

GENERAL ASSEMBLY OF NORTH CAROLINA  
1987 SESSION

CHAPTER 188  
SENATE BILL 138

AN ACT TO AUTHORIZE MOORE COUNTY TO LEVY A ROOM OCCUPANCY  
TAX.

The General Assembly of North Carolina enacts:

**Section 1.** Levy of Tax. (a) The Board of Commissioners of Moore County may by resolution levy a room occupancy and tourism development tax.

(b) Collection of the tax and liability therefor, shall begin and continue only on and after the first day of a calendar month set by the board of county commissioners in the resolution levying the tax, which in no case may be earlier than the first day of the succeeding calendar month after the date of adoption of the resolution.

**Sec. 2.** Occupancy Tax. The county room occupancy and tourism development tax that may be levied under this Part shall be three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by any hotel, motel, inn, tourist camp or other similar place within the county now subject to the three percent (3%) sales tax imposed by the State under G.S. 105-164(3). This tax is in addition to any local sales tax. This tax does not apply to gross receipts derived by the following entities from accommodations furnished by them:

- (1) Religious organizations;
- (2) Educational organizations;
- (3) Any business that offers to rent fewer than five units; and
- (4) Summer camps.

**Sec. 3.** Administration of Tax. (a) Any tax levied under this act is due and payable to the county in monthly installments on or before the 15th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

(b) Any person, firm, corporation, or association who fails or refuses to file the return required by this act shall pay a penalty of ten dollars (\$10.00) for each day's omission.

(c) In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to the penalty prescribed in subsection (b), with an additional tax of five percent (5%) for each additional month or fraction thereof until the occupancy tax is paid.

(d) Any person who willfully attempts in any manner to evade the occupancy tax imposed under this act or who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punished by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both.

**Sec. 4.** Collection of Tax. Every operator of a business subject to a tax levied under this act shall, on and after the effective date of the levy of the tax, collect the three percent (3%) room occupancy tax. This tax shall be collected as part of the charge for the furnishing of any 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 Moore County. The room occupancy tax levied pursuant to this act 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 in Moore County the necessary forms for filing returns and instructions to ensure the full collection of the tax.

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

**Sec. 5.** Disposition of Taxes Collected. (a) Moore County shall remit the net proceeds of the occupancy tax to the county Tourism Development Authority in Moore County. "Net proceeds" means gross proceeds less the cost to the county of administering and collecting the tax, which may not exceed three percent (3%) of the collected tax.

(b) The Tourism Development Authority may expend any funds distributed to it pursuant to subsection (a) only to further the development of travel, tourism, and conventions in the county through State, national, and international advertising and promotion. The Authority may not use more than twenty-five percent (25%) of the funds distributed to it pursuant to subsection (a) for administrative expenses of the Authority.

**Sec. 6.** Appointment, Duties of Tourism Development Authority. (a) When the board of county commissioners adopts a resolution levying a room occupancy tax pursuant to this Part, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act and shall be composed of the following nine members:

(1) A county commissioner appointed by the board of county commissioners.

(2) Five owners or operators of hotels, motels, or other taxable tourist accommodations, two of which own or operate the largest hotels, motels, or other accommodations in the county by rental unit count and three of which own or operate other hotels, motels, or other accommodations in the county, all of whom shall be appointed by the board of county commissioners;

(3) The Executive Vice President of the Sandhills Area Chamber of Commerce; and

(4) Two individuals interested in the tourist business who have demonstrated an interest in tourist development, but do not own or operate a hotel, motel, or other taxable tourist accommodation, who shall be appointed by the board of county commissioners.

All members of the Authority shall serve without compensation.

Vacancies in the Authority shall be filled in the same manner as the initial appointments. Members appointed to fill vacancies shall serve for the remainder of the unexpired term for which they are appointed to fill. Members shall serve terms as provided in the rules of procedures and by-laws of the Authority.

The members shall elect a chairman. The Authority shall meet at the call of the chairman and shall adopt rules of procedure and by-laws to govern its meetings and activities. The finance officer for Moore County shall be the ex officio finance officer of the Authority.

(b) The Tourism Development Authority may contract with any person, firm, or agency to advise and assist it in the promotion of travel, tourism, and conventions.

(c) The Tourism Development Authority shall report quarterly and at the close of the fiscal year to the board of county commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

**Sec. 7.** Repeal of Levy. (a) The board of county commissioners may by resolution repeal the levy of the room occupancy tax in Moore County, but no repeal of taxes levied under this Part shall be effective until the end of the fiscal year in which the repeal resolution was adopted.

(b) No liability for any tax levied under this Part that attached prior to the date on which a levy is repealed shall be discharged as a result of the repeal, and no right to a refund of a tax that accrued prior to the effective date on which a levy is repealed shall be denied as a result of the repeal.

**Sec. 8.** This act is effective upon ratification.

In the General Assembly read three times and ratified this the 14th day of May, 1987.