

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**HOUSE BILL 1027  
Committee Substitute Favorable 6/26/07  
Senate Finance Committee Substitute Adopted 7/28/07**

Short Title: Yadkin County/Jonesville/Yadkinville Occ. Tax. (Local)

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Sponsors:

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Referred to:

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March 27, 2007

A BILL TO BE ENTITLED

1 AN ACT TO INCREASE THE OCCUPANCY TAX FOR THE TOWN OF  
2 JONESVILLE, TO AUTHORIZE YADKIN COUNTY TO LEVY AN  
3 OCCUPANCY TAX IN A TAX DISTRICT COMPRISING THE  
4 UNINCORPORATED AREAS OF THE COUNTY, AND TO AUTHORIZE THE  
5 TOWN OF YADKINVILLE TO LEVY AN OCCUPANCY TAX.  
6

7 The General Assembly of North Carolina enacts:

8 **INCREASE JONESVILLE OCCUPANCY TAX**

9 **SECTION 1.** Section 1 of S.L. 2002-95 is amended by adding a new  
10 subsection to read:

11 "(a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection  
12 (a) of this section, the Jonesville Town Council may levy an additional room occupancy  
13 tax of up to three percent (3%) of the gross receipts derived from the rental of  
14 accommodations taxable under subsection (a) of this section. The levy, collection,  
15 administration, and repeal of the tax authorized by this subsection shall be in accordance  
16 with the provisions of this section. The Town of Jonesville may not levy a tax under this  
17 subsection unless it also levies the maximum tax authorized under subsection (a) of this  
18 section."

19 **YADKIN COUNTY DISTRICT Y OCCUPANCY TAX**

20 **SECTION 2.** Yadkin County District Y Created. – Yadkin County District  
21 Y is created as a taxing district. Its jurisdiction consists of that part of Yadkin County  
22 that is located outside of incorporated areas within the county. Yadkin County District  
23 Y is a body politic and corporate and has the power to carry out the provisions of this  
24 act. The Yadkin County Board of Commissioners shall serve ex officio as the  
25 governing body of the district, and the officers of the county shall serve as the officers  
26 of the governing body of the district. A simple majority of the governing body  
27 constitutes a quorum, and approval by a majority of those present is sufficient to  
28 determine any matter before the governing body, if a quorum is present.

1           **SECTION 3.** Authorization and Scope. – The governing body of Yadkin  
2 County District Y may levy a room occupancy tax of up to six percent (6%) of the gross  
3 receipts derived from the rental of any room, lodging, or accommodation furnished by a  
4 hotel, motel, inn, tourist camp, or similar place within the district that is subject to sales  
5 tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State  
6 or local sales or room occupancy tax. This tax does not apply to accommodations  
7 furnished by charitable, educational, or religious institutions or nonprofit organizations  
8 when furnished in furtherance of their nonprofit purpose.

9           **SECTION 4.** Administration. – A tax levied under this act shall be levied,  
10 administered, collected, and repealed as provided in G.S. 153A-155 as if Yadkin County  
11 District Y were a county. The penalties provided in G.S. 153A-155 apply to a tax  
12 levied under this act.

13           **SECTION 5.** Distribution and Use of Tax Revenue. – Yadkin County  
14 District Y shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to  
15 the Yadkin County District Y Tourism Development Authority created pursuant to  
16 Section 6 of this act. The Authority shall use at least two-thirds of the proceeds  
17 distributed to it to promote travel and tourism in the district and shall use the remainder  
18 for tourism-related expenditures in the district. In accordance with the North Carolina  
19 Constitution and the United States Constitution, the tax proceeds may be used only for  
20 the direct benefit of the jurisdiction of Yadkin County District Y. None of the proceeds  
21 may be used to promote travel or tourism in areas within Yadkin County that are outside  
22 of the district or for tourism-related expenditures in the county that are outside of the  
23 district.

24           The following definitions apply in this act:

- 25           (1) Net proceeds. – Gross proceeds less the cost to the county of  
26 administering and collecting the tax, as determined by the finance  
27 officer, not to exceed three percent (3%) of the first five hundred  
28 thousand dollars (\$500,000) of gross proceeds collected each year and  
29 one percent (1%) of the remaining gross receipts collected each year.
- 30           (2) Promote travel and tourism. – To advertise or market an area or  
31 activity, publish and distribute pamphlets and other materials, conduct  
32 market research, or engage in similar promotional activities that attract  
33 tourists or business travelers to the area. The term includes  
34 administrative expenses incurred in engaging in the listed activities.
- 35           (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
36 the Tourism Development Authority, are designed to increase the use  
37 of lodging facilities, meeting facilities, or convention facilities in a  
38 county or to attract tourists or business travelers to the county. The  
39 term includes tourism-related capital expenditures.

40           **SECTION 6.(a)** Yadkin County District Y Tourism Development Authority.  
41 – Appointment and Membership. – The Yadkin County Board of Commissioners shall  
42 adopt a resolution creating the Yadkin County District Y Tourism Development  
43 Authority, which shall be a public authority under the Local Government Budget and  
44 Fiscal Control Act. The resolution shall provide for the membership of the Authority,

1 including the members' terms of office, and for the filling of vacancies on the Authority.  
2 At least one-third of the members must be individuals who are affiliated with businesses  
3 that collect the tax in the district, and at least one-half of the members must be  
4 individuals who are currently active in the promotion of travel and tourism in the  
5 district. The board of commissioners shall designate one member of the Authority as  
6 chair and shall determine the compensation, if any, to be paid to members of the  
7 Authority.

8 The Authority shall meet at the call of the chair and shall adopt rules of  
9 procedure to govern its meetings. The Finance Officer for Yadkin County shall be the  
10 ex officio finance officer of the Authority.

