

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 726

Short Title: Goldsboro Occupancy Tax Changes.

(Local)

Sponsors: Representative Kerr.

Referred to: Local and Regional Government II.

April 11, 1991

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE CONDITIONS ON USE OF PROCEEDS OF A
GOLDSBORO OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

Section 1. Chapter 929 of the 1985 Session Laws, as amended by Chapters 172 and 319 of the 1987 Session Laws, is further amended by repealing all references to the City of Goldsboro.

Sec. 2. Levy of Tax. The City of Goldsboro may by resolution, after not less than 10 days public notice and after a public hearing held pursuant thereto, levy a room occupancy and tourism development tax. Collection of the tax, and liability, therefore, shall begin and continue only on and after the first day of a calendar month set 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. 3. Rate; Scope. The room occupancy and tourism development tax that may be levied under this act shall not be less than three percent (3%) nor more than five percent (5%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by any hotel, motel, inn, tourist camp, or other similar place within the levying unit now subject to the three percent (3%) 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.

Sec. 4. Exemptions. The tax authorized by this act does not apply to gross receipts derived by the following entities from accommodations furnished by them:

- (1) Religious organizations;
- (2) A business that offers to rent fewer than five units;

- 1 (3) Educational organizations;
- 2 (4) Summer camps; and
- 3 (5) Charitable, benevolent, and other nonprofit organizations.

4 Sec. 5. Administration of Tax. (a) A tax levied under this act is due and payable
5 to the city in monthly installments on or before the 25th day of the month following the
6 month in which the tax accrues. Every person, firm, corporation, or association liable
7 for the tax shall, on or before the 25th day of each month, prepare and render a return on
8 a form prescribed by the city. The return shall state the total gross receipts derived in
9 the preceding month from rentals upon which the tax is levied. A return filed under this
10 section is not a public record as defined by G.S. 132-1 and may not be disclosed except
11 as required by law.

12 (b) Any person, firm, corporation, or association who fails or refuses to file
13 the return required by this act shall pay a penalty of fifty dollars (\$50.00) for each day's
14 omission as provided under G.S. 160A-175.

15 (c) Any person who willfully attempts in any manner to evade the occupancy
16 tax imposed by this act or to make a return or who willfully fails to pay the tax or make
17 and file a return shall, in addition to all other penalties provided by law, be guilty of a
18 misdemeanor and shall be punishable by a fine not to exceed one thousand dollars
19 (\$1,000), imprisonment not to exceed six months, or both.

20 Sec. 6. Collection of Tax. Every operator of a business subject to the tax
21 levied by this act shall, on and after the effective date of the tax, collect the tax. The tax
22 shall be collected as part of the charge for the furnishing of any taxable
23 accommodations. The tax shall be stated and charged separately from the sales records,
24 and shall be paid by the purchaser to the operator of the business as trustee for and on
25 account of the governing bodies. The room occupancy tax levied pursuant to this act
26 shall be added to the sales price and shall be passed on to the purchaser instead of being
27 borne by the operator of the business. The city shall design, print, and furnish to all
28 appropriate businesses in the city the necessary forms for filing returns and instructions
29 to ensure the full collection of the tax.

30 Sec. 7. Disposition of Taxes Collected. (a) Feasibility Study. After levying
31 a tax under this act, the City of Goldsboro shall place the net proceeds of the tax in a
32 special fund. "Net proceeds" means gross proceeds less the cost to the city of collecting
33 and administering the tax. When sufficient proceeds have been accumulated in the
34 special fund, the city council shall create a citizens' advisory committee to conduct a
35 study of the feasibility of the construction of a civic center in Goldsboro. The citizens'
36 advisory committee shall be composed of either five or seven members, as determined
37 by the city council. If the committee is composed of five members, three shall be
38 appointed by the city council and two shall be appointed by the Goldsboro Chamber of
39 Commerce. If the committee is composed of seven members, four shall be appointed by
40 the city council and three shall be appointed by the Goldsboro Chamber of Commerce.
41 The citizens' advisory committee shall use the net proceeds of the tax levied under this
42 act for a study of the feasibility of the construction of a civic center in Goldsboro.

