

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1991**

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**SENATE BILL 469**

Short Title: Rockingham Occupancy Tax.

(Local)

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Sponsors: Senators Sands and Goldston.

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Referred to: Local Government and Regional Affairs.

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April 3, 1991

**A BILL TO BE ENTITLED**

**AN ACT TO AUTHORIZE ROCKINGHAM 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 Rockingham 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(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by educational organizations, religious organizations, or summer camps.

(b) **Collection.** Every operator of a business subject to the tax levied under this act 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 act. A tax levied under this act is due and payable to the county finance officer in monthly

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

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

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

15 Any person who willfully attempts in any manner to evade a tax imposed  
16 under this act 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) Distribution and Use of Tax Revenue. Rockingham County shall, on a  
21 quarterly basis, remit the net proceeds of the occupancy tax to the Rockingham County  
22 Tourism Development Authority. The Authority may spend funds remitted to it under  
23 this subsection only to further the development of travel, tourism, and conventions in  
24 the county through State, national, and international advertising and promotion. As  
25 used in this subsection, "net proceeds" means gross proceeds less the cost to the county  
26 of administering and collecting the tax, as determined by the finance officer.

27 (f) Effective Date of Levy. A tax levied under this act shall become effective  
28 on the date specified in the resolution levying the tax. That date must be the first day of  
29 a calendar month, however, may not be earlier than July 1, 1991, and may not be earlier  
30 than the first day of the second month after the date the resolution is adopted.

31 (g) Repeal. A tax levied under this act may be repealed by a resolution  
32 adopted by the Rockingham County Board of Commissioners. Repeal of a tax levied  
33 under this act shall become effective on the first day of a month and may not become  
34 effective until the end of the fiscal year in which the repeal resolution was adopted.  
35 Repeal of a tax levied under this act does not affect a liability for a tax that attached  
36 before the effective date of the repeal, nor does it affect a right to a refund of a tax that  
37 accrued before the effective date of the repeal.

#### 38 Sec. 2. Tourism Development Authority.

39 (a) Appointment and Membership. When the board of commissioners adopts a  
40 resolution levying a room occupancy tax under this act, it shall also adopt a resolution  
41 creating a county Tourism Development Authority, which shall be a public authority  
42 under the Local Government Budget and Fiscal Control Act and shall be composed of  
43 the following eleven members:

- 1 (1) The Executive Director of the Rockingham County Economic  
2 Development Commission, who shall serve as an ex officio, nonvoting  
3 member.
- 4 (2) A county commissioner appointed by the Rockingham County Board  
5 of Commissioners, who shall serve as an ex officio, nonvoting  
6 member.
- 7 (3) Four owners or operators of hotels, motels, or other taxable  
8 accommodations, appointed as follows: one by the Rockingham  
9 County Board of Commissioners and one by each chamber of  
10 commerce in Rockingham County. Two of these four appointees shall  
11 own or operate hotels, motels, or other accommodations with more  
12 than 50 rental units and two shall own or operate hotels, motels, or  
13 other accommodations with 50 or fewer rental units.
- 14 (4) Five individuals involved in tourist businesses who have demonstrated  
15 an interest in tourism development and may or may not own or operate  
16 hotels, motels, or other taxable accommodations, appointed as follows:  
17 one by each chamber of commerce in Rockingham County and two by  
18 the Rockingham County Board of Commissioners.

19 All members of the Authority shall serve without compensation. Vacancies  
20 in the Authority shall be filled by the appointing authority of the member creating the  
21 vacancy. Members appointed to fill vacancies shall serve for the remainder of the  
22 unexpired term which they are appointed to fill. Except as provided in subsection (b)  
23 for initial members, members shall serve three-year terms. Members may serve no  
24 more than two consecutive terms. The members shall elect a chair from the  
25 membership of the Authority, who shall serve for a term of two years. The Authority  
26 shall meet at the call of the chair and shall adopt rules of procedure to govern its  
27 meetings. The Finance Officer for Rockingham County shall be the ex officio finance  
28 officer of the Authority.

29 (b) Terms of Initial Members. The following initial members shall serve terms  
30 of other than three years:

- 31 (1) The county commissioner appointed under subdivision (a)(2) and the  
32 member appointed by the board of commissioners under subdivision  
33 (a)(3) shall serve one-year terms.
- 34 (2) One of the members appointed by a chamber of commerce under  
35 subdivision (a)(3), one of the members appointed by a chamber of  
36 commerce under subdivision (a)(4), and one of the members appointed  
37 by the board of commissioners under subdivision (a)(4), as designed  
38 by the appointing body, shall serve two-year terms.

39 (c) Duties. The Authority shall promote travel, tourism, and conventions in  
40 Rockingham County. In performing its duties, the Authority may contract with any  
41 person, firm, or agency to advise and assist it and may recommend to the board of  
42 county commissioners that county staff be employed for this advice and assistance.  
43 Any county staff employed upon a recommendation made by the Authority shall be

1 hired and supervised by the Authority, which shall pay the salaries and expenses of this  
2 staff.

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

6 Sec. 3. Review of Levy and Authority.

7 Three years after the effective date of a tax levied under this act, the  
8 Rockingham County Board of Commissioners shall conduct a thorough review of the  
9 tax and the function of the Tourism Development Authority established under this act to  
10 determine the effectiveness of the levy and of the Authority.

11 Sec. 4. This act is effective upon ratification.