

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2015**

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**HOUSE BILL 347**

Short Title:   Modify Graham County Occupancy Tax. (Local)

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Sponsors:    Representative West (Primary Sponsor).

*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

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Referred to:   Local Government, if favorable, Finance.

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March 26, 2015

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE AUTHORIZATION TO GRAHAM COUNTY TO LEVY AN  
OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Section 1 of Chapter 969 of the 1985 Session Laws, as amended by Chapters 118 and 195 of the 1987 Session Laws and Section 21(k) of S.L. 2007-527, and only as it applies to Graham County, is rewritten and recodified as Sections 2 and 3 of this act. This act does not affect the rights or liabilities of the county, a taxpayer, or another person arising under the law rewritten and recodified by this act before the effective date of this act, nor does it affect the right to any refund or credit of a tax that accrued under the law rewritten and recodified by this act before the effective date of this act.

**SECTION 2.** Occupancy tax. – (a) Authorization and Scope. – The Graham 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 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 2.(b)** Administration. – A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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 Part.

**SECTION 2.(c)** Definitions. – 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 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 Graham County Tourism Development Authority, are designed to increase



1 the use of lodging facilities, meeting facilities, or convention facilities in the  
2 county or to attract tourists or business travelers to the county. The term  
3 includes tourism-related capital expenditures.

4 **SECTION 2.(d)** Distribution and Use of Tax Revenue. – Graham County shall, on  
5 a quarterly basis, remit the net proceeds of the occupancy tax levied under this act to the  
6 Graham County Tourism Development Authority. The Authority shall use at least two-thirds of  
7 the funds remitted to it under this subsection to promote travel and tourism in Graham County  
8 and shall use the remainder for tourism-related expenditures.

9 **SECTION 3.** Tourism Development Authority. – (a) Appointment and  
10 Membership. – The Graham County Board of Commissioners shall adopt a resolution  
11 modifying the Graham County Tourism Development Authority to conform with the  
12 requirements of this section. The Authority shall be a public authority under the Local  
13 Government Budget and Fiscal Control Act. The resolution adopted by the Board of  
14 Commissioners shall provide for the membership of the Authority, including the members'  
15 terms of office, and for the filling of vacancies on the Authority. At least one-third of the  
16 members shall be individuals who are affiliated with businesses that collect the tax in the  
17 county, and at least one-half of the members shall be individuals who are currently active in the  
18 promotion of travel and tourism in the county. The Board of Commissioners shall designate  
19 one member of the Authority as chair and shall determine the compensation, if any, to be paid  
20 to members of the Authority.

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

24 **SECTION 3.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
25 levied under this Section 2 of this act for the purposes provided in this act. The Authority shall  
26 promote travel, tourism, and conventions in the county, sponsor tourist-related events and  
27 activities in the county, and finance tourist-related capital projects in the county.

28 **SECTION 3.(c)** Reports. – The Authority shall report quarterly and at the close of  
29 the fiscal year to the Graham County Board of Commissioners on its receipts and expenditures  
30 for the preceding quarter and for the year in such detail as the Board of Commissioners may  
31 require.

32 **SECTION 4.** Section 3 of Chapter 969 of the 1985 Session Laws, as amended by  
33 S.L. 2011-170, reads as rewritten:

34 "Sec. 3. This act applies only to the following counties: ~~Graham~~, Clay, Durham, Macon,  
35 Polk, and Transylvania."

36 **SECTION 5.** Section 3 of Chapter 118 of the 1987 Session Laws, as amended by  
37 S.L. 2011-170, reads as rewritten:

38 "Sec. 3. This act applies only to the following counties: ~~Clay, Graham,~~ Clay and Macon."

39 **SECTION 6.** Section 2 of Chapter 195 of the 1987 Session Laws, as amended by  
40 S.L. 2011-170, reads as rewritten:

41 "Sec. 2. This act applies only to the following counties: ~~Clay, Graham,~~ Clay and Macon."

42 **SECTION 7.** G.S. 153A-155(g) reads as rewritten:

43 "(g) Applicability. – Subsection (c) of this section applies to all counties and county  
44 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of  
45 a local act, subsection (c) supersedes that provision. The remainder of this section applies only  
46 to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,  
47 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,  
48 Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson,  
49 Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover,  
50 Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham,  
51 Rowan, Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance,

1 Washington, and Wilson Counties, to New Hanover County District U, to Surry County  
2 District S, to Watauga County District U, to Wilkes County District K, to Yadkin County  
3 District Y, and to the Township of Averagesboro in Harnett County and the Ocracoke Township  
4 Taxing District."

5           **SECTION 8.** This act is effective when it becomes law, and the Graham County  
6 Board of Commissioners shall adopt the resolution required by Section 3 of this act within 60  
7 days of that date.