

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 762*

Short Title: Greensboro/High Point Room Taxes.

(Local)

Sponsors: Representatives Bowie, Lineberry; Jarrell, Jeffus, and Wood.

Referred to: Finance.

April 15, 1991

A BILL TO BE ENTITLED

1 AN ACT TO ALLOW THE CITIES OF HIGH POINT AND GREENSBORO TO
2 ENACT ROOM OCCUPANCY TAXES IF THE GUILFORD COUNTY
3 OCCUPANCY TAX IS REPEALED.
4

5 The General Assembly of North Carolina enacts:

6 Section 1. Scope. This act applies only to the City of High Point and the
7 City of Greensboro.

8 Sec. 2. Levy of Tax. (a) If the Board of Commissioners of Guilford County
9 repeals the room occupancy and tourism development tax levied pursuant to Chapter
10 988 of the 1983 Session Laws, as amended by Chapter 39 of the 1989 Session Laws,
11 then a city council may by resolution, after not less than 10 days' public notice and after
12 a public hearing held pursuant thereto, levy a room occupancy and tourism development
13 tax.

14 (b) Collection of the tax, and liability therefor, shall begin and continue only
15 on and after the first day of a calendar month set by the city council in the resolution
16 levying the tax, which in no case may be earlier than the later of (i) the first day of the
17 second succeeding calendar month after the date of adoption of the resolution or (ii) the
18 effective date of the repeal of the Guilford County room occupancy and tourism
19 development tax.

20 Sec. 3. Occupancy Tax. The city room occupancy and tourism development
21 tax that may be levied under this act shall be three percent (3%) of the gross receipts
22 derived from the rental of any room, lodging, or similar accommodation furnished by
23 any hotel, motel, inn, tourist camp, or other similar place within the taxing city now

1 subject to the three percent (3%) sales tax imposed by the State under G.S. 105-
2 164.4(a)(3). This tax is in addition to any local sales tax.

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

- 5 (1) Religious organizations.
- 6 (2) A business that offers to rent fewer than five units.
- 7 (3) Educational organizations.
- 8 (4) Summer camps.
- 9 (5) Charitable, benevolent, and other nonprofit organizations.

10 Sec. 5. Administration of Tax. (a) A tax levied under this act is due and payable
11 to the taxing city in monthly installments on or before the fifteenth day of the month
12 following the month in which the tax accrues. Every person, firm, corporation, or
13 association liable for the tax shall, on or before the fifteenth day of each month, prepare
14 and render a return on a form prescribed by the taxing city. The return shall state the
15 total gross receipts derived in the preceding month from rentals upon which the tax is
16 levied.

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

20 In case of failure or refusal to file the return or pay the tax for a period of
21 30 days after the time required for filing the return or for paying the tax, there shall be
22 an additional tax, as a penalty, of five percent (5%) of the tax due, in addition to the
23 penalty prescribed in subsection (b), with an additional tax of five percent (5%) for each
24 additional month or fraction thereof until the occupancy tax is paid. The city council
25 may, for good cause shown, compromise or forgive the additional tax penalties imposed
26 by this subsection.

27 (c) Any person who willfully attempts in any manner to evade the occupancy
28 tax imposed by this act or to make a return and who willfully fails to pay the tax or
29 make and file a return shall, in addition to all other penalties provided by law, be guilty
30 of a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars
31 (\$1,000), imprisonment not to exceed six months, or both.

32 Sec. 6. Collection of Tax. Every operator of a business subject to a tax
33 levied under this act shall, on and after the effective date of the levy of the tax, collect
34 the three percent (3%) room occupancy tax. This tax shall be collected as part of the
35 charge for the furnishing of any taxable accommodations. The tax shall be stated and
36 charged separately from the sales records, and shall be paid by the purchaser to the
37 operator of the business as trustee for and on account of the taxing city. A room
38 occupancy tax levied pursuant to this act shall be added to the sales price and shall be
39 passed on to the purchaser instead of being borne by the operator of the business. The
40 taxing city shall design, print, and furnish to all appropriate businesses in the city the
41 necessary forms for filing returns and instructions to ensure the full collection of the tax.

42 Sec. 7. Disposition of Taxes Collected. (a) The City of Greensboro shall
43 remit the net proceeds of the occupancy tax levied by it under this act to the Greensboro
44 Tourism Development Authority. "Net proceeds" means gross proceeds less the cost to

1 the taxing city of administering and collecting the tax, not to exceed five percent (5%)
2 of the gross proceeds of the tax.

