective date of repeal, nor does it affect rights of refund that accrued before the effective date of the repeal or any other rights or liabilities incurred prior to the effective date of the repeal.

Sec. 2. Tourism and Travel Development Committee of the Yancey County Chamber of Commerce. (a) **Authorization.** A resolution levying a tax under this act shall also authorize the Board of Directors of the Yancey County Chamber of Commerce, through its Tourism and Travel Development Committee, to act as trustee for and on account of the county as provided herein. The Chamber Board shall approve all expenditures under this act as trustee for the county.

(b) **Administration.** The Chamber shall administer the funds on recommendation of its Tourism and Travel Development Committee as constituted under the corporate bylaws of the Chamber, and including counsel of two ex officio members of the Committee to be appointed by the Yancey County Board of Commissioners.

(c) **Duties.** Recommendations of this Committee and expenditures by the Chamber through its Board of Directors shall be consistent with the intent of this act to

promote and encourage travel and tourism in Yancey County. The Chamber may contract with any agency, firm, or person to advise or assist in such promotion, and funds received under this act may be used for that purpose.

(d) **Accountability.** The Chamber shall report at the close of the fiscal year to the Board of County Commissioners on its receipts and expenditures for the preceding year in such detail as the board may require.

(e) **Review of Levy.** The county shall periodically conduct a review of this levy and of the disbursement of funds as provided herein.

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 5th day of May, 1987.