

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS45517-Nif-195

Short Title: Cherokee County Occupancy Tax Modifications. (Local)

Sponsors: Senator Corbin (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE CHEROKEE COUNTY OCCUPANCY TAX.
3 The General Assembly of North Carolina enacts:

4 SECTION 1. Chapter 1055 of the 1983 Session Laws, as amended by Section 21(e)
5 of S.L. 2007-527 and Section 1 of S.L. 2008-33, reads as rewritten:

6 "Section 1. Occupancy Tax. –

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

14 (b) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a)
15 of this section, the Cherokee County Board of Commissioners may levy an additional room
16 occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of
17 accommodations taxable under subsection (a) of this section. The levy, collection,
18 administration, and repeal of the tax authorized by this subsection shall be in accordance with
19 the provisions of this act. Cherokee County may not levy a tax under this subsection unless it
20 also levies the tax authorized under subsection (a) of this section.

21 "Sec. 3. Administration of Tax. – A tax levied under this act shall be levied, collected,
22 administered, and repealed as provided in G.S. 153A-155. The penalties provided in
23 G.S. 153A-155 apply to a tax levied under this act.

24 "Sec. 5. Distribution and Use of Tax Revenue. – Cherokee County shall, on a quarterly basis,
25 remit the net proceeds of the room occupancy tax to the Cherokee County Tourism Development
26 Authority. The Authority shall use at least two-thirds of the funds remitted to it under this act to
27 promote travel and tourism in Cherokee County and shall use the remainder for tourism-related
28 expenditures.

29 The following definitions apply in this section:

30 (1) Net proceeds. – Gross proceeds less the cost to the county of administering
31 and collecting the tax, as determined by the finance officer, not to exceed three
32 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
33 proceeds collected each year and one percent (1%) of the remaining gross
34 receipts collected each year.

35 (2) Promote travel and tourism. – To advertise or market an area or activity,
36 publish and distribute pamphlets and other materials, conduct market research,



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1 or engage in similar promotional activities that attract tourists or business
2 travelers to the area. The term includes administrative expenses incurred in
3 engaging in the listed activities.

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

9 "Sec. 6. Cherokee County Tourism Development Authority. –

10 (a) Appointment and Membership. – When the Cherokee County Board of
11 Commissioners adopts a resolution levying a room occupancy tax under this act, it shall also
12 adopt a resolution creating a County Tourism Development Authority, which shall be a public
13 authority under the Local Government Budget and Fiscal Control Act. The resolution shall
14 provide for the membership of the Authority, including the members' terms of office, in
15 accordance with this section, and for the filling of vacancies on the Authority. ~~At least one third~~
16 ~~of the members must be individuals who are affiliated with businesses that collect the tax in the~~
17 ~~county, and at least one half of the members must be individuals who are currently active in the~~
18 ~~promotion of travel and tourism in the county.~~ Members of the Authority shall serve for terms of
19 three years, and no member shall serve more than two consecutive full terms unless a minimum
20 of 12 months has elapsed since the expiration of the member's second full term. The board of
21 commissioners shall designate one member of the Authority as chair and shall determine the
22 compensation, if any, to be paid to members of the Authority. The Authority shall meet at the
23 call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer
24 for Cherokee County shall be the ex officio finance officer of the Authority. The Authority shall
25 be composed of seven members as follows:

- 26 (1) One member of the Cherokee County Board of Commissioners, appointed by
27 the Cherokee County Board of Commissioners.
28 (2) One member, nominated by the Town Council of the Town of Murphy, who
29 is actively engaged in the promotion of travel and tourism or the collection of
30 occupancy tax. The Cherokee County Board of Commissioners shall appoint
31 the Town Council's nominee under this subdivision.
32 (3) One member, nominated by the Board of Aldermen of the Town of Andrews,
33 who is actively engaged in the promotion of travel and tourism or collects
34 occupancy tax. The Cherokee County Board of Commissioners shall appoint
35 the Board of Aldermen's nominee under this subdivision.
36 (4) Three members affiliated with a lodging business that collects the Cherokee
37 County occupancy tax. The Cherokee County Board of Commissioners shall
38 appoint the three members under this subdivision.
39 (5) One member actively engaged in the promotion of travel and tourism within
40 Cherokee County. The Cherokee County Board of Commissioners shall
41 appoint the member under this subdivision.

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

46 (c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to
47 the board of county commissioners on its receipts and disbursements for the preceding quarter
48 and for the year in such detail as the board may require.

49 "Sec. 8. This act is effective upon ratification."

50 **SECTION 2.** This act becomes effective October 1, 2026, and applies to occupancy
51 tax proceeds collected by the county and remitted to the Cherokee County Tourism Development

1 Authority on or after that date. The modifications to appointments and term limits of members
2 of the Cherokee County Tourism Development Authority under Section 1 of this act become
3 incrementally effective upon the expiration of the terms of current members of the Authority and
4 applicable to newly seated members of the Authority thereafter.