

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2001**

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**HOUSE BILL 883**  
**Committee Substitute Favorable 10/8/01**

Short Title: Tyrrell Occupancy Tax.

(Local)

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Sponsors:

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Referred to:

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March 29, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE TYRRELL COUNTY TO LEVY A ROOM  
OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Tyrrell occupancy tax. (a) Authorization and Scope. – The Tyrrell County Board of Commissioners may levy a room occupancy tax of up to six percent (6%) 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 private, nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

**SECTION 1.(b)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 1.(c)** Use of Tax Revenue. – Tyrrell County shall on a quarterly basis, remit the net proceeds of the occupancy tax to the Tyrrell Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Tyrrell County and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the county 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

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

- 3 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
4 the county, are designed to increase the use of lodging facilities,  
5 meeting facilities, and convention facilities in a county by attracting  
6 tourists or business travelers to the county. The term includes  
7 tourism-related capital expenditures.

8 **SECTION 2.** Tyrrell Tourism Development Authority. – (a) Appointment  
9 and Membership. – When the board of commissioners adopts a resolution levying a  
10 room occupancy tax under this act, it shall also adopt a resolution creating a county  
11 Tourism Development Authority, which shall be a public authority under the Local  
12 Government Budget and Fiscal Control Act. The resolution shall provide for the  
13 membership of the Authority including the members' terms of office, and for the filling  
14 of vacancies on the Authority. At least one-third of the members must be individuals  
15 who are affiliated with businesses that collect the tax in the county and at least  
16 three-fourths of the members must be individuals who are currently active in the  
17 promotion of travel and tourism in the county. The board of commissioners shall  
18 designate one member of the Authority as chair and shall determine the compensation,  
19 if any, to be paid to members of the Authority.

20 The Authority shall meet at the call of the chair and shall adopt rules of  
21 procedure to govern its meetings. The Finance Officer for Tyrrell County shall be the ex  
22 officio finance officer of the Authority.

23 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of  
24 the tax levied under this act for the purposes provided in Section 1 of this act. The  
25 Authority shall promote travel, tourism, and conventions in the county, sponsor  
26 tourist-related events and activities in the county, and finance tourist-related capital  
27 projects in the county.

28 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the  
29 close of the fiscal year to the board of commissioners on its receipts and expenditures  
30 for the preceding quarter and for the year in such detail as the board may require.

31 **SECTION 3.** County Administrative Provisions. – G.S. 153A-155 reads as  
32 rewritten:

33 "**§ 153A-155. Uniform provisions for room occupancy taxes.**

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

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

41 (c) Collection. – Every operator of a business subject to a room occupancy tax  
42 shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall

1 be collected as part of the charge for furnishing a taxable accommodation. The tax shall  
2 be stated and charged separately from the sales records and shall be paid by the  
3 purchaser to the operator of the business as trustee for and on account of the taxing  
4 county. The tax shall be added to the sales price and shall be passed on to the purchaser  
5 instead of being borne by the operator of the business. The taxing county shall design,  
6 print, and furnish to all appropriate businesses and persons in the county the necessary  
7 forms for filing returns and instructions to ensure the full collection of the tax. An  
8 operator of a business who collects a room occupancy tax may deduct from the amount  
9 remitted to the taxing county a discount equal to the discount the State allows the  
10 operator for State sales and use tax.

11 (d) Administration. – The taxing county shall administer a room occupancy tax it  
12 levies. A room occupancy tax is due and payable to the county finance officer in  
13 monthly installments on or before the 15th day of the month following the month in  
14 which the tax accrues. Every person, firm, corporation, or association liable for the tax  
15 shall, on or before the 15th day of each month, prepare and render a return on a form  
16 prescribed by the taxing county. The return shall state the total gross receipts derived in  
17 the preceding month from rentals upon which the tax is levied. A room occupancy tax  
18 return filed with the county finance officer is not a public record and may not be  
19 disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

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

26 (f) Repeal or Reduction. – A room occupancy tax levied by a county may be  
27 repealed or reduced by a resolution adopted by the governing body of the county.  
28 Repeal or reduction of a room occupancy tax shall become effective on the first day of a  
29 month and may not become effective until the end of the fiscal year in which the  
30 resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a  
31 liability for a tax that was attached before the effective date of the repeal or reduction,  
32 nor does it affect a right to a refund of a tax that accrued before the effective date of the  
33 repeal or reduction.

34 (g) This section applies only to Avery, Brunswick, Craven, Currituck, Davie,  
35 Granville, Madison, Nash, Person, Randolph, Scotland, ~~and Transylvania~~ Transylvania,  
36 and Tyrrell Counties."

37 **SECTION 4.** This act is effective when it becomes law.