

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

3

HOUSE BILL 417
Committee Substitute Favorable 5/21/97
Committee Substitute #2 Favorable 6/26/97

Short Title: Mitchell/Madison River Rafting Charges.

(Local)

Sponsors:

Referred to:

March 6, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE MITCHELL COUNTY AND MADISON COUNTY TO
3 IMPOSE A CHARGE ON THE BUSINESS OF PROVIDING RIVER RAFTING IN
4 THE COUNTY.

5 Whereas, a number of businesses operate in both North Carolina and
6 Tennessee providing river rafting services; and

7 Whereas, the State of Tennessee imposes a tax on these businesses conducted
8 in North Carolina as well as in Tennessee; and

9 Whereas, the operation of river rafting businesses in Mitchell County and
10 Madison County requires the counties to provide emergency medical and rescue services
11 to customers of the businesses; and

12 Whereas, as a result of the influx of river rafters in Mitchell County and
13 Madison County, the counties must provide services and facilities that create a financial
14 burden to the counties; Now, therefore,

15 The General Assembly of North Carolina enacts:

16 Section 1. This act applies only to Madison and Mitchell Counties.

17 Section 2. Definitions. – The following definitions apply in this act:

- 1 (1) Net proceeds. – Gross proceeds less the cost to the county of
2 administering and collecting the charge, as determined by the finance
3 officer, not to exceed seven percent (7%) of the gross proceeds.
- 4 (2) Providing river rafting. – Renting vessels or personal flotation devices
5 for use on a river, providing river tours, or providing any other form of
6 recreation or activity on a river.
- 7 (3) Vessel. – Defined in G.S. 75A-2.

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

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

19 (c) Use of Charge Proceeds. – A county shall use at least fifty percent
20 (50%) of the net proceeds of a charge levied under this act only for economic
21 development, promotion of travel and tourism, or tourism-related expenditures. The
22 county may use the remainder of the net proceeds for any lawful purpose.

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

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

1 deduct from the amount remitted to the county a discount equal to the discount the State
2 allows the operator for State sales and use tax.

3 (b) Administration. – The county shall administer a charge levied under this
4 act. A charge levied under this act is due and payable to the county finance officer in
5 monthly installments on or before the 15th day of the month following the month in
6 which the charge accrues. Every person, firm, corporation, or association liable for the
7 charge shall, on or before the 15th day of each month, prepare and render a return on a
8 form prescribed by the county. The return shall state the total gross receipts derived in
9 the preceding month from providing river rafting.

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

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

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