11 **SECTION 6.(b) Duties.** – The Authority shall expend the net proceeds of  
12 the tax levied under this act for the purposes provided in Section 5 of this act. The  
13 Authority shall promote travel and tourism in the district and make tourism-related  
14 expenditures in the district.

15 **SECTION 6.(c) Reports.** – The Authority shall report quarterly and at the  
16 close of the fiscal year to the Yadkin County Board of Commissioners on its receipts  
17 and expenditures for the preceding quarter and for the year in such detail as the board  
18 may require.

#### 19 **YADKINVILLE OCCUPANCY TAX**

20 **SECTION 7. Occupancy tax.** – (a) Authorization and Scope. – The Board of  
21 Commissioners for the Town of Yadkinville may levy a room occupancy tax of up to  
22 six percent (6%) of the gross receipts derived from the rental of any room, lodging, or  
23 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place other  
24 than a bed and breakfast within the town that is subject to sales tax imposed by the State  
25 under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This  
26 tax does not apply to accommodations furnished by nonprofit charitable, educational, or  
27 religious organizations when furnished in furtherance of their nonprofit purpose.

28 **SECTION 7.(b) Administration.** – A tax levied under this section shall be  
29 levied, administered, collected, and repealed as provided in G.S. 160A-215. The  
30 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

31 **SECTION 7.(c) Distribution and Use of Tax Revenue.** – The Town of  
32 Yadkinville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to  
33 the Yadkinville Tourism Development Authority. The Authority shall use at least  
34 two-thirds of the funds remitted to it under this subsection to promote travel and tourism  
35 in the Town of Yadkinville and shall use the remainder for tourism-related  
36 expenditures.

37 The following definitions apply in this subsection:

- 38 (1) Net proceeds. – Gross proceeds less the cost to the town of  
39 administering and collecting the tax, as determined by the finance  
40 officer, not to exceed three percent (3%) of the first five hundred  
41 thousand dollars (\$500,000) of gross proceeds collected each year and  
42 one percent (1%) of the remaining gross proceeds collected each year.
- 43 (2) Promote travel and tourism. – To advertise or market an area or  
44 activity, publish and distribute pamphlets and other materials, conduct

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

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

9 **SECTION 8.** Tourism Development Authority. – (a) Appointment and  
10 Membership. – When the Board of Commissioners adopts a resolution levying a room  
11 occupancy tax under this act, it shall also adopt a resolution creating the Yadkinville  
12 Tourism Development Authority, which shall be a public authority under the Local  
13 Government Budget and Fiscal Control Act. The resolution shall provide for the  
14 membership of the Authority, including the members' terms of office, and for the filling  
15 of vacancies on the Authority. At least one-third of the members shall be individuals  
16 who are affiliated with businesses that collect the tax in the town, and at least one-half  
17 of the members shall be individuals who are currently active in the promotion of travel  
18 and tourism in the town. The Board of Commissioners shall designate one member of  
19 the Authority as chair and shall determine the compensation, if any, to be paid to  
20 members of the Authority.

21 The Authority shall meet at the call of the chair and shall adopt rules of  
22 procedure to govern its meetings. The Finance Officer for the Town of Yadkinville shall  
23 be the ex officio finance officer of the Authority.

24 **SECTION 8.(b)** Duties. – The Authority shall expend the net proceeds of  
25 the tax levied under Section 7 of this act for the purposes provided in Section 7 of this  
26 act. The Authority shall promote travel, tourism, and conventions in the town, sponsor  
27 tourist-related events and activities in the town, and finance tourist-related capital  
28 projects in the town.

29 **SECTION 8.(c)** Reports. – The Authority shall report quarterly and at the  
30 close of the fiscal year to the Yadkinville Board of Commissioners on its receipts and  
31 expenditures for the preceding quarter and for the year in such detail as the Board of  
32 Commissioners may require.

### 33 ADMINISTRATIVE PROVISIONS

34 **SECTION 9.** G.S. 153A-155(g) reads as rewritten:

35 "(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe,  
36 Burke, Cabarrus, Camden, Carteret, Caswell, Chowan, Clay, Craven, Cumberland,  
37 Currituck, Dare, Davie, Duplin, Durham, Franklin, Granville, Halifax, Madison, Martin,  
38 Montgomery, Nash, New Hanover, New Hanover County District U, Northampton,  
39 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan,  
40 Sampson, Scotland, Stanly, Transylvania, Tyrrell, Vance, and Washington Counties, to  
41 Watauga County District U, to Yadkin County District Y, and to the Township of  
42 Averagesboro in Harnett County."

43 **SECTION 10.** G.S. 160A-215(g) reads as rewritten:

1       "(g) This section applies only to Beech Mountain District W, to the Cities of  
2 Belmont, Elizabeth City, Eden, Gastonia, Goldsboro, Greensboro, High Point, Kings  
3 Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Reidsville,  
4 Roanoke Rapids, Shelby, Statesville, Washington, and Wilmington, to the Towns of  
5 Ahoskie, Beech Mountain, Benson, Blowing Rock, Boiling Springs, Burgaw, Carolina  
6 Beach, Carrboro, Dobson, Elkin, Franklin, Jonesville, Kenly, Kure Beach, Mooresville,  
7 North Topsail Beach, Pilot Mountain, Selma, Smithfield, St. Pauls, Troutman, Tryon,  
8 West Jefferson, Wilkesboro, ~~and~~Wrightsville Beach, and Yadkinville, and to the  
9 municipalities in Avery and Brunswick Counties."

10               **SECTION 11.** This act is effective when it becomes law.