

GENERAL ASSEMBLY OF NORTH CAROLINA  
1987 SESSION

CHAPTER 143  
HOUSE BILL 540

AN ACT TO AUTHORIZE PITT 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 Pitt County Board of Commissioners may by resolution, after not less than ten (10) days' public notice and after a public hearing held 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 within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(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, benevolent, or religious organizations when furnished in furtherance of their nonprofit purpose.

(b) Collection. Every operator of a business subject to the tax levied under this section shall, on and after the effective date of the levy of the tax, collect the tax. This tax shall be collected 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 Pitt County. The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The Pitt County Tax Collector shall design, print, and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax.

(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the 15th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.

(d) Penalties. A person, firm, corporation, or association who fails or refuses to file the return required by this section shall pay a penalty of ten dollars (\$10.00) for each day's omission. In case of failure or refusal to file the return or pay the tax for a period of thirty (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 in addition to any other penalty, with an additional tax of five percent (5%) for each additional month or fraction thereof until the tax is paid.

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

(e) Distribution and use of tax revenue. Pitt County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Pitt-Greenville Convention and Visitors Authority. The Authority may spend funds remitted to it under this subsection only for promotion, activities, and programs aiding and encouraging travel, tourism, and conventions in Pitt County. As used in this subsection, "net proceeds" means gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer.

(f) Effective date of levy. A tax levied under this section shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(g) Repeal. A tax levied under this section may be repealed by a resolution adopted by the Pitt County Board of Commissioners. Repeal of a tax levied under this section shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied under this section does not affect a liability for a tax that was attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal.

**Sec. 2.** Pitt-Greenville Convention and Visitors Authority. (a) Appointment and membership. When the Pitt County Board of Commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt an ordinance establishing the Pitt-Greenville Convention and Visitors Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The Authority shall be governed by a Board of Directors consisting of 11 members as follows:

- (1) Four owners or operator of hotels, motels, or other taxable accommodations, two of whom shall be appointed by the Pitt County Board of Commissioners and two of whom shall be appointed by the Greenville City Council.
- (2) Two individuals who are directly involved in a tourist or convention-related business but do not own or operate a hotel, motel, or other taxable accommodation, one appointed by the Pitt County Board of Commissioners and one appointed by the Greenville City Council.
- (3) Two residents of Greenville, appointed by the Greenville City Council, and two residents of Pitt County but not of Greenville, appointed by

the Pitt County Board of Commissioners, none of whom is involved in a tourist or convention-related business or owns or operates a hotel, motel, or other taxable accommodation.

- (4) One individual who is a member of the Pitt-Greenville Chamber of Commerce, appointed by the Chairman of the Board of Directors of the Pitt-Greenville Chamber of Commerce.

The Board of Commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority. The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Pitt County shall be the ex officio finance officer of the Authority.

(b) Powers and duties. The Authority may contract with any person, firm, or agency to advise and assist it in the promotion of activities and programs aiding and encouraging travel, tourism, and conventions. The Authority shall prepare an annual budget based on anticipated revenues and shall submit the budget to the Pitt County Manager and Greenville City Manager for processing and approval through the regular budget procedure of the County and City. The Authority shall make quarterly reports to the Pitt County Board of Commissioners and the Greenville City Council detailing its revenues, expenditures, and activities. An annual audit report shall be conducted and distributed to the County and the City by the Authority.

**Sec. 3.** This act is effective upon ratification.

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