

Toussaint L. Green

T. MARCH 24, 1997

Short Title: Brunswick Occupancy Tax. (Local)

Sponsors: Representatives Redwine, Hill & Wright

Referred to:

1 A Bill To Be Entitled
2 AN ACT TO ALLOW BRUNSWICK COUNTY TO LEVY A ROOM OCCUPANCY
3 AND TOURISM DEVELOPMENT TAX.

4 The General Assembly of North Carolina enacts:

5 Section 1. Levy of Tax. (a) The Board of
6 Commissioners of Brunswick County will levy a room
7 occupancy and tourism development tax.

8 (b) Collection of the tax, and liability
9 therefor, shall begin and continue January 1st after the
10 ratification of this bill.

11 Sec. 2. Rate of Tax. The room occupancy and
12 tourism development tax that may be levied under this act
13 shall be one percent (1%) of the gross receipts derived
14 from the rental of any room, lodging, or similar
15 accommodation furnished by any hotel, motel, inn, tourist
16 camp, or other similar enterprise within the county now
17 subject to the three percent (3%) sales tax imposed by
18 the State under G.S. 105-164.4(3). This tax is in
19 addition to any local sales or occupancy tax.

20 Sec. 3. Exemptions. The tax authorized by this
21 act does not apply to gross receipts derived by the
22 following entities from accommodations furnished by them:

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- 1 (1) religious organizations;
- 2 (2) a business that offers to rent fewer than
- 3 five units;
- (3) educational organizations; and
- 5 (4) summer camps.

6 Sec. 4. Administration of Tax. (a) Any tax

7 levied under this act is due and payable to the county

8 monthly on or before the 15th day of the month following

9 the month in which the tax is collected.

10 Every person, firm, corporation, or association liable

11 for the tax shall, on or before the 15th day of each

12 month, prepare and render a return on a form prescribed

13 by Brunswick County. The return shall state the total

14 gross receipts derived in the preceding month from

15 rentals upon which the tax is levied.

16 (b) Any person, firm, corporation, or

17 association failing or refusing to file the return

18 required by this act shall pay a penalty of ten dollars

19 (\$10.00) for each day's omission.

20 (c) In case of failure or refusal to file the

21 return or pay the tax for a period of 30 days after the

22 time required for filing the return or for paying the

23 tax, there shall be an additional tax, as a penalty, of

24 five percent (5%) of the tax due, in addition to the

25 penalty prescribed in subsection (b), with an additional

26 tax of five percent (5%) for each additional month or

27 fraction thereof until the occupancy tax is paid.

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1 (d) Any person who willfully attempts in any
 2 manner to evade the tax imposed by this act or to make a
 3 return or who willfully fails to pay the tax or make and
 4 file a return shall, in addition to all other penalties
 5 provided by law, be guilty of a misdemeanor and shall be
 6 punishable by a fine not to exceed one thousand dollars
 7 (\$1,000), imprisonment not to exceed six months, or both.

8 Sec. 5. Collection of Tax. Every operator of a
 9 business subject to the tax levied by this act shall, on
 10 and after the effective date of the levy of the tax,
 11 collect the one percent (1%) tax. This tax shall be
 12 collected as part of the charge for the furnishing of any
 13 taxable accommodations. The tax shall be stated and
 14 charged separately from the sales records, and shall be
 15 paid by the purchaser to the operator of the business as
 16 trustee for and on account of Brunswick County. The tax
 17 levied pursuant to this act shall be added to the sales
 18 price and shall be passed on to the purchaser instead of
 19 being borne by the operator of the business. The county
 20 shall design, print, and furnish to all affected
 21 businesses in Brunswick County the necessary forms for
 22 filing returns and instructions to ensure the collection
 23 of the tax.

24 Sec. 6. Disposition of Taxes Collected. (a)
 25 Brunswick County shall remit the net proceeds of the
 26 occupancy tax to the Brunswick County Tourism Development
 27 Authority monthly. "Net proceeds" means gross proceeds

1 less the cost to the county of administration and the
2 collection of the tax, not to exceed _____ percent (____%)
3 of the gross proceeds of the tax. The Brunswick
4 County Tourism Development Authority shall allocate the
5 occupancy tax revenue remitted to it for the following
6 purposes:

7 (1) Direct advertising costs for visitor
8 promotions, conventions, or tourism, including outdoor
9 advertising, print media, broadcast media, electronic
10 media and brochures;

11 (2) Marketing and promotions expenses, including
12 research programs, consultant fees, postage and
13 fulfillment costs, travel expenses, and registration
14 fees;

15 (3) The Brunswick County Tourism Development
16 Authority may contract with appropriate organizations or
17 agencies to assist it in carrying out the above purposes.

