

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

**SESSION LAW 2001-434  
HOUSE BILL 685**

AN ACT TO AUTHORIZE ANSON, MONTGOMERY, AND STANLY COUNTIES TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX, TO CHANGE THE PURPOSES FOR WHICH BEECH MOUNTAIN CAN USE ITS OCCUPANCY TAX, TO MAKE ADMINISTRATIVE CHANGES TO THE BEECH MOUNTAIN OCCUPANCY TAX, TO CREATE AN OCCUPANCY TAX DISTRICT IN BEECH MOUNTAIN, AND TO AUTHORIZE THE BEECH MOUNTAIN TAX DISTRICT TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**PART I. COUNTY ADMINISTRATIVE PROVISIONS**

**SECTION 1. G.S. 153A-155 reads as rewritten:**

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

(a) Scope. – This section applies only to counties the General Assembly has authorized to levy room occupancy taxes.

(b) Levy. – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) Collection. – Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a 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 the taxing county. The tax 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 taxing county shall design, print, and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing county a discount equal to the discount the State allows the operator for State sales and use tax.

(d) Administration. – The taxing county shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the county finance officer 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 taxing county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the county finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) Penalties. – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing county has the

same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) **Repeal or Reduction.** – A room occupancy tax levied by a county may be repealed or reduced by a resolution adopted by the governing body of the county. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(g) This section applies only to Anson, Avery, Brunswick, Craven, Currituck, Davie, Granville, Madison, Montgomery, Nash, Person, Randolph, Scotland, Stanly, and Transylvania Counties."

## **PART II. ANSON COUNTY**

**SECTION 2.** Anson Occupancy Tax. (a) **Authorization and Scope.** – The Anson County Board of Commissioners may levy a room occupancy tax of up to 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 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 2.(c)** **Distribution and Use of Tax Revenue.** – Anson County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Anson 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 Anson 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.
- (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 these activities.
- (3) **Tourism-related expenditures.** – Expenditures that, in the judgment of the Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a county by attracting tourists or business travelers to the county. The term includes tourism-related capital expenditures.

**SECTION 3.** Anson Tourism Development Authority. (a) **Appointment and Membership.** – When the board of commissioners adopts a resolution levying a room occupancy tax under 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. 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 county, and at least three-fourths of the members must be individuals who are currently active in the

promotion of travel and tourism in the county. 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 Anson County shall be the ex officio finance officer of the Authority.

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

**SECTION 3.(c) Reports.** – The Authority shall report quarterly and at the close of the fiscal year to the board of commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

### **PART III. MONTGOMERY COUNTY**

**SECTION 4. Montgomery Occupancy Tax.** (a) Authorization and Scope. – The Montgomery County Board of Commissioners may levy a room occupancy tax of up to 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 4.(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 4.(c) Distribution and Use of Tax Revenue.** – Montgomery County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Montgomery 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 Montgomery 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.
- (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 these activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a county by attracting tourists or business travelers to the county. The term includes tourism-related capital expenditures.

**SECTION 5. Montgomery Tourism Development Authority.** (a) Appointment and Membership. – When the board of commissioners adopts a resolution levying a room occupancy tax under 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. 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 county, and at least three-fourths of the members must be individuals who are currently active in the

promotion of travel and tourism in the county. 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 Montgomery County shall be the ex officio finance officer of the Authority.

**SECTION 5.(b) Duties.** – The Authority shall expend the net proceeds of the tax levied under this Part for the purposes provided in this Part. The Authority shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county.

**SECTION 5.(c) Reports.** – The Authority shall report quarterly and at the close of the fiscal year to the board of commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

#### **PART IV. STANLY COUNTY**

**SECTION 6. Stanly Occupancy Tax. (a) Authorization and Scope.** – The Stanly 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 6.(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 6.(c) Distribution and Use of Tax Revenue.** – Stanly County shall, on a quarterly basis, remit to the City of Albemarle five-sixths of the gross proceeds of the occupancy tax derived from accommodations in the City of Albemarle. The City of Albemarle shall remit to the Stanly County Tourism Development Authority forty percent (40%) of the proceeds it receives under this subsection. The City of Albemarle shall use the remainder of the proceeds only for tourism-related expenditures.