3 The Greensboro Tourism Development Authority shall allocate eighty
4 percent (80%) of its share of the net proceeds of the occupancy tax in a fiscal year for
5 activities and programs promoting and encouraging travel and tourism. Of the
6 remaining twenty percent (20%), the Authority shall allocate one hundred seventy
7 thousand dollars (\$170,000) each year for specific tourist-related events or activities,
8 such as arts or cultural events, or for promoting, improving, constructing, financing, or
9 acquiring facilities or attractions that enhance the development of tourism.
10 Administrative costs of these grants shall be included in the one hundred seventy
11 thousand dollars (\$170,000), but such costs shall not exceed fifteen percent (15%). By
12 joint agreement of the Greensboro City Council and the Authority, the responsibility of
13 this grant funding program may be reassigned to the city council. Policy for distribution
14 of these funds shall be set by the responsible agency, but consideration should be given
15 to the broad spectrum of programs and activities of all citizens in Greensboro. The
16 remaining portion of the twenty percent (20%) shall be returned to the City of
17 Greensboro for convention and tourism capital improvements. Approval of
18 expenditures from the capital fund shall be a joint decision by the Greensboro City
19 Council and the Authority.

20 (b) The City of High Point shall, on an annual basis, allocate eighty-five
21 percent (85%) of the net proceeds of the occupancy tax levied by it under this act for
22 activities and programs promoting and encouraging travel and tourism. The City of
23 High Point shall allocate the remaining fifteen percent (15%) of the net proceeds of the
24 occupancy tax for specific tourist-related events or activities, such as arts or cultural
25 events, or for promoting, improving, constructing, financing, or acquiring facilities or
26 attractions that enhance the development of tourism.

27 Sec. 8. Appointment, Duties of Greensboro Tourism Development Authority. (a)

28 When the Greensboro City Council adopts a resolution levying a room
29 occupancy tax pursuant to this act, it shall also adopt a resolution creating a Greensboro
30 Tourism Development Authority, which shall be a public authority under the Local
31 Government Budget and Fiscal Control Act and shall be composed of the following 12
32 members:

- 33 (1) A member of the Greensboro City Council appointed by the
34 Greensboro City Council.
- 35 (2) Four owners or operators of hotels, motels, or other taxable
36 accommodations in Greensboro, appointed by the Greensboro City
37 Council as follows: two who own or operate hotels, motels, or other
38 taxable accommodations with more than 200 rental units; one who
39 owns or operates hotels, motels, or other taxable accommodations with
40 200 or fewer rental units; and one who owns or operates hotels,
41 motels, or other taxable accommodations without meeting facilities.
- 42 (3) One individual who has demonstrated an interest in convention and
43 tourism development, is a member of the Greater Greensboro Chamber
44 of Commerce, and does not own or operate hotels, motels, or other

- 1 taxable tourist accommodations, appointed by the Greensboro
2 Chamber of Commerce.
- 3 (4) One individual who has demonstrated an interest in the arts and its
4 related fields and does not own or operate hotels, motels, or other
5 taxable tourist accommodations, appointed by the Greensboro City
6 Council after receiving recommendations from the Greensboro United
7 Arts Council.
- 8 (5) One individual who has demonstrated an interest in convention and
9 tourism development, is a member of the Guilford County Restaurant
10 Association, and does not own or operate hotels, motels, or other
11 taxable tourism accommodations. This member shall be appointed by
12 the Greensboro City Council after receiving recommendations from
13 the Guilford County Restaurant Association.
- 14 (6) Two at-large individuals who have demonstrated an interest in tourism
15 development and do not own or operate hotels, motels, or other tourist
16 accommodations, appointed by the Greensboro City Council.
17 Members appointed to fill the at-large designation shall serve a full
18 term and have all voting rights and privileges.
- 19 (7) The manager of the Greensboro Convention and Visitors Bureau, who
20 shall serve as a nonvoting, ex officio member.
- 21 (8) The finance officer of the City of Greensboro, who shall serve as a
22 nonvoting, ex officio member.
- 23 (b) All members of the Authority shall serve without compensation. Vacancies
24 in the Authority shall be filled by the appointing authority of the member creating the
25 vacancy. Members appointed to fill vacancies shall serve for the remainder of the
26 unexpired term for which they are appointed to fill. Members shall serve three-year
27 terms, except the initial members of the following designations, who shall serve the
28 following terms:
- 29 (1) Members appointed pursuant to subdivision (a)(1) shall serve a one-
30 year term.
- 31 (2) Of the members appointed pursuant to subdivision (a)(2), two shall
32 serve a three-year term, one shall serve a two-year term, and one shall
33 serve a one-year term, as designated by the city council.
- 34 (3) The member appointed pursuant to subdivision (a)(3) shall serve a
35 three-year term.
- 36 (4) The member appointed pursuant to subdivision (a)(4) shall serve a
37 two-year term.
- 38 (5) The member appointed pursuant to subdivision (a)(5) shall serve a
39 two-year term.
- 40 Members may serve no more than two consecutive three-year terms. The members shall
41 elect a chair, who shall serve for a term of two years. The Authority shall meet at the
42 call of the chair and shall adopt rules of procedure to govern its meetings. The finance
43 officer for the City of Greensboro shall be the ex officio finance officer of the
44 Authority.

