

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**SESSION LAW 2007-340  
HOUSE BILL 1027**

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

The General Assembly of North Carolina enacts:

**INCREASE JONESVILLE OCCUPANCY TAX**

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

"(a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection (a) of this section, the Jonesville Town Council may levy an additional room occupancy tax of up to three percent (3%) 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 shall be in accordance with the provisions of this section. The Town of Jonesville may not levy a tax under this subsection unless it also levies the maximum tax authorized under subsection (a) of this section."

**YADKIN COUNTY DISTRICT Y OCCUPANCY TAX**

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

**SECTION 3.** Authorization and Scope. – The governing body of Yadkin County District Y may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the district 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 or room occupancy tax. This tax does not apply to accommodations furnished by charitable, educational, or religious institutions or nonprofit organizations when furnished in furtherance of their nonprofit purpose.

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 – A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Yadkin County District Y were a county.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

**SECTION 5.** Distribution and Use of Tax Revenue. – Yadkin County District Y shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Yadkin County District Y Tourism Development Authority created pursuant to Section 6 of this act. The Authority shall use at least two-thirds of the proceeds distributed to it to promote travel and tourism in the district and shall use the remainder

for tourism-related expenditures in the district. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Yadkin County District Y. None of the proceeds may be used to promote travel or tourism in areas within Yadkin County that are outside of the district or for tourism-related expenditures in the county that are outside of the district.

The following definitions apply in this act:

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

**SECTION 6.(a)** Yadkin County District Y Tourism Development Authority.

– Appointment and Membership. – The Yadkin County Board of Commissioners shall adopt a resolution creating the Yadkin County District Y Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals who are affiliated with businesses that collect the tax in the district, and at least one-half of the members must be individuals who are currently active in the promotion of travel and tourism in the district. The board of commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

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

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

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

**YADKINVILLE OCCUPANCY TAX**

**SECTION 7.** Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners for the Town of Yadkinville may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place other than a bed and breakfast within the town 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 when furnished in furtherance of their nonprofit purpose.

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

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

The following definitions apply in this subsection:

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

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

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

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

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

#### **ADMINISTRATIVE PROVISIONS**

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

"(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Franklin, Granville, Halifax, Madison, Martin, Montgomery, Nash, New Hanover, New Hanover County District U, Northampton,

Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Sampson, Scotland, Stanly, Transylvania, Tyrrell, Vance, and Washington Counties, to Watauga County District U, to Yadkin County District Y, and to the Township of Averagesboro in Harnett County."

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

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

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

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of August, 2007.

s/ Beverly E. Perdue  
President of the Senate

s/ Joe Hackney  
Speaker of the House of Representatives