

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 184
Committee Substitute Favorable 3/14/23

Short Title: Haywood County Occupancy Taxes.

(Local)

Sponsors:

Referred to:

February 27, 2023

A BILL TO BE ENTITLED
AN ACT TO INCREASE THE OCCUPANCY TAX RATE AUTHORIZED FOR HAYWOOD
COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Part V of Chapter 908 of the 1983 Session Laws, as amended by Section 2 of Chapter 942 of the 1985 Session Laws (Regular Session 1986), Chapter 48 of the 1987 Session Laws, Part II of Chapter 540 of the 1995 Session Laws, and Sections 1 and 2 of S.L. 2007-337, reads as rewritten:

"Part V. Haywood Occupancy Tax.

"Sec. 10. Occupancy Tax. (a) Authorization and Scope. – The Haywood County Board of Commissioners may levy a room occupancy and tourism development tax of two percent (2%) of the gross receipts derived from the rental of ~~any room, lodging, or similar an accommodation furnished by any hotel, motel, inn, tourist camp, or other 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, benevolent, or religious organizations.~~

"Sec. 10.1. First Additional One Percent (1%) Occupancy Tax. – In addition to the tax authorized by Section 10 of this Part, the Haywood County Board of Commissioners may levy a room occupancy and tourism development tax of one percent (1%) of the gross receipts derived from the rental of accommodations taxable under that section. The levy, collection, administration, and repeal of the tax authorized by this section, and the use of tax revenue from a tax levied under this section, shall be in accordance with this Part. Haywood County may not levy a tax under this section unless it also levies a tax under Section 10 of this Part.

"Sec. 10.2. Second Additional One Percent (1%) Occupancy Tax. – In addition to the tax authorized by Sections 10 and 10.1 of this Part, the Haywood County Board of Commissioners may levy a room occupancy and tourism development tax of one percent (1%) of the gross receipts derived from the rental of accommodations taxable under Sections 10 and 10.1 of this Part. The levy, collection, administration, and repeal of the tax authorized by this section and the use of tax revenue from a tax levied under this section shall be in accordance with this Part. Haywood County may not levy a tax under this section unless it also levies the tax authorized under Sections 10 and 10.1 of this Part.

"Sec. 10.3. First Additional Two Percent (2%) Occupancy Tax. – In addition to the tax authorized by Sections 10, 10.1, and 10.2 of this Part, the Haywood County Board of Commissioners may levy a room occupancy and tourism development tax of two percent (2%) of the gross receipts derived from the rental of accommodations taxable under Sections 10, 10.1, and 10.2 of this Part. The levy, collection, administration, and repeal of the tax authorized by this



section and the use of tax revenue from a tax levied under this section shall be in accordance with this Part. Haywood County may not levy a tax under this section unless it also levies the tax authorized under Sections 10, 10.1, and 10.2 of this Part.

"Sec. 12. Administration. – A tax levied under this Part 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.

"Sec. 14. Distribution and Use of the First Three Percent (3%) Occupancy Tax. – Haywood County shall, on a monthly basis, remit the net proceeds of the room occupancy and tourism development tax levied under Sections 10 and 10.1 of this Part to the Haywood County Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this ~~Part~~ section to promote travel and tourism in the county and shall use the remainder for tourism-related expenditures.

The following definitions apply in this Part:

- (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.

"Sec. 14.1. Distribution and Use of the Additional One Percent (1%) Occupancy Tax. – Haywood County shall, on a monthly basis, remit the net proceeds of the room occupancy and tourism development tax levied under Section 10.2 of this Part to the Haywood County Tourism Development Authority. The Authority must segregate the net proceeds received under this section into five separate accounts based on the collection area from which the proceeds were collected. Net proceeds collected under this section from accommodations located in the 28716 zip code area must be credited to the Canton Area Account. Net proceeds collected under this section from accommodations located in the 28721 zip code area must be credited to the Clyde Area Account. Net proceeds collected under this section from accommodations located in 28745 zip code area must be credited to the Lake Junaluska Area Account. Net proceeds collected under this section from accommodations located in the 28751 zip code area must be credited to the Maggie Valley Area Account. Net proceeds collected under this section from accommodations located in the 28785 and the 28786 zip code areas must be credited to the Waynesville Area Account. Based on recommendations from and in consultation with each of the five collection areas, the Authority shall use at least two-thirds of the funds in each account to promote travel and tourism and the remainder for tourist-related expenditures in each of the collection areas.

"Sec. 14.2. Distribution and Use of the First Additional Two Percent (2%) Occupancy Tax. – Haywood County shall, on a monthly basis, remit the net proceeds of the room occupancy and tourism development tax levied under Section 10.3 of this Part to the Haywood County Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this section to promote travel and tourism and shall use the remainder for tourism-related expenditures.

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SECTION 2. This act is effective when it becomes law.