

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 169
Committee Substitute Favorable 5/20/25

Short Title: Haywood County Occupancy Tax Mods.

(Local)

Sponsors:

Referred to:

February 24, 2025

A BILL TO BE ENTITLED

AN ACT TO INCREASE HAYWOOD COUNTY'S AUTHORITY TO LEVY AN
OCCUPANCY TAX AND TO MAKE OTHER ADMINISTRATIVE CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. Part V of Chapter 908 of the 1983 Session Laws, as amended by Chapter 942 of the 1985 Session Laws (Regular Session 1986), Chapter 48 of the 1987 Session Laws, Chapter 540 of the 1995 Session Laws, and 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%)~~ up to six percent (6%) 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. 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. 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. 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. 13. Repealed by S.L. 2007-337.

"Sec. 14. Distribution and Use of ~~the First Three Percent Occupancy Tax.~~ Tax Revenue. – Haywood County shall, on a ~~monthly~~ quarterly basis, remit the net proceeds of the room



1 occupancy and tourism development tax levied under Sections 10 and 10.1 of this Part to the
2 Haywood County Tourism Development Authority. The Authority shall use at least two-thirds
3 of the funds remitted to it under this Part to promote travel and tourism in the county and shall
4 use ~~the remainder~~ one-third of the funds for tourism-related ~~expenditures~~ expenditures in the
5 county.

6 The following definitions apply in this Part:

- 7 (1) Net proceeds. – Gross proceeds less the cost to the county of administering
8 and collecting the tax, as determined by the finance officer, not to exceed three
9 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
10 proceeds collected each year and one percent (1%) of the remaining gross
11 receipts collected each year.
- 12 (2) Promote travel and tourism. – To advertise or market an area or activity,
13 publish and distribute pamphlets and other materials, conduct market research,
14 or engage in similar promotional activities that attract tourists or business
15 travelers to the area. The term includes administrative expenses incurred in
16 engaging in the listed activities.
- 17 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
18 Tourism Development Authority, are designed to increase the use of lodging
19 facilities, meeting facilities, or convention facilities in a county or to attract
20 tourists or business travelers to the county. The term includes tourism-related
21 capital expenditures.

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

38 "Sec. 15. Tourism Development Authority. – (a) Appointment and Membership. – When the
39 Haywood County Board of Commissioners adopts a resolution levying a room occupancy and
40 tourism development tax pursuant to this Part, it shall also adopt a resolution creating the
41 Haywood County Tourism Development Authority, which shall be a public authority under the
42 Local Government Budget and Fiscal Control Act. The resolution shall provide that the Authority
43 is composed of the following ~~15-eight~~ members:

- 44 (1) ~~Three—Two~~ members who own or operate hotels, motels, or other
45 accommodations with more than 20 rental units. Of these members, one
46 member must be from the 28751, 28785, or 28786 zip code, and one member
47 must be from the 28716, 28721, or 28745 zip code.
- 48 (2) ~~Three—Two~~ members who own or operate hotels, motels, or other
49 accommodations with 20 or fewer rental units. Of these members, one
50 member must be from the 28751, 28785, or 28786 zip code, and one member
51 must be from the 28716, 28721, or 28745 zip code.

- 1 (3) Two members who own or operate a tourism-related business, including, but
2 not limited to, county attractions, resorts, restaurants, gift shops, and concert
3 venues. Of these members, one member must be from the 28751, 28785, or
4 28786 zip code, and one member must be from the 28716, 28721, or 28745
5 zip code.
- 6 (4) ~~Four at-large members who are recommended to the Board of Commissioners~~
7 ~~by the four municipal governments. Each governing body must submit two~~
8 ~~names to the Board, and the Board must select from the names submitted.~~
- 9 ~~(5)~~(4) ~~Three ex officio, nonvoting members as follows:~~
10 ~~a. A member of the Haywood County Board of Commissioners.~~
- 11 (5) ~~b. The One ex officio, nonvoting member, who shall be the Haywood County~~
12 ~~finance officer.~~
- 13 ~~e. The Executive Director of the Haywood County Economic~~
14 ~~Development Commission.~~

15 All members of the Authority shall be appointed by the Haywood County Board of
16 Commissioners. The resolution shall also provide for the members' terms of office and for the
17 filling of vacancies on the Authority. At least one-third of the members must be individuals
18 affiliated with businesses that collect the tax in the county, and at least one-half of the members
19 must be individuals currently active in the promotion of travel and tourism in the county. ~~The~~
20 ~~Board of Commissioners shall designate four of its initial appointees to serve a one year term,~~
21 ~~four to serve a two year term, and four to serve a three year term. Thereafter, all members shall~~
22 ~~serve three year terms. All members of the Authority serve at the pleasure of the Board of~~
23 ~~Commissioners and may be removed by the Board at any time. All members of the Authority~~
24 ~~shall serve without compensation. Vacancies shall be filled by the Board of Commissioners~~
25 ~~subject to the qualifications established above for the vacating member. Members appointed to~~
26 ~~fill vacancies shall serve the remainder of the unexpired term for which they are appointed to fill.~~
27 The Board shall designate one member of the Authority as chair and shall determine the
28 compensation, if any, to be paid to members of the Authority.

29 ~~The members of the Tourism Development Authority shall elect from its membership a chair.~~
30 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its
31 meetings. ~~The chair shall only vote to break a tie vote.~~ The finance officer of Haywood County
32 shall ~~serve be the~~ ex officio as accountant for finance officer of the Authority.

33 (b1) Duties. – The Authority shall expend the net proceeds of the tax levied under this Part
34 for ~~the purposes provided in this Part. The Authority shall promote travel, tourism, and~~
35 ~~conventions in the county, sponsor tourist related events and activities in the county, and finance~~
36 ~~tourist related capital projects in the county.~~ promoting travel and tourism and for tourism-related
37 expenditures as provided in this Part.

38 (c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to
39 the Board of Commissioners on its receipts and disbursements for the preceding quarter and for
40 the year in such detail as the Board may require."

41 **SECTION 2.** This act is effective when it becomes law. When the Haywood County
42 Board of Commissioners adopts a resolution levying an increase of the room occupancy tax as
43 authorized under this act, it shall adopt a resolution modifying the composition of the Haywood
44 County Tourism Development Authority in accordance with this act.