

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SESSION LAW 1999-258
HOUSE BILL 764

AN ACT TO AUTHORIZE THE TOWN OF MOORESVILLE TO LEVY AN
ADDITIONAL ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

Section 1. Section 1 of Chapter 296 of the 1991 Session Laws, as amended by Section 4 of Chapter 577 of the 1991 Session Laws, reads as rewritten:

"Section 1. Occupancy tax. (a) Authorization and scope. The Mooresville Town 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 up to two percent (2%) 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 town 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.

(a1) Authorization of additional tax. In addition to the tax authorized by subsection (a) of this section, the Mooresville Town Board of Commissioners may levy an additional room occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of accommodations taxable under subsection (a). The total rate of tax levied under subsections (a) and (a1) of this section, when combined with the rate of room occupancy tax levied by Iredell County, may not exceed six percent (6%). The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. The Town of Mooresville may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

(b) Administration. A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.~~Collection. Every operator of a business subject to the tax levied under this section 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 town. 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 town shall design, print, and furnish to all appropriate businesses and~~

persons in the town the necessary forms for filing returns and instructions to ensure the full collection of the tax.

~~(c) Administration. The town shall administer a tax levied under this section. A tax levied under this section is due and payable to the town finance officer in monthly installments on or before the fifteenth day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the fifteenth day of each month, prepare and render a return on a form prescribed by the town. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.~~

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

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

~~Any person who willfully attempts in any manner to evade a tax imposed under this section or who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both.~~

~~(e) Disposition of tax proceeds. The Town of Mooresville shall set aside in a special account fifty percent (50%) of the net proceeds of the occupancy tax and shall spend these funds to promote travel and tourism. The Town of Mooresville shall remit the remaining proceeds of the tax to its general fund and may use these funds for any lawful purpose. As used in this subsection, "net proceeds" means gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer. shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Mooresville Travel and Tourism Authority. The Authority shall use at least seventy-five percent (75%) of the net proceeds of the occupancy tax to promote travel and tourism in Mooresville and shall use the remainder for tourism-related expenditures.~~

~~(f) Definitions. The following definitions apply in this section:~~

- ~~(1) Net proceeds. – Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.~~
- ~~(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract~~

tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in the listed activities.

- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

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

~~(g) Repeal. A tax levied under this section may be repealed by a resolution adopted by the Mooresville Town Board of Commissioners. Repeal of a tax levied under this section shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied under this section does not affect a liability for a tax that was attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal."~~

Section 2. Section 2 of Chapter 296 of the 1991 Session Laws reads as rewritten:

"Sec. 2. Travel and Tourism Authority. (a) Appointment and membership. After the Town of Mooresville adopts a resolution levying an occupancy tax under this act, it shall also adopt a resolution creating a Travel and Tourism Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The membership of the Authority shall consist of: two members representing the Mooresville-South Iredell Chamber of Commerce; two members representing the motel or travel and tourism industry; and one member of the Mooresville Town Board. The resolution shall provide for terms of office, and for the filling of vacancies on the Authority. The Mooresville Town Board shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority. Members shall serve at the pleasure of the Mooresville Town Board.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for the Town of Mooresville shall be the ex officio finance officer of the Authority.

(b) Duties. The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in Section 1 of this act. The Authority shall promote travel, tourism, and conventions in the Greater Mooresville area; sponsor tourism related events and activities; and finance tourism related capital projects in the Greater Mooresville area ~~with the fifty percent (50%) of the net proceeds set aside by the Town of Mooresville, all disbursements from which shall be subject to approval by the Mooresville Town Board.~~ area.

(c) Reports. The Authority shall report at the close of the fiscal year to the Mooresville Town Board, or more often if required by said Board, on its receipts and expenditures for the preceding year in such detail as the Board may require."

Section 3. Section 3 of S.L. 1997-410, as amended by Section 2 of S.L. 1997-447 and Section 4 of S.L. 1998-112, reads as rewritten:

"Section 3. Municipal Administrative Provisions. G.S. 160A-215, as enacted by S.L. 1997-361 and S.L. 1997-364, applies to the Cities of Goldsboro, Lumberton, Mount Airy, Shelby, and Statesville, to the ~~Town of St. Pauls~~ Towns of Mooresville and St. Pauls, and to the municipalities in Brunswick County."

Section 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8th day of July, 1999.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ James B. Black
Speaker of the House of Representatives