

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1991**

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**SENATE BILL 1076**

Short Title: Albemarle Occupancy Tax.

(Local)

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Sponsors: Senators Plyler and Conder.

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Referred to: Finance.

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June 2, 1992

**A BILL TO BE ENTITLED**

**AN ACT TO AUTHORIZE THE CITY OF ALBEMARLE TO LEVY A ROOM  
OCCUPANCY TAX.**

The General Assembly of North Carolina enacts:

Section 1. Occupancy tax. (a) Authorization and scope. The Albemarle City Council 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 five percent (5%) 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 city 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 city. 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 city shall design, print, and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax.

(c) Administration. The city shall administer a tax levied under this section. A tax levied under this section is due and payable to the city finance officer in monthly installments on or before the fifteenth day of the month following the month in which

1 the tax accrues. Every person, firm, corporation, or association liable for the tax shall,  
2 on or before the fifteenth day of each month, prepare and render a return on a form  
3 prescribed by the city. The return shall state the total gross receipts derived in the  
4 preceding month from rentals upon which the tax is levied.

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

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

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

20 (e) Use of tax proceeds. The Albemarle City Council shall decide on the  
21 allocation of the revenue collected from this tax annually during its budgeting process,  
22 with particular consideration given to providing funds for purposes of economic  
23 development, public safety, and parks and recreation.

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

28 (g) Repeal. A tax levied under this section may be repealed by a resolution  
29 adopted by the Albemarle City Council. Repeal of a tax levied under this section shall  
30 become effective on the first day of a month and may not become effective until the end  
31 of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied  
32 under this section does not affect a liability for a tax that was attached before the  
33 effective date of the repeal, nor does it affect a right to a refund of a tax that accrued  
34 before the effective date of the repeal.

35 Sec. 2. This act is effective upon ratification.