

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 1088

Short Title: Modify Rowan Room Tax Use.

(Local)

Sponsors: Senators Smith; and Cochrane.

Referred to: Local Government and Regional Affairs.

June 2, 1992

A BILL TO BE ENTITLED

AN ACT TO MAKE ADMINISTRATIVE CHANGES TO THE ROWAN
OCCUPANCY TAX LAW.

The General Assembly of North Carolina enacts:

Section 1. Section 1 of Chapter 379 of the 1987 Session Laws reads as
rewritten:

"Section 1. Occupancy tax. (a) Authorization and scope. The Rowan 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 up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(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.

(b) 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 county. 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 county shall design, print, and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a

1 business who collects the occupancy tax levied under this section may deduct from the
2 amount remitted to the county a discount of three percent (3%) of the amount collected.

3 (c) Administration. The county shall administer a tax levied under this section.
4 A tax levied under this section is due and payable to the county finance officer in
5 monthly installments on or before the 15th day of the month following the month in
6 which the tax accrues. Every person, firm, corporation, or association liable for the tax
7 shall, on or before the 15th day of each month, prepare and render a return on a form
8 prescribed by the county. The return shall state the total gross receipts derived in the
9 preceding month from rentals upon which the tax is levied. The board of
10 commissioners shall appoint a board to oversee the operations of the Rowan County
11 Convention and Visitors Bureau. Appointments to the board shall be made by the board
12 of commissioners for specified terms as outlined in the bylaws of the Bureau.

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

15 (d) Penalties. A person, firm, corporation, or association who fails or refuses to
16 file the return required by this section shall pay a penalty of ten dollars (\$10.00) for
17 each day's omission. In case of failure or refusal to file the return or pay the tax for a
18 period of 30 days after the time required for filing the return or for paying the tax, there
19 shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to
20 any other penalty, with an additional tax of five percent (5%) for each additional month
21 or fraction thereof until the tax is paid.

22 Any person who willfully attempts in any manner to evade a tax imposed under this
23 section or who willfully fails to pay the tax or make and file a return shall, in addition to
24 all other penalties provided by law, be guilty of a misdemeanor and shall be punishable
25 by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six
26 months, or both. The board of commissioners may, for good cause shown, compromise
27 or forgive the penalties imposed by this subsection.

28 (e) Distribution and use of tax revenue. Rowan County shall apply the net
29 proceeds of the occupancy tax to the purposes provided in this subsection. The county
30 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Salisbury
31 Chamber of Commerce-Rowan County Convention and Visitors Bureau. The chamber of
32 commerce may, through its Tourism and Convention Committee, The Bureau shall spend
33 funds remitted to it under this subsection only to promote travel, tourism, and
34 conventions in Rowan County and to sponsor tourist-oriented events and activities in
35 Rowan County. The chamber of commerce-Bureau may not spend any of the funds for
36 construction, improvement, or maintenance of real property or for any other capital
37 project. The Tourism and Convention Committee of the Salisbury Chamber of Commerce
38 Bureau shall report quarterly and at the close of the fiscal year to the board of
39 commissioners on its receipts and expenditures for the preceding quarter and for the
40 year in such detail as the board may require.

41 As used in this subsection, 'net proceeds' means gross proceeds less the cost to the
42 county of administering and collecting the tax, as determined by the finance officer.

43 (f) Effective date of levy. A tax levied under this section shall become effective
44 on the date specified in the resolution levying the tax. That date must be the first day of

1 a calendar month, however, and may not be earlier than the first day of the second
2 month after the date the resolution is adopted.

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

10 Sec. 2. This act becomes effective July 1, 1992.