

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 417
Committee Substitute Favorable 5/21/97

Short Title: Mitchell River Rafting Charges.

(Local)

Sponsors:

Referred to:

March 6, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE MITCHELL COUNTY TO IMPOSE A CHARGE ON THE
3 BUSINESS OF PROVIDING RIVER RAFTING IN MITCHELL COUNTY.
Whereas, a number of businesses operate in both Mitchell County and Tennessee providing river rafting services; and
Whereas, the State of Tennessee imposes a tax on these businesses conducted in Mitchell County as well as in Tennessee; and
Whereas, the operation of river rafting businesses in Mitchell County requires the county to provide emergency medical and rescue services to customers of the businesses; and
Whereas, as a result of the influx of river rafters in Mitchell County, the county must provide services and facilities that create a financial burden to the county; Now, therefore,
4 The General Assembly of North Carolina enacts:
5 Section 1. This act applies only to Mitchell County.
6 Section 2. Definitions. – The following definitions apply in this act:
7 (1) Net proceeds. – Gross proceeds less the cost to the county of
8 administering and collecting the charge, as determined by the finance
9 officer, not to exceed seven percent (7%) of the gross proceeds.

1 (2) Providing river rafting. – Renting vessels or personal flotation devices
2 for use on a river, providing river tours, or providing any other form of
3 recreation or activity on a river.

4 (3) Vessel. – Defined in G.S. 75A-2.

5 Section 3. County river rafting charge. (a) Levy. – The board of commissioners of a
6 county may, by resolution, levy a river rafting charge at the rate of one percent (1%), two
7 percent (2%), or three percent (3%) of the gross receipts derived from the business of
8 providing river rafting in the county. River rafting is provided in a county if the customer
9 enters the river in that county. This river rafting charge is in addition to any State or local
10 sales tax.

11 (b) Effective Date of Levy. – Collection of the charge, and liability therefor,
12 shall begin and continue only on and after the first day of a calendar month set by the
13 board of commissioners in the resolution levying the charge. The effective date of a
14 charge levied under this act may not be earlier than the first day of the second succeeding
15 calendar month after the date the resolution is adopted.

16 (c) Use of Charge Proceeds. – A county shall use at least fifty percent (50%) of
17 the net proceeds of a charge levied under this act only for economic development,
18 promotion of travel and tourism, or tourism-related expenditures. The county may use
19 the remainder of the net proceeds for any lawful purpose.

20 (d) Repeal or Reduction in Rate. – A charge levied under this act may be repealed
21 or reduced to a rate of two percent (2%) or one percent (1%) by a resolution adopted by
22 the board of commissioners of the county. Repeal or reduction of a charge levied under
23 this act shall become effective on the first day of a month and may not become effective
24 until the end of the fiscal year in which the repeal or reduction resolution was adopted.
25 Repeal or reduction of a charge levied under this act does not affect a liability for a
26 charge that was attached before the effective date of the repeal or reduction, nor does it
27 affect a right to a refund of a charge that accrued before the effective date of the repeal or
28 reduction.

29 Section 4. Collection and administration of the charge. (a) Collection. – Every
30 operator of a business subject to the charge levied under this act shall, on and after the
31 effective date of the levy of the charge, collect the charge. This charge shall be collected
32 as part of the price charged for providing river rafting subject to the charge. The charge
33 shall be stated and charged separately from the sales records, and shall be paid by the
34 customer to the operator of the business as trustee for and on account of the county. The
35 charge shall be added to the price of the river rafting and shall be passed on to the
36 customer instead of being borne by the operator of the business. The county shall design,
37 print, and furnish to all appropriate businesses and persons in the county the necessary
38 forms for filing returns and instructions to ensure the full collection of the charge. An
39 operator of a business who collects the river rafting charge levied under this act may
40 deduct from the amount remitted to the county a discount equal to the discount the State
41 allows the operator for State sales and use tax.

42 (b) Administration. – The county shall administer a charge levied under this act.
43 A charge levied under this act is due and payable to the county finance officer in monthly

1 installments on or before the 15th day of the month following the month in which the
2 charge accrues. Every person, firm, corporation, or association liable for the charge shall,
3 on or before the 15th day of each month, prepare and render a return on a form prescribed
4 by the county. The return shall state the total gross receipts derived in the preceding
5 month from providing river rafting.

6 A return filed with the county finance officer under this act is not a public
7 record and may not be disclosed except in accordance with G.S. 153A-148.1.

8 Section 5. Penalties. A person, firm, corporation, or association who fails or
9 refuses to file the return or pay the charge required by this act is subject to the civil and
10 criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and
11 use taxes. The board of commissioners of the levying county has the same authority to
12 waive the penalties for the river rafting charge that the Secretary of Revenue has to waive
13 the penalties for State sales and use taxes.

14 Section 6. This act is effective when it becomes law.