43 (b) If Civic Center Feasible. If the Goldsboro City Council determines that the
44 results of the feasibility study indicate that a civic center would be a viable alternative

1 for the city, the proceeds of the tax levied under this act shall thereafter be used as
2 provided in this subsection. The citizens' advisory committee created pursuant to
3 subsection (a) of this section shall continue to serve in an advisory capacity to the
4 Goldsboro City Council. The city shall use no more than twenty percent (20%) of the
5 net proceeds of the tax levied under this act for development of tourism, support
6 services, and tourist-related events and attractions. The city shall use the remainder of
7 the net proceeds for improving, leasing, constructing, financing, operating, or acquiring
8 facilities and properties as needed to provide for a civic center facility for Goldsboro.
9 The city may contract with any person, firm, or agency to assist it in carrying out the
10 purposes provided in this subsection.

11 (c) If Civic Center Not Feasible. If the Goldsboro City Council determines
12 that the results of the feasibility study indicate that a civic center would not be a viable
13 alternative for the city, the proceeds of the tax levied under this act shall thereafter be
14 used as provided in this subsection. The citizens' advisory committee created pursuant
15 to subsection (a) of this section shall be disbanded. The city shall, on a monthly basis,
16 remit the net proceeds of the tax to the Tourism Development Advisory Council created
17 in Section 8 of this act. The Council shall use the proceeds to develop tourism, support
18 services, and tourist-related events, and for any other appropriate activities to provide
19 tourism-related facilities and attractions.

20 Sec. 8. Goldsboro Tourism Development Advisory Council. (a) If the Goldsboro
21 City Council determines that the results of the feasibility study indicate that a civic
22 center would not be a viable alternative for the city, as provided in Section 7, it shall
23 adopt a resolution creating a Goldsboro Tourism Development Advisory Council. The
24 membership of the Goldsboro Tourism Development Advisory Council shall be
25 appointed by the Goldsboro City Council as follows:

- 26 (1) Three owners or operators of hotels, motels, or other taxable
27 accommodations in the City of Goldsboro.
- 28 (2) Three individuals who have demonstrated an interest in conventions
29 and tourism development in the Goldsboro area, and who do not own
30 or operate hotels, motels, or other taxable tourism accommodations.
- 31 (3) Three ex officio members: the city manager, the executive vice-
32 president of the Goldsboro Chamber of Commerce, and the mayor of
33 the City of Goldsboro.

34 (b) All members of the Advisory Council shall serve without compensation.
35 Travel expenses, as approved in the annual budget, may be provided by the Tourism
36 Development Advisory Council. Vacancies in the Advisory Council shall be filled in
37 the same manner as the original appointments. Members appointed to fill vacancies
38 shall serve for the remainder of the unexpired term for which they are appointed to fill.
39 Members shall serve three-year terms which will be staggered as provided by the city
40 council; members may serve no more than two consecutive three-year terms. The
41 members shall elect a chairperson and treasurer, who shall serve for a term of two years.
42 The Advisory Council shall meet at the call of the chairperson and shall adopt rules of
43 procedure to govern its meeting as provided by Robert's Rules of Order.

1 (c) The Tourism Development Advisory Council may contract with any
2 person, firm, or agency to assist it in carrying out the purposes provided in this act. The
3 Tourism Development Advisory Council shall prepare an annual budget and shall report
4 quarterly and at the close of the fiscal year to the Goldsboro City Council on its receipts
5 and expenditures for the preceding quarter and year in such detail as the city may
6 require. An audit will be conducted as part of the city's audit contract.

7 Sec. 9. Repeal. A tax levied under this section may be repealed by a
8 resolution adopted by the Goldsboro City Council. Repeal of a tax levied under this
9 section shall become effective on the first day of a month and may not become effective
10 until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a
11 tax levied under this section does not affect a liability for a tax that was attached before
12 the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued
13 before the effective date of the repeal.

14 Sec. 10. This act is effective upon ratification.