

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE DRS15271-MEx-39\* (5/21)**

Short Title: Cherokee County Occupancy Tax. (Local)

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Sponsors: Senator Snow.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CHEROKEE COUNTY TO LEVY UP TO A SIX PERCENT ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** S.L. 1983-1055 is rewritten to read:

**"SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Cherokee County Board of Commissioners 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 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 when furnished in furtherance of their nonprofit purpose.

**"SECTION 1.(b)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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.

**"SECTION 1.(c)** Distribution and Use of Tax Revenue. – Cherokee County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Cherokee County 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 Cherokee County 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 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.

1 (2) Promote travel and tourism. – To advertise or market an area or  
2 activity, publish and distribute pamphlets and other materials, conduct  
3 market research, or engage in similar promotional activities that attract  
4 tourists or business travelers to the area. The term includes  
5 administrative expenses incurred in engaging in the listed activities.

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

11 **"SECTION 2.** Cherokee County Tourism Development Authority. – (a)  
12 Appointment and Membership. – When the Cherokee County Board of Commissioners  
13 adopts a resolution levying a room occupancy tax under this Act, it shall also adopt a  
14 resolution creating a county Tourism Development Authority, which shall be a public  
15 authority under the Local Government Budget and Fiscal Control Act. The resolution  
16 shall provide for the membership of the Authority, including the members' terms of  
17 office, and for the filling of vacancies on the Authority. At least one-third of the  
18 members must be individuals who are affiliated with businesses that collect the tax in  
19 the county, and at least one-half of the members must be individuals who are currently  
20 active in the promotion of travel and tourism in the county. The board of commissioners  
21 shall designate one member of the Authority as chair and shall determine the  
22 compensation, if any, to be paid to members of the Authority.

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

26 **"SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
27 levied under this Act for the purposes provided in this Act. The Authority shall promote  
28 travel, tourism, and conventions in the county, sponsor tourist-related events and  
29 activities in the county, and finance tourist-related capital projects in the county.

30 **"SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the close of  
31 the fiscal year to the Cherokee County Board of Commissioners on its receipts and  
32 expenditures for the preceding quarter and for the year in such detail as the board may  
33 require."

34 **SECTION 2.** S.L. 153A-155(g) reads as rewritten:

35 **"§ 153A-155. Uniform provisions for room occupancy taxes.**

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

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**SECTION 3.** This act is effective when it becomes law.