

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 2445

Short Title: Halifax Occupancy Tax.

(Local)

Sponsors: Representatives L. Allen and Ed Jones (Primary Sponsors).

Referred to: Finance.

May 24, 2006

A BILL TO BE ENTITLED

AN ACT TO AMEND THE OCCUPANCY TAX IN HALIFAX COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 377 of the 1987 Session Laws, as amended by S.L. 2005-46, reads as rewritten:

"Section 1. ~~Occupancy tax.~~Tax. – (a) ~~Authorization and scope.~~Scope. – The Halifax County Board of Commissioners may levy a room occupancy tax of 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(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.~~Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Halifax County 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) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection ~~must~~shall be in accordance with the provisions of this section. Halifax County 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(b) ~~Administration.~~ – A tax levied under this section ~~must~~shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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.

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

The following definitions apply to this subsection:

- 1 (1) Net proceeds. – Gross proceeds less the cost to the county of
2 administering and collecting the tax, as determined by the finance
3 officer, not to exceed three percent (3%) of the first five hundred
4 thousand dollars (\$500,000) of the gross proceeds collected each year
5 and one percent (1%) of the remaining gross receipts collected each
6 year.
- 7 (2) Promote travel and tourism. – To advertise or market an area or
8 activity, publish and distribute pamphlets and other materials, conduct
9 market research, or engage in similar promotional activities that attract
10 tourists or business travelers to the area; the term includes
11 administrative expenses incurred in engaging in the listed activities.
- 12 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
13 the Tourism Development Authority, are designed to increase the use
14 of lodging facilities, meeting facilities, or convention facilities in the
15 county by attracting tourists or business travelers to the county. The
16 term includes tourism-related capital expenditures.

17 **"Sec. 2. Tourism Development Authority.** = (a) Appointment and
18 ~~membership.~~ Membership. – When the Halifax County Board of Commissioners adopts
19 a resolution levying a room occupancy tax under this act, it ~~must~~shall also adopt
20 a resolution creating a county Tourism Development Authority, which shall be a public
21 authority under the Local Government Budget and Fiscal Control Act. The resolution
22 ~~must~~shall provide for the membership of the Authority including the members'
23 qualifications and terms of office, and for the filling of vacancies on the Authority. At
24 least one-fifth of the members must be individuals who are affiliated with businesses
25 that collect the tax in the county, and at least ~~three-fourths~~one-half of the members must
26 be individuals who are currently active in the promotion of travel and tourism in the
27 county. ~~The Authority must designate one member as chair and one member as~~
28 ~~treasurer.~~ The board of commissioners shall designate one member of the Authority as
29 chair and shall determine the compensation, if any, to be paid to members of the
30 Authority.

31 The Authority ~~must~~shall meet at the call of the chair and ~~must~~shall adopt rules of
32 procedure to govern its meetings. The Finance Officer for Halifax County shall be the
33 ex officio finance officer of the Authority.

34 (b) Duties. – The Authority must expend the net proceeds of the tax levied under
35 this act for the purposes provided in Section 1 of this act. The Authority must promote
36 travel, tourism, and conventions in the county, sponsor tourist-related events and
37 activities in the county, and finance tourist-related capital projects in the county.

38 (c) Reports. – The Authority ~~must~~shall report quarterly and at the close of the
39 fiscal year to the Halifax County Board of ~~County~~ Commissioners on its receipts and
40 expenditures for the preceding quarter and for the year in such detail as the Board may
41 require.

42 **"Sec. 3. This act is effective upon ratification."**

43 **SECTION 2.** This act is effective when it becomes law.