

GENERAL ASSEMBLY OF NORTH CAROLINA  
1987 SESSION

CHAPTER 950  
HOUSE BILL 2207

AN ACT TO AUTHORIZE ALAMANCE 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 Alamance County Board of Commissioners may by resolution, after not less than 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 gross receipts derived by the following entities from accommodations furnished by them:

- (1) Nonprofit charitable organizations;
- (2) religious organizations;
- (3) educational organizations; and
- (4) any business that offers to rent fewer than five units.

(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 the 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 county 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 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. Alamance County shall remit on a monthly basis two-thirds of the net proceeds of the occupancy tax to the county Tourism Development Authority in Alamance County. The remaining one-third of the net proceeds shall be retained by Alamance County. "Net proceeds" means gross proceeds less three percent (3%) of the gross proceeds to cover the cost to the county of administering and collecting the tax.

The net proceeds retained by the county may be expended by the county only for acquiring, constructing, financing (including debt service), maintaining, and operating civic centers, arts centers, libraries, parks, museums, and recreational facilities and for visitor-related programs and activities including, but not limited to, museums and other art or cultural programs, events, and festivals.

The Authority may expend any proceeds distributed to it only to further the development of travel, tourism, and conventions in the county through State, national, and international advertising and promotion.

(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 majority vote of the Alamance 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. Tourism Development Authority. (a) Appointment and membership. When the board of commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The Authority shall be composed of the following five members appointed by the board of commissioners after receiving recommendations by the Chamber of Commerce:

- (1) Three owners or operators of hotels, motels, or other taxable tourist accommodations; and
- (2) Two individuals involved in the tourist business who have demonstrated an interest in tourist development and do not own or operate hotels, motels, or other taxable tourist accommodations.

All members of the Authority shall serve without compensation. Vacancies in the Authority shall be filled by the board of commissioners. Members appointed to fill vacancies shall serve the remainder of the unexpired term for which they are appointed to fill. Members shall serve two-year terms. Two of the members shall initially be appointed for a one-year term and thereafter shall be appointed for two-year terms in order to provide for staggered appointments. Members may serve no more than two consecutive terms. The members shall elect a Chairman, who shall serve for a term of two years. The Authority shall meet at the call of the Chairman and shall adopt the rules of procedure to govern its meetings. The Finance Officer for Alamance County shall be the ex officio Finance Officer of the Authority.

(b) Powers and Duties. The Tourism Development Authority shall further the development of travel, tourism, and conventions in the county, through State, national, and international advertising and promotion. The Tourism Development Authority may contract with any person, firm, or agency to advise and assist it in the promotion of travel, tourism, and conventions. Any staff employed under this part shall be hired and supervised by the Tourism Development Authority, which shall pay the salaries and expenses of this staff. All staff shall serve at the pleasure of the Authority.

(c) Reports. The Authority shall report quarterly and at the close of the fiscal year to the board of commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 24th day of June, 1988.