Stanly County shall remit to each municipality in the county other than the City of Albemarle the net proceeds of the occupancy tax derived from accommodations in that municipality. Each of these municipalities shall remit to the Stanly County Tourism Development Authority each year the greater of one dollar (\$1.00) per capita of the municipality's population or one-half of the amount remitted to the municipality under this subsection. The municipalities shall use the remaining funds received under this subsection only for tourism-related expenditures in the county.

The county shall remit to the Stanly County Tourism Development Authority the greater of twenty-five thousand dollars (\$25,000) a year or one-half of the remaining net proceeds of the occupancy tax.

The Authority shall use the funds remitted to it under this subsection only to promote travel and tourism in Stanly County.

Stanly County shall use the remainder of the net proceeds only for tourism-related expenditures in the county.

**SECTION 6.(d) Definitions.** – The following definitions apply in this section:

- (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 an amount equal to 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 these activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the entity making the expenditure, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a county by attracting tourists or business travelers to the county. The term includes tourism-related capital expenditures.

**SECTION 6.(e)** Effect on Local Act. – Chapter 915 of the 1991 Session Laws is repealed effective on the effective date of a tax levied under this Part by Stanly County.

**SECTION 7.** Stanly County Tourism Development Authority. – As used in this Part, the term "Stanly County Tourism Development Authority" means a nonprofit corporation established for the purpose of promoting travel, tourism, and conventions in the county, sponsoring tourist-related events and activities in the county, and financing tourist-related capital projects in the county. The county and municipalities shall remit funds to the Authority under this Part only pursuant to a contract that requires the Authority to expend the funds to promote travel and tourism in Stanly County. The contract must also require the Authority to report quarterly and at the close of the fiscal year to the board of commissioners and annually to each municipality in the county on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

**PART V. BEECH MOUNTAIN**

**SECTION 8.** Chapter 376 of the 1987 Session Laws, as amended by Part XV of Senate Bill 92, 2001 Regular Session, reads as rewritten:

"AN ACT TO AUTHORIZE THE TOWN OF BEECH MOUNTAIN TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

Section 1. Occupancy Tax. The Town Council of Beech Mountain may levy a room occupancy and tourism development tax.

~~The occupancy and tourism development tax that may be levied under this act shall be tax of three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation in the Town of Beech Mountain 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. The tax does tax or room occupancy tax. The tax does not apply to sleeping rooms or lodgings furnished by charitable, educational, or religious institutions or nonprofit organizations.~~

Sec. 2. Administration of Tax. – (a) 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-act.~~

(c) All persons, firms, corporations, and associations who rent either their own dwelling or dwellings or rooms for other persons are required to submit to the town a list of all rental properties. This list shall include the owner's name, current address, and location of rental property. The list shall be submitted semi-annually on or before November 30 and May 30.

Failure to file this listing shall subject the person, firm, corporation or association to a civil penalty.

Sec. 5. Distribution and Use of Tax Revenue. – The Town of Beech Mountain shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Beech Mountain Tourism Development Authority. The Beech Mountain Tourism Development Authority shall use at least two thirds of the funds remitted to it under this subsection segregate the funds received under this act into two separate accounts based on the county from which the proceeds were collected. Net proceeds collected under this act from accommodations located in Watauga County shall be credited to a Watauga

Proceeds Account, and net proceeds collected under this act from accommodations located in Avery County shall be credited to an Avery Proceeds Account. The Beech Mountain Tourism Development Authority shall segregate the tax proceeds it receives from Beech Mountain District W into a third separate account, the District W Account. The Beech Mountain Tourism Development Authority shall use at least two-thirds of the funds in the Avery Proceeds Account to promote travel and tourism in Beech Mountain and shall use the remainder for tourism-related expenditures.

For the first seven years that funds are remitted to the Beech Mountain Tourism Development Authority under this section, the Authority shall use at least one-third of the funds in the Watauga Proceeds Account to promote travel and tourism in Beech Mountain and shall use the remainder for tourism-related expenditures. For funds remitted to it thereafter, the Beech Mountain Tourism Development Authority shall use at least two-thirds of the funds in the Watauga Proceeds Account to promote travel and tourism in Beech Mountain and shall use the remainder for tourism-related expenditures.

