

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1748

Short Title: Change Granville Room Tax Use.

(Local)

Sponsors: Representative Fox.

Referred to: Local Government I.

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE PURPOSES FOR WHICH THE GRANVILLE COUNTY
OCCUPANCY TAX CAN BE USED AND TO MAKE TECHNICAL CHANGES.

The General Assembly of North Carolina enacts:

Section 1. Section 1 of Chapter 454 of the 1993 Session Laws reads as
rewritten:

"Section 1. Occupancy tax.

(a) Authorization and Scope.

The Granville 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 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
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 nonprofit charitable, educational, or religious
organizations. The combined occupancy tax rates for Granville County and any city or
town that is located in Granville County and is authorized to levy a room occupancy tax
may not exceed six percent (6%).

(b) Administration.

1 A tax levied under this section shall be levied, administered, collected, and repealed as
2 provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax
3 levied under this section.

4 (b) ~~Collection.~~

5 ~~Every operator of a business subject to the tax levied under this section shall, on and~~
6 ~~after the effective date of the levy of the tax, collect the tax. This tax shall be collected as~~
7 ~~part of the charge for furnishing a taxable accommodation. The tax shall be stated and~~
8 ~~charged separately from the sales records, and shall be paid by the purchaser to the~~
9 ~~operator of the business as trustee for and on account of the county. The tax shall be~~
10 ~~added to the sales price and shall be passed on to the purchaser instead of being borne by~~
11 ~~the operator of the business. The county shall design, print, and furnish to all appropriate~~
12 ~~businesses and persons in the county the necessary forms for filing returns and~~
13 ~~instructions to ensure the full collection of the tax.~~

14 (c) ~~Administration.~~

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

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

24 (d) ~~Penalties.~~

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

30 (e) ~~Use of Tax Revenue.~~

31 ~~Granville County shall use at least two-thirds one-third of the proceeds of the tax~~
32 ~~revenue to promote travel and tourism and shall use the remaining tax proceeds for~~
33 ~~tourism-related expenditures. The term "promote travel and tourism" means to advertise~~
34 ~~or market an area or activity, publish and distribute pamphlets and other materials,~~
35 ~~conduct market research, or engage in similar promotional activities that attract tourists~~
36 ~~or business travelers to the county; the term includes administrative expenses incurred in~~
37 ~~engaging in the listed activities. The term "tourism-related expenditures" means~~
38 ~~expenditures that are designed to increase the use of lodging facilities in the county or to~~
39 ~~attract tourists or business travelers to the county and expenditures by the county to~~
40 ~~administer and collect the tax; it includes expenditures for the construction or~~
41 ~~maintenance of a convention or meeting facility and tournament-grade ballparks, to be~~
42 ~~used primarily by individuals who are not residents of the county county, and for the~~

1 construction or maintenance of a coliseum or a visitors' center, but does not include other
2 capital expenditures. center.

3 (f) Effective Date of Levy.

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

8 (g) Repeal.

9 A tax levied under this section may be repealed by a resolution adopted by the
10 Granville County Board of Commissioners. Repeal of a tax levied under this section
11 shall become effective on the first day of a month and may not become effective until the
12 end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied
13 under this section does not affect a liability for a tax that was attached before the effective
14 date of the repeal, nor does it affect a right to a refund of a tax that accrued before the
15 effective date of the repeal."

16 Section 2. G.S. 153A-155 reads as rewritten:

17 "**§ 153A-155. Uniform provisions for room occupancy taxes.**

18 (a) Scope. – This section applies only to counties the General Assembly has
19 authorized to levy room occupancy taxes.

20 (b) Levy. – A room occupancy tax may be levied only by resolution, after not less
21 than 10 days' public notice and after a public hearing held pursuant thereto. A room
22 occupancy tax shall become effective on the date specified in the resolution levying the
23 tax. That date must be the first day of a calendar month, however, and may not be earlier
24 than the first day of the second month after the date the resolution is adopted.

25 (c) Collection. – Every operator of a business subject to a room occupancy tax
26 shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall
27 be collected as part of the charge for furnishing a taxable accommodation. The tax shall
28 be stated and charged separately from the sales records and shall be paid by the purchaser
29 to the operator of the business as trustee for and on account of the taxing county. The tax
30 shall be added to the sales price and shall be passed on to the purchaser instead of being
31 borne by the operator of the business. The taxing county shall design, print, and furnish
32 to all appropriate businesses and persons in the county the necessary forms for filing
33 returns and instructions to ensure the full collection of the tax. An operator of a business
34 who collects a room occupancy tax may deduct from the amount remitted to the taxing
35 county a discount equal to the discount the State allows the operator for State sales and
36 use tax.

37 (d) Administration. – The taxing county shall administer a room occupancy tax it
38 levies. A room occupancy tax is due and payable to the county finance officer in
39 monthly installments on or before the 15th day of the month following the month in
40 which the tax accrues. Every person, firm, corporation, or association liable for the tax
41 shall, on or before the 15th day of each month, prepare and render a return on a form
42 prescribed by the taxing county. The return shall state the total gross receipts derived in
43 the preceding month from rentals upon which the tax is levied. A room occupancy tax

1 return filed with the county finance officer is not a public record and may not be
2 disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

3 (e) Penalties. – A person, firm, corporation, or association who fails or refuses to
4 file a room occupancy tax return or pay a room occupancy tax as required by law is
5 subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a
6 return for State sales and use taxes. The governing board of the taxing county has the
7 same authority to waive the penalties for a room occupancy tax that the Secretary of
8 Revenue has to waive the penalties for State sales and use taxes.

9 (f) Repeal or Reduction. – A room occupancy tax levied by a county may be
10 repealed or reduced by a resolution adopted by the governing body of the county. Repeal
11 or reduction of a room occupancy tax shall become effective on the first day of a month
12 and may not become effective until the end of the fiscal year in which the resolution was
13 adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax
14 that was attached before the effective date of the repeal or reduction, nor does it affect a
15 right to a refund of a tax that accrued before the effective date of the repeal or reduction.

16 (g) This section applies only to Avery, Brunswick, Craven, Currituck, Davie,
17 Granville, Madison, Nash, Person, Randolph, Scotland, and Transylvania Counties."

18 Section 3. This act becomes effective October 1, 2000, and applies to taxes
19 collected on or after that date.