

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 248

Senate Local Government & Regional Affairs Committee Substitute Adopted 5/29/91

Short Title: Mooresville Occupancy Tax.

(Local)

Sponsors:

Referred to:

March 14, 1991

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF MOORESVILLE TO LEVY A ROOM
OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

Section 1. Occupancy tax. (a) Authorization and scope. The Mooresville Town 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 up to two percent (2%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(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, or religious organizations.

(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 town. 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 town shall design, print, and furnish to all appropriate businesses and persons in the town the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a

1 business who collects the occupancy tax levied under this section may deduct from the
2 amount remitted to the town a discount of three percent (3%) of the amount collected.

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

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

12 (d) Penalties. A person, firm, corporation, or association who fails or refuses to
13 file the return required by this section shall pay a penalty of ten dollars (\$10.00) for
14 each day's omission. In case of failure or refusal to file the return or pay the tax for a
15 period of 30 days after the time required for filing the return or for paying the tax, there
16 shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to
17 any other penalty, with an additional tax of five percent (5%) for each additional month
18 or fraction thereof until the tax is paid. The board of commissioners may, for good
19 cause shown, compromise or forgive the additional tax penalties imposed by this
20 subsection.

21 Any person who willfully attempts in any manner to evade a tax imposed
22 under this section or who willfully fails to pay the tax or make and file a return shall, in
23 addition to all other penalties provided by law, be guilty of a misdemeanor and shall be
24 punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to
25 exceed six months, or both.

26 (e) Disposition of tax proceeds. The Town of Mooresville shall set aside in a
27 special account fifty percent (50%) of the net proceeds of the occupancy tax and shall
28 spend these funds to promote travel and tourism. The Town of Mooresville shall remit
29 the remaining proceeds of the tax to its general fund and may use these funds for any
30 lawful purpose. As used in this subsection, "net proceeds" means gross proceeds less
31 the cost to the town of administering and collecting the tax, as determined by the
32 finance officer.

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

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

1 Sec. 2. Travel and Tourism Authority. (a) Appointment and membership.
2 After the Town of Mooresville adopts a resolution levying an occupancy tax under this
3 act, it shall also adopt a resolution creating a Travel and Tourism Authority, which shall
4 be a public authority under the Local Government Budget and Fiscal Control Act. The
5 membership of the Authority shall consist of: two members representing the
6 Mooresville-South Iredell Chamber of Commerce; two members representing the motel
7 or travel and tourism industry; and one member of the Mooresville Town Board. The
8 resolution shall provide for terms of office, and for the filling of vacancies on the
9 Authority. The Mooresville Town Board shall designate one member of the Authority
10 as chair and shall determine the compensation, if any, to be paid to members of the
11 Authority. Members shall serve at the pleasure of the Mooresville Town Board.

12 The Authority shall meet at the call of the chair and shall adopt rules of
13 procedure to govern its meetings. The Finance Officer for the Town of Mooresville
14 shall be the ex officio finance officer of the Authority.

15 (b) Duties. The Authority shall promote travel, tourism, and conventions in the
16 Greater Mooresville area; sponsor tourism related events and activities; and finance
17 tourism related capital projects in the Greater Mooresville area with the fifty percent
18 (50%) of the net proceeds set aside by the Town of Mooresville, all disbursements from
19 which shall be subject to approval by the Mooresville Town Board.

20 (c) Reports. The Authority shall report at the close of the fiscal year to the
21 Mooresville Town Board, or more often if required by said Board, on its receipts and
22 expenditures for the preceding year in such detail as the Board may require.

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