18 (4) Salaries, Benefits and other personnel
19 expenses of the Tourism Development Authority shall not
20 exceed 10% of net collections.

21 Sec. 7. Appointment, Duties of Tourism
22 Development Authority. (a) When the board of county
23 commissioners adopts a resolution levying a room
24 occupancy tax pursuant to this act, it shall also adopt a
25 resolution creating a County Tourism Development
26 Authority, which shall be a public authority under the
27 Local Government Budget and Fiscal Control Act and shall

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1 be composed of the following members;

2 (1) 2 persons supportive of and directly
3 involved in tourism development, appointed by the
4 Southport- Oak Island Chamber of Commerce or its
5 successor;

6 (2) 2 persons supportive of and directly
7 involved in tourism development, appointed by the South
8 Brunswick Islands Chamber of Commerce or its successor;

9 (3) 4 at-large members supportive of and
10 directly involved in tourism development, appointed by
11 Brunswick County Commissioners; and

12 (4) The finance officer of Brunswick County,
13 shall serve as a nonvoting, ex officio members.

14 (b) All members of the Authority shall serve
15 without compensation. Vacancies in the Authority shall be
16 filled by the appointing authority of the member
17 creating the vacancy. Members appointed to fill
18 vacancies shall serve for the remainder of the unexpired
19 term for which they are appointed to fill. Members shall
20 serve one-year terms, except the at-large members who
21 shall serve two year terms.

22 (c) At-large members may serve no more than two
23 consecutive two-year terms.

24 (d) The members shall elect a chairman, who
25 shall serve for a term of one year. The Authority shall
26 meet at the call of the chairman and shall adopt rules of
27 procedure to govern its meetings.

1 (e) The Tourism Development Authority shall
2 report at the close of the fiscal year to the board of
3 county commissioners on its receipts and expenditures
4 for the preceding year in such detail as the board may
5 require and will submit a budget of expenditures for the
6 next fiscal year.

7 Sec. 9. This act is effective upon ratification.

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1 (b) Administration. A tax levied under this section shall be levied,
2 administered, collected, and repealed as provided in G.S. 153A-155. The penalties
3 provided in G.S. 153A-155 apply to a tax levied under this section.

4 (c) Distribution and use of tax revenue. Brunswick County shall, on a
5 monthly basis, remit the net proceeds of the occupancy tax to the Brunswick Tourism
6 Development Authority. The Authority shall use the funds remitted to it under this
7 subsection to promote travel and tourism in Brunswick County. No more than ten
8 percent (10%) of the funds remitted to the Authority under this subsection may be
9 used for the Authority's administrative expenses, including salaries and benefits.

10 The following definitions apply in this subsection:

11 (1) Net proceeds -- Gross proceeds less the cost to the county of
12 administering and collecting the tax, as determined by the finance
13 officer, not to exceed three percent (3%) of the gross proceeds.

14 (2) Promote travel and tourism. -- To advertise or market an area or
15 activity, publish and distribute pamphlets and other materials,
16 conduct market research, or engage in similar promotional
17 activities that attract tourists or business travelers to the area; the
18 term includes administrative expenses incurred in engaging in the
19 listed activities.

20 Section 2. Brunswick Tourism Development Authority. (a)
21 Appointment and membership. When the board of commissioners of Brunswick
22 County adopts a resolution levying a room occupancy tax under Section 1 of this act,
23 it shall also adopt a resolution creating a county Tourism Development Authority,
24 which shall be a public authority under the Local Government Budget and Fiscal
25 Control Act. The Authority shall have 10 members appointed by the Brunswick
26 County Commissioners as follows:

27 (1) Five individuals who are currently involved in the promotion of
28 travel and tourism, selected by the Brunswick County
29 Commissioners.

30 (2) Five individuals selected jointly by the South Brunswick Islands
31 Chamber of Commerce and the Southport-Oak Island Chamber of
32 Commerce.

33 The resolution shall provide for the members' terms of office and for the
34 filling of vacancies on the Authority. The board of commissioners shall designate one
35 member of the Authority as chair. Members of the Authority shall serve without
36 compensation.

37 The Authority shall meet monthly and shall adopt rules of procedure to
38 govern its meetings. The Finance Officer for Brunswick County shall be the ex
39 officio finance officer of the Authority.

40 (b) Duties. The Authority shall expend the net proceeds of the tax
41 levied under Section 1 of this act to promote travel and tourism in Brunswick County
42 as provided in Section 1 of this act. The Authority shall promote travel, tourism, and
43 conventions in the county.