1 Sec. 9. Appointment of High Point Convention and Visitors Board. When
2 the High Point City Council adopts a resolution levying a room occupancy tax pursuant
3 to this act, the City of High Point shall create a High Point Convention and Visitors
4 Board which shall be composed of a minimum of the following 11 members:

- 5 (1) One member of the High Point City Council appointed by the city
6 council.
- 7 (2) Two owners or operators of hotels, motels, or other taxable tourist
8 accommodations in the local metropolitan area, one of whom owns or
9 operates hotels, motels, or other accommodations with more than 100
10 rental units, and one of whom owns or operates hotels, motels, or other
11 accommodations with 100 or fewer rental units, both appointed by the
12 city council.
- 13 (3) One individual who has demonstrated an interest in tourism
14 development, does not own or operate hotels, motels, or other
15 accommodations, and is a Board member of the High Point Chamber
16 of Commerce. This member shall be appointed by the Chamber of
17 Commerce.
- 18 (4) One individual involved in the local restaurant or food service business
19 who has demonstrated an interest in tourism development, and does
20 not own or operate hotels, motels, or other tourist accommodations,
21 appointed by the High Point Chamber of Commerce.
- 22 (5) One individual involved in the cultural arts or tourist attraction
23 business who has demonstrated an interest in tourism development and
24 does not own or operate hotels, motels, or other tourist
25 accommodations, appointed by the High Point Chamber of Commerce.
- 26 (6) One at-large individual who has demonstrated an interest in tourism
27 development and does not own or operate hotels, motels, or other
28 tourist accommodations, appointed by the High Point Chamber of
29 Commerce.
- 30 (7) Two at-large individuals who have demonstrated an interest in tourism
31 development and do not own or operate hotels, motels, or other tourist
32 accommodations, appointed by the High Point City Council.
- 33 (8) One individual who has demonstrated an interest in tourism
34 development and is a representative of a High Point public
35 convention/trade show center, appointed by the Chamber of
36 Commerce.
- 37 (9) The Executive Director of the High Point Convention and Visitors
38 Bureau, who shall be a nonvoting, ex officio member.

39 Members appointed to fill the at-large designations shall serve a full term,
40 and have all voting rights and privileges.

41 Sec. 10. Contracts Authorized. The City of High Point may contract with the
42 High Point Chamber of Commerce, the Convention and Visitors Bureau, or another
43 nonprofit organization to assist it in carrying out the purposes for which the tax
44 proceeds levied by this act may be expended. The Greensboro Tourism Development

1 Authority may contract with any person, firm, or agency to assist it in carrying out the
2 purposes for which the tax proceeds levied by this act may be expended.

3 Sec. 11. Reports. The Greensboro Tourism Development Authority shall
4 report quarterly and at the close of the fiscal year to the Greensboro City Council on its
5 receipts and expenditures for the preceding quarter and for the year in such detail as the
6 council may require. The Greensboro Tourism Development Authority shall submit its
7 annual budget to the Greensboro City Council for approval prior to adoption by the
8 Authority. This action shall not be construed to incorporate the Authority's budget into
9 the annual operating budget of the City of Greensboro. The Authority may not adopt its
10 budget until after its budget has been approved by the Greensboro City Council. The
11 Authority shall furnish its annual audit to the Greensboro City Council.

12 Sec. 12. Repeal of Levy. A city council may by resolution repeal the levy of
13 a room occupancy tax levied by it under this act, but no repeal of taxes levied under this
14 act shall be effective until the end of the fiscal year in which the repeal resolution was
15 adopted. Repeal of a tax levied under this act does not affect a liability for a tax that
16 was attached before the effective date of the repeal, nor does it affect a right to a refund
17 of a tax that accrued before the effective date of the repeal.

18 Sec. 13. Effective Date. This act is effective upon ratification.