

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 69
Committee Substitute Favorable 2/21/23

Short Title: Warren County Occupancy Tax.

(Local)

Sponsors:

Referred to:

February 9, 2023

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE WARREN COUNTY TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Occupancy tax. – (a) Authorization and Scope. – The Warren County Board of Commissioners may levy a room occupancy tax of five percent (5%) of the gross receipts derived from the rental of an accommodation 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.

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 – A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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

SECTION 1.(c) Distribution and Use of Tax Revenue. – Warren County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Warren County Tourism Development Authority. The Authority shall use at least two-thirds of the funds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the county.

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 the listed activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Warren County Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

SECTION 2. Tourism Development Authority. – (a) Appointment and Membership. – When the Warren County Board of Commissioners adopts a resolution levying a room occupancy tax under this act, 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 adopted by the Board of Commissioners shall provide for



1 the membership of the Authority, including the members' terms of office, and for the filling of
2 vacancies on the Authority. At least one-third of the members shall be individuals who are
3 affiliated with businesses that collect the tax in the county, and at least one-half of the members
4 shall be individuals who are currently active in the promotion of travel and tourism in the county.
5 The Warren County 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 Authority.

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

10 **SECTION 2.(b) Duties.** – The Authority shall expend the net proceeds of the tax
11 levied under this act for promoting travel and tourism and for tourism-related expenditures as
12 provided in this act.

13 **SECTION 2.(c) Reports.** – The Authority shall report quarterly and at the close of
14 the fiscal year to the Warren County Board of Commissioners on its receipts and expenditures
15 for the preceding quarter and for the year in such detail as the Board of Commissioners may
16 require.

17 **SECTION 3.** G.S. 153A-155(g) reads as rewritten:

18 "(g) Applicability. – Subsection (c) of this section applies to all counties and county
19 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of
20 a local act, subsection (c) supersedes that provision. The remainder of this section applies only
21 to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,
22 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,
23 Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson,
24 Jackson, Madison, Martin, McDowell, Mitchell, Montgomery, Moore, Nash, New Hanover,
25 Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham,
26 Rowan, Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Warren,
27 Washington, Wayne, and Wilson Counties, to Harnett County District H, New Hanover County
28 District U, Surry County District S, Watauga County District U, Wilkes County District K,
29 Yadkin County District Y, and the Township of Averagesboro in Harnett County and the Ocracoke
30 Township Taxing District."

31 **SECTION 4.** This act is effective when it becomes law.