

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 2454

Short Title: Robeson County Occupancy Tax. (Local)

Sponsors: Representatives Sutton, Pierce, and Yongue (Primary Sponsors).

Referred to: Finance.

May 24, 2006

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE ROBESON COUNTY TO LEVY A ROOM
2 OCCUPANCY TAX.
3

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Board of
6 Commissioners of Robeson County may levy a room occupancy tax of up to three
7 percent (3%) of the gross receipts derived from the rental of any room, lodging, or
8 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
9 the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
10 This tax is in addition to any State or local sales tax. This tax does not apply to
11 accommodations furnished by nonprofit charitable, educational, or religious
12 organizations when furnished in furtherance of their nonprofit purpose.

13 **SECTION 1.(b)** Administration. – Except as provided in this section, a tax
14 levied under this section shall be levied, administered, collected, and repealed as
15 provided in G.S. 160A-215. Notwithstanding the provisions of G.S. 160A-215(b), a
16 room occupancy tax may not be levied under this act until after the Board of
17 Commissioners holds two public hearings on the matter, each with not less than 10 days'
18 public notice. The penalties provided in G.S. 160A-215 apply to a tax levied under this
19 section.

20 **SECTION 1.(c)** Definitions. – The following definitions apply in this
21 subsection:

- 22 (1) Net proceeds. – Gross proceeds less the cost to the county of
23 administering and collecting the tax, as determined by the finance
24 officer, not to exceed three percent (3%) of the first five hundred
25 thousand dollars (\$500,000) of gross proceeds collected each year and
26 one percent (1%) of the remaining gross proceeds collected each year.
- 27 (2) Promote travel and tourism. – To advertise or market an area or
28 activity, publish and distribute pamphlets and other materials, conduct
29 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 the listed activities.

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

8 **SECTION 1.(d)** Distribution of Tax Revenue. – Robeson County shall, on a
9 quarterly basis, remit the net proceeds of the occupancy tax to the Robeson County
10 Tourism Development Authority.

11 **SECTION 1.(e)** Use of Tax Revenue. – The Authority shall use the funds
12 remitted to it under this subsection to purchase land and finance, construct, and operate
13 a multipurpose horse arena on the site of the Southeastern Agricultural Center and
14 Farmer's Market.

15 **SECTION 1.(f)** Limitation. – No room occupancy tax may be levied under
16 this act until Robeson County and the State contract to transfer real property located at
17 the site of the Southeastern Agricultural Center and Farmer's Market to Robeson County
18 for the purpose of constructing a multipurpose horse arena complex on that site. A
19 room occupancy tax levied under this Article may not be implemented before the later
20 of the first day of the year following the year in which two public hearings occur or the
21 first day of the year following the year in which Robeson County and the State contract
22 to transfer the real property described within this subsection. The tax authorized by this
23 act shall expire on the first day of the first month following completed payment for the
24 land and construction and financing costs of the multipurpose horse arena complex.

25 **SECTION 2.** Tourism Development Authority. – (a) Appointment and
26 Membership. – When the Board of Commissioners adopts a resolution levying a room
27 occupancy tax under this act, it shall also adopt a resolution creating the Robeson
28 County Tourism Development Authority, which shall be a public authority under the
29 Local Government Budget and Fiscal Control Act. The resolution shall provide for the
30 membership of the Authority, including the members' terms of office, and for the filling
31 of vacancies on the Authority. At least one-third of the members shall be individuals
32 who are affiliated with businesses that collect the tax in the county, and at least one-half
33 of the members shall be individuals who are currently active in the promotion of travel
34 and tourism in the county. The Board of Commissioners shall designate one member of
35 the Authority as chair and shall determine the compensation, if any, to be paid to
36 members of the Authority.

37 The Authority shall meet at the call of the chair and shall adopt rules of
38 procedure to govern its meetings. The Finance Officer for Robeson County shall be the
39 ex officio finance officer of the Authority.

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

1 **SECTION 2.**(c) Reports. – The Authority shall report quarterly and at the
2 close of the fiscal year to the Robeson County Board of Commissioners on its receipts
3 and expenditures for the preceding quarter and for the year in such detail as the Board of
4 Commissioners may require.

5 **SECTION 3.** This act is effective when it becomes law.