

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 375
SENATE BILL 200

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

The General Assembly of North Carolina enacts:

Section 1. Levy of Tax. (a) The Board of Commissioners of Carteret County may, by resolution, after not less than 10 days' public notice and after public hearing held pursuant thereto, levy a room occupancy and tourism development tax.

(b) Collection of the tax, and liability therefor, shall begin and continue only on and after the first day of a calendar month set by the board of county commissioners in the resolution levying the tax, which in no case may be earlier than the first day of the second succeeding calendar month after the date of adoption of the resolution.

Sec. 2. Occupancy Tax. (a) The county room occupancy and tourism development tax that may be levied under this act shall be three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by any hotel, motel, inn, tourist camp, condominium, cottage, campground, or other similar places within the county now subject to the three percent (3%) sales tax imposed by the State under G.S. 105-164.4(3). This tax is in addition to any local sales tax. This tax does not apply to gross receipts derived by the following entities from accommodations furnished by them:

- (1) religious organizations;
- (2) a business or person that offers to rent fewer than five units;
- (3) educational organizations;
- (4) any room or lodging rented to the same person for 90 or more continuous days;
- (5) summer camp; and
- (6) charitable, benevolent, and other nonprofit organizations.

Sec. 3. Administration of Tax. (a) The county shall administer a tax levied under this act. A tax levied under this act is 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 accrues. Every person, firm, corporation, and 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 Carteret County. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

(b) Any person, firm, corporation, or association who fails or refuses to file the return required by this act shall pay a penalty of ten dollars (\$10.00) for each day's omission.

(c) In addition, in case of failure or refusal to file the return or pay the tax 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 occupancy tax is paid.

(d) Any person who 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 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.

Sec. 4. Collection of Tax. (a) Every operator of a business subject to the tax levied by this act 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 the furnishing of any taxable accommodations. 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 Carteret County. The tax levied pursuant to this act 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 county shall design, print, and furnish to all affected businesses in Carteret County the necessary forms for filing returns and instructions to ensure the collection of the tax.

(b) An operator of a business who collects the occupancy tax levied under this act may, if the tax is paid by the 15th of the month, deduct from the amount remitted by him to the county a discount of three percent (3%) of the amount collected as reimbursement for the expense incurred in collecting the tax.

(c) A tax return filed with the county tax collector 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. A person who unlawfully discloses a tax return filed pursuant to this act is guilty of a misdemeanor and is punishable by a fine of not less than two hundred dollars (\$200.00) nor more than one thousand dollars (\$1,000), imprisonment, or both.

Sec. 5. Disposition of Taxes Collected. (a) Carteret County shall remit monthly the net proceeds of the occupancy tax to the Carteret County Tourism Development Authority. "Net proceeds" means gross proceeds less the cost to the county of administering and collecting the tax, not to exceed three percent (3%) of the gross proceeds of the tax.

(b) The County Tourism Development Authority may not use any of the occupancy tax revenue to construct offices or visitor centers. The County Tourism Development Authority shall use the occupancy tax revenue remitted to it only for the following purposes:

- (1) Direct advertising costs for visitor promotions, conventions, or tourism, 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;
- (3) Other expenses that aid and encourage visitor promotions, conventions, or tourism, including support for museums and historical attractions and construction or lease of beach access areas with off-street parking facilities; and
- (4) Operation and promotion of a civic center, convention center, or public auditorium.

(c) The County Tourism Development Authority may contract with appropriate organizations or agencies to assist it in carrying out the above purposes. The County Tourism Development Authority may use no more than ten percent (10%) of the occupancy tax revenue for administration.

Sec. 6. Appointment; Duties of Tourism Development Authority. (a)

When the board of county commissioners adopts a resolution levying a room occupancy tax pursuant to this act, it shall also adopt a resolution creating a County Tourism Development Authority, which shall be a public authority under Local Government Budget and Fiscal Control Act and shall be composed of the following members, a majority of whom shall be collectors of the occupancy tax:

- (1) One county commissioner appointed annually by the Board of County Commissioners of Carteret County.
- (2) Two individuals who have demonstrated an interest in convention and tourism development, appointed by the Carteret County Chamber of Commerce.
- (3) Two individuals who are owners, operators, or representatives of hotels, motels, condominiums, cottages, and campgrounds or other taxable tourist accommodations, appointed by the Crystal Coast Hotel and Motel Association.
- (4) Two individuals who are owners or operators of firms that collect the occupancy tax, appointed by the Carteret County Board of Realtors.
- (5) One individual appointed by the Board of County Commissioners who is not a member of or associated with the Board of County Commissioners, the Carteret County Chamber of Commerce, the Crystal Coast Hotel and Motel Association, or the Carteret County Board of Realtors. This individual must have shown an interest in tourism.

(b) All members of the Authority shall serve without compensation. Vacancies or expired terms in the Authority shall be filled by the original appointing group. Members appointed to fill unexpired terms shall serve for the remainder of the unexpired term for which they are appointed to fill.

Sec. 7. Terms. The county commissioner appointed under Section 6(a)(1) of this act shall serve for one year. The other members shall serve one three-year term, except the initial appointments shall be for the following terms:

- (1) The two individuals appointed by the Chamber of Commerce, one for a two-year term, one for a three-year term.
- (2) The two individuals appointed by the Crystal Coast Hotel and Motel Association, one for a two-year term and one for a three-year term.
- (3) The two individuals appointed by the Carteret County Board of Realtors, one for a one-year term and one for a two-year term.
- (4) The one at-large member shall serve a one-year term.

No member may serve two consecutive three-year terms. The members shall elect a chairman, who shall serve as chairman for a term of two years. The Authority shall meet at the call of the chairman and shall adopt rules of procedure to govern its meetings. The finance officer for Carteret County shall be the ex officio finance officer of the Authority. The Tourism Development Authority shall report at the close of the fiscal year to the board of county commissioners on its receipts and expenditures for the preceding year.

Sec. 8. The Tourism Development Authority may contract with the Carteret County Chamber of Commerce, Carteret County, the Crystal Coast Hotel and Motel Association, or any person, firm, or agency to assist it in carrying out the purposes for which the tax proceeds levied under this act may be expended.

Sec. 9. Repeal of Levy. (a) The board of county commissioners may, by resolution, repeal the levy of the room occupancy tax in Carteret County, but no repeal of taxes levied under this act shall be effective until the end of the fiscal year in which the repeal resolution was adopted.

(b) No liability for any tax levied under this act that attached prior to the date on which a levy is repealed is discharged as a result of the repeal, and no right to a refund of tax that accrued prior to the effective date on which a levy is repealed may be denied as a result of the repeal.

Sec. 10. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 16th day of June, 1987.