

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 859
Committee Substitute Favorable 6/17/93

Short Title: Granville Occupancy Tax.

(Local)

Sponsors:

Referred to:

April 12, 1993

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE GRANVILLE COUNTY TO LEVY A ROOM
2 OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO SET THE
3 MAXIMUM COMBINED CITY AND COUNTY ROOM OCCUPANCY TAX
4 RATE FOR GRANVILLE COUNTY AND THE CITIES AND TOWNS
5 LOCATED IN GRANVILLE COUNTY.
6

7 The General Assembly of North Carolina enacts:

8 Section 1. Occupancy tax.

9 (a) Authorization and Scope.

10 The Granville County Board of Commissioners may by resolution, after not
11 less than 10 days' public notice and after a public hearing held pursuant thereto, levy a
12 room occupancy tax of five percent (5%) of the gross receipts derived from the rental of
13 any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or
14 similar place within the county that is subject to sales tax imposed by the State under
15 G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax
16 does not apply to accommodations furnished by nonprofit charitable, educational, or
17 religious organizations. The combined occupancy tax rates for Granville County and
18 any city or town that is located in Granville County and is authorized to levy a room
19 occupancy tax may not exceed six percent (6%).

20 (b) Collection.

21 Every operator of a business subject to the tax levied under this section shall,
22 on and after the effective date of the levy of the tax, collect the tax. This tax shall be
23 collected as part of the charge for furnishing a taxable accommodation. The tax shall be

1 stated and charged separately from the sales records, and shall be paid by the purchaser
2 to the operator of the business as trustee for and on account of the county. The tax shall
3 be added to the sales price and shall be passed on to the purchaser instead of being
4 borne by the operator of the business. The county shall design, print, and furnish to all
5 appropriate businesses and persons in the county the necessary forms for filing returns
6 and instructions to ensure the full collection of the tax.

7 (c) Administration.

8 The county shall administer a tax levied under this section. A tax levied
9 under this section is due and payable to the county finance officer in monthly
10 installments on or before the 15th day of the month following the month in which the
11 tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or
12 before the 15th day of each month, prepare and render a return on a form prescribed by
13 the county. The return shall state the total gross receipts derived in the preceding month
14 from rentals upon which the tax is levied.

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

17 (d) Penalties.

18 A person, firm, corporation, or association who fails or refuses to file the
19 return required by this section is subject to the civil and criminal penalties set by G.S.
20 105-236 for failure to pay or file a return for State sales and use taxes. The board of
21 commissioners has the same authority to waive the penalties for a room occupancy tax
22 that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

23 (e) Use of Tax Revenue.

24 Granville County shall use at least two-thirds of the proceeds of the tax
25 revenue to promote travel and tourism and shall use the remaining tax proceeds for
26 tourism-related expenditures. The term "promote travel and tourism" means to
27 advertise or market an area or activity, publish and distribute pamphlets and other
28 materials, conduct market research, or engage in similar promotional activities that
29 attract tourists or business travelers to the county; the term includes administrative
30 expenses incurred in engaging in the listed activities. The term "tourism-related
31 expenditures" means expenditures that are designed to increase the use of lodging
32 facilities in the county or to attract tourists or business travelers to the county and
33 expenditures by the county to administer and collect the tax; it includes expenditures for
34 the construction or maintenance of a convention or meeting facility to be used primarily
35 by individuals who are not residents of the county and for the construction or
36 maintenance of a coliseum or a visitors' center, but does not include other capital
37 expenditures.

38 (f) Effective Date of Levy.

39 A tax levied under this section shall become effective on the date specified in
40 the resolution levying the tax. That date must be the first day of a calendar month,
41 however, and may not be earlier than the first day of the second month after the date the
42 resolution is adopted.

43 (g) Repeal.

1 A tax levied under this section may be repealed by a resolution adopted by
2 the Granville County Board of Commissioners. Repeal of a tax levied under this
3 section shall become effective on the first day of a month and may not become effective
4 until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a
5 tax levied under this section does not affect a liability for a tax that was attached before
6 the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued
7 before the effective date of the repeal.

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