For the first seven years that funds are remitted to the Beech Mountain Tourism Development Authority from Beech Mountain District W, the Authority shall use at least one-third of the funds in the District W Account to promote travel and tourism in Beech Mountain District W and shall use the remainder for tourism-related expenditures for the direct benefit of Beech Mountain District W. For funds remitted to it thereafter, the Beech Mountain Tourism Development Authority shall use at least two-thirds of the funds in the District W Account to promote travel and tourism in Beech Mountain District W and shall use the remainder for tourism-related expenditures for the direct benefit of Beech Mountain District W.

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 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 town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

Sec. 5.1. Beech Mountain Tourism Development Authority. (a) Appointment and Membership. – When the Beech Mountain Town Council adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a town 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 town, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the town. The town council 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 Beech Mountain shall be the ex officio finance officer of the Authority.

Sec. 5.2. 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, tourism, and conventions in the town, sponsor tourist-related events and activities in the town, and finance tourist-related capital projects in the town.

Sec. 5.3. Reports. The Authority shall report quarterly and at the close of the fiscal year to the Beech Mountain Town Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the town council may require.

Sec. 7. This act is effective upon ratification."

## **PART VI. CITY ADMINISTRATIVE PROVISIONS**

### **SECTION 9. G.S. 160A-215 reads as rewritten:**

#### **"§ 160A-215. Uniform provisions for room occupancy taxes.**

(a) Scope. – This section applies only to municipalities the General Assembly has authorized to levy room occupancy taxes. For the purpose of this section, the term "city" means a municipality.

(b) Levy. – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) Collection. – Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a 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 the taxing city. The tax 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 taxing city shall design, print, and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing city a discount equal to the discount the State allows the operator for State sales and use tax.

(d) Administration. – The taxing city shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the city finance officer in monthly installments on or before the fifteenth 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 fifteenth day of each month, prepare and render a return on a form prescribed by the taxing city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the city finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) Penalties. – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing city has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) Repeal or Reduction. – A room occupancy tax levied by a city may be repealed or reduced by a resolution adopted by the governing body of the city. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(g) This section applies only to Beech Mountain District W, to the Cities of Goldsboro, Greensboro, Lumberton, Mount Airy, Shelby, and Statesville, to the Towns of Banner Elk, Beech Mountain, Mooresville, and St. Pauls, and to the municipalities in Brunswick County."

#### **PART VII. BEECH MOUNTAIN DISTRICT W**

**SECTION 10.(a)** District W Created. – Beech Mountain District W is created as a taxing district. Its jurisdiction consists of that part of the Town of Beech Mountain that is located in Watauga County. Beech Mountain District W is a body politic and corporate and has the power to carry out the provisions of this section. The Beech Mountain Town Council shall serve ex officio as the governing body of the district, and the officers of the town council 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 10.(b)** Authorization and Scope. – The governing body of Beech Mountain District W may levy a room occupancy tax of up to 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 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 10.(c)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215 as if Beech Mountain District W were a town. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

All persons, firms, corporations, and associations who rent either their own dwelling or dwellings or rooms for other persons are required to submit to the district a list of all rental properties. This list must include the owner's name, current address, and location of rental property. The list must be submitted semiannually on or before November 30 and May 30. Failure to file this list subjects the person, firm, corporation, or association to a civil penalty.

**SECTION 10.(d)** Distribution and Use of Tax Revenue. – Beech Mountain District W shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Beech Mountain Tourism Development Authority created in Chapter 376 of the 1987 Session Laws, as amended. The Beech Mountain Tourism Development Authority shall use the tax proceeds remitted to it under this act for the purposes provided in Chapter 376 of the 1987 Session Laws, as amended. 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 Beech Mountain District W.

For the purposes of this section, "net proceeds" means gross proceeds less the cost to the district 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.

#### **PART VIII. EFFECTIVE DATE**

**SECTION 11.** Parts V and VII of this act become effective the first day of the fourth month after this act becomes law. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11<sup>th</sup> day of October, 2001.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives