

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 332
Committee Substitute Favorable 5/20/25
PROPOSED SENATE COMMITTEE SUBSTITUTE H332-PCS10671-SVxfr-49

Short Title: Various Occupancy Tax Changes.

(Local)

Sponsors:

Referred to:

March 10, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS OCCUPANCY TAX CHANGES FOR NASH, HAYWOOD,
3 BEAUFORT, AND CHEROKEE COUNTIES AND FOR THE CITY OF ROCKY
4 MOUNT.

5 The General Assembly of North Carolina enacts:

6
7 **PART I. NASH COUNTY OCCUPANCY TAX CHANGES**

8 **SECTION 1.1.(a)** Sections 1 and 2 of Chapter 32 of the 1987 Session Laws, as
9 amended by S.L. 1993-545, S.L. 1997-255, and S.L. 2001-349, read as rewritten:

10 "Section 1. Occupancy tax. – (a) Authorization and scope. – The Nash County Board of
11 Commissioners may levy a room occupancy tax of three percent (3%) of the gross receipts
12 derived from the rental of ~~any room, lodging, or similar an accommodation furnished by a hotel,~~
13 ~~motel, inn, or similar place~~ within the county that is subject to sales tax imposed by the State
14 under G.S. 105-164.4(a)(3). ~~This tax is in addition to any State or local sales tax. This tax does~~
15 ~~not apply to accommodations furnished by nonprofit charitable, educational, or religious~~
16 ~~organizations.~~

17 ~~(a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a)~~
18 ~~of this section, the Nash County Board of Commissioners may levy an additional room~~
19 ~~occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of~~
20 ~~accommodations taxable under subsection (a). The levy, collection, administration, and repeal of~~
21 ~~the tax authorized by this subsection shall be in accordance with the provisions of this section.~~
22 ~~Nash County may not levy a tax under this subsection unless it also levies the tax authorized~~
23 ~~under subsection (a) of this section.~~

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25 collected, and repealed as provided in G.S. 153A-155.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

27 (c) Distribution and use of tax revenue. – Nash County shall, on a quarterly basis, remit
28 the net proceeds of the occupancy tax levied under ~~subsection (a) of this section to the Nash~~
29 ~~County Tourism Development Authority and the net proceeds of the occupancy tax levied under~~
30 ~~subsection (a1) of this section to the City of Rocky Mount Authority.~~ The Authority shall ~~spend~~
31 ~~use~~ at least two-thirds of the funds remitted to it only to promote travel and tourism in Nash
32 ~~County, the county and shall spend use the remainder on for~~ tourism-related expenditures. The
33 ~~City of Rocky Mount shall spend the funds remitted to it only for tourism-related expenditures~~
34 ~~within Nash County that have been specifically approved in advance by the Nash County~~



* H 3 3 2 - P C S 1 0 6 7 1 - S V X F R - 4 9 *

1 ~~Tourism Development Authority~~ expenditures in the county. The following definitions apply in
2 this subsection:

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

21 "Sec. 2. Tourism Development Authority. – (a) Appointment and membership. – When the
22 Board of Commissioners adopts a resolution levying a room occupancy tax under this act, it shall
23 also adopt a resolution creating a county Tourism Development Authority, which shall be a
24 public authority under the Local Government Budget and Fiscal Control Act. The resolution shall
25 provide for the ~~Board of Commissioners to appoint the membership of the Authority, for the~~
26 ~~terms of office of the members, including the members' terms of office,~~ and for the filling of
27 vacancies on the Authority. At least one-third of the members must be individuals who are
28 affiliated with businesses that collect the tax in the county. ~~If the Authority has an even number~~
29 ~~of members, then at least one-half of the members shall have experience in the promotion of~~
30 ~~travel and tourism. If the Authority has an odd number of members, then at least one less than~~
31 ~~one-half of the members shall have experience in the promotion of travel and tourism.~~ county,
32 and at least one-half of the members must be individuals who are currently active in the
33 promotion of travel and tourism in the county. No elected official may serve as a member of the
34 Authority. The Board of Commissioners shall designate one member of the Authority as chair
35 and shall determine the compensation, if any, to be paid to members of the Authority.

36 The Authority shall meet at the call of the chair ~~or upon a written request signed by at least~~
37 ~~one-third of its members~~ and shall adopt rules of procedure to govern its meetings. The Finance
38 Officer for Nash County shall be the ex officio finance officer of the Authority.

39 (b) Duties. – The Authority ~~shall promote travel, tourism, and conventions in the county,~~
40 ~~and shall~~ expend the net tax proceeds distributed to it under this act for the purposes provided in
41 Section 1(c) of this act.

42 (c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to
43 the Board of County Commissioners on its receipts and expenditures for the preceding quarter
44 and for the year in such detail as the Board may require."

45 **SECTION 1.1.(b)** This section is effective October 1, 2026, and applies to gross
46 receipts derived from the rental of an accommodation that a person occupies or has the right to
47 occupy on or after that date. The reduction of the room occupancy tax under this section does not
48 affect a liability for a tax that was attached before the effective date of the reduction, nor does it
49 affect a right to a refund of a tax that accrued before the effective date of the reduction.

50 **SECTION 1.1.(c)** As soon as practicable after the repeal of the two percent (2%)
51 room occupancy tax under this section and the creation of the Rocky Mount District R Tourism

1 Development Authority under Section 1.4 of this Part, Nash County shall remit to the Rocky
2 Mount District R Tourism Development Authority the net proceeds of the two percent (2%)
3 occupancy tax that have been collected but not yet remitted to the City of Rocky Mount. In
4 addition, any unexpended net proceeds of the two percent (2%) room occupancy tax held by the
5 City of Rocky Mount as of October 1, 2026, shall be remitted to the Rocky Mount District R
6 Tourism Development Authority upon its creation. The net proceeds derived from the two
7 percent (2%) occupancy tax that are remitted to the Rocky Mount District R Tourism
8 Development Authority under this subsection shall be used for the same purposes as authorized
9 for the City of Rocky Mount under Section 1(c) of Chapter 32 of the 1987 Session Laws, as
10 amended by S.L. 1993-545, S.L. 1997-255, and S.L. 2001-349.

11 **SECTION 1.2.** Rocky Mount District R Created. – Rocky Mount District R is
12 created as a taxing district. Its jurisdiction consists of only that part of Rocky Mount that is
13 located within Nash County. Rocky Mount District R is a body politic and corporate and has the
14 power to carry out the provisions of this Part. The Rocky Mount City Council shall serve ex
15 officio as the governing body of the district, and the officers of the City shall serve as the officers
16 of the governing body of the district. A simple majority of the governing body constitutes a
17 quorum, and approval by a majority of those present is sufficient to determine any matter before
18 the governing body, if a quorum is present.

19 **SECTION 1.3.** Occupancy tax. – (a) Authorization and Scope. – The governing body
20 of Rocky Mount District R may levy a room occupancy tax of up to two percent (2%) of the
21 gross receipts derived from the rental of an accommodation within the district that is subject to
22 sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or
23 local sales tax.

24 **SECTION 1.3.(b)** Administration. – A tax levied under this Part shall be levied,
25 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
26 G.S. 160A-215 apply to a tax levied under this section.

27 **SECTION 1.3.(c)** Distribution and Use of Tax Revenue. – Rocky Mount District R
28 shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Rocky Mount
29 District R Tourism Development Authority. The Authority shall use at least two-thirds of the
30 proceeds distributed to it to promote travel and tourism and shall use the remainder for
31 tourism-related expenditures. In accordance with the North Carolina Constitution and the United
32 States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of
33 Rocky Mount District R.

34 The following definitions apply in this subsection:

- 35 (1) Net proceeds. – Gross proceeds less the cost to the district of administering
36 and collecting the tax, as determined by the finance officer, not to exceed three
37 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
38 proceeds collected each year and one percent (1%) of the remaining gross
39 receipts collected each year.
- 40 (2) Promote travel and tourism. – To advertise or market an area or activity,
41 publish and distribute pamphlets and other materials, conduct market research,
42 or engage in similar promotional activities that attract tourists or business
43 travelers to the area. The term includes administrative expenses incurred in
44 engaging in the listed activities.
- 45 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
46 Tourism Development Authority, are designed to increase the use of
47 accommodations, meeting facilities, or convention facilities in the district or
48 to attract tourists or business travelers to the district. The term includes
49 tourism-related capital expenditures.

50 **SECTION 1.4.** Tourism Development Authority. – (a) Appointment and
51 Membership. – When the governing body of Rocky Mount District R adopts a resolution levying

1 a room occupancy tax under this Part, it shall also adopt a resolution creating a district Tourism
2 Development Authority, which shall be a public authority under the Local Government Budget
3 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,
4 including the members' terms of office, and for the filling of vacancies on the Authority. At least
5 one-third of the members shall be individuals who are affiliated with businesses that collect the
6 tax in the district, and at least one-half of the members shall be individuals who are currently
7 active in the promotion of travel and tourism in the district. No elected official may serve as a
8 member of the Authority. The governing body of Rocky Mount District R shall designate one
9 member of the Authority as chair and shall determine the compensation, if any, to be paid to
10 members of the Authority.

11 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
12 govern its meetings. The finance officer for the City of Rocky Mount shall be the ex officio
13 finance officer of the Authority.

14 **SECTION 1.4.(b) Duties.** – The Authority shall expend the net proceeds of the tax
15 levied under this Part for promoting travel and tourism and for tourism-related expenditures as
16 provided in this Part.

17 **SECTION 1.4.(c) Reports.** – The Authority shall report quarterly and at the close of
18 the fiscal year to the Rocky Mount City Council on its receipts and expenditures for the preceding
19 quarter and for the year in such detail as the City Council may require.

20 **SECTION 1.5.** A room occupancy tax levied under this Part may not become
21 effective any earlier than the effective date of the repeal of the two percent (2%) room occupancy
22 tax under Section 1.1(a) of this act.

23 **SECTION 1.6.** G.S. 160A-215(g) reads as rewritten:

24 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an
25 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection
26 (c) supersedes that provision. The remainder of this section applies only to Beech Mountain
27 District W, to the Cities of Belmont, Burlington, Conover, Eden, Elizabeth City, Gastonia,
28 Goldsboro, Graham, Greensboro, Hickory, High Point, Indian Trail, Jacksonville, Kings
29 Mountain, Lake Santeetlah, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Mebane,
30 Monroe, Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Sanford, Shelby,
31 Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson,
32 Bermuda Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro,
33 Cooleemee, Cramerton, Dallas, Dobson, Elkin, Elon, Fontana Dam, Four Oaks, Franklin, Grover,
34 Hillsborough, Jefferson, Jonesville, Kenly, Kure Beach, Lansing, Leland, McAdenville,
35 Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo,
36 Robbinsville, Selma, Smithfield, St. James, St. Pauls, Swansboro, Troutman, Tryon, West
37 Jefferson, Wrightsville Beach, Yadkinville, Yanceyville, to the municipalities in Avery and
38 Brunswick Counties, to Clayton District C, Rocky Mount District R, Saluda District D, and
39 Stallings District S."

40 **SECTION 1.7.** Except as otherwise provided, this Part is effective when it becomes
41 law.

42 43 **PART II. HAYWOOD COUNTY OCCUPANCY TAX CHANGES**

44 **SECTION 2.1.** Part V of Chapter 908 of the 1983 Session Laws, as amended by
45 Chapter 942 of the 1985 Session Laws (Regular Session 1986), Chapter 48 of the 1987 Session
46 Laws, Chapter 540 of the 1995 Session Laws, and S.L. 2007-337, reads as rewritten:

47 "Part V. Haywood Occupancy Tax.

48 "Sec. 10. Occupancy Tax. (a) Authorization and Scope. – The Haywood County Board of
49 Commissioners may levy a room occupancy and tourism development tax of ~~two percent (2%)~~
50 up to six percent (6%) of the gross receipts derived from the rental of ~~any room, lodging, or~~
51 ~~similar an accommodation furnished by any hotel, motel, inn, tourist camp, or other similar place~~

1 within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
2 This tax is in addition to any State or local sales tax. ~~This tax does not apply to accommodations
3 furnished by nonprofit charitable, educational, benevolent, or religious organizations.~~

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

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

19 "Sec. 12. Administration. — A tax levied under this Part shall be levied, administered,
20 collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155
21 apply to a tax levied under this Part.

22 "Sec. 13. Repealed by S.L. 2007-337.

23 ~~"Sec. 14. Distribution and Use of the First Three Percent Occupancy Tax. Tax Revenue. —
24 Haywood County shall, on a ~~monthly~~ quarterly basis, remit the net proceeds of the room
25 occupancy and tourism development tax levied under Sections 10 and 10.1 of this Part to the
26 Haywood County Tourism Development Authority. The Authority shall use ~~at least two-thirds~~
27 of the funds ~~remitted to it under this Part~~ to promote travel and tourism in the county and shall
28 use ~~the remainder~~ one-third of the funds for tourism-related ~~expenditures.~~ expenditures in the
29 county.~~

30 The following definitions apply in this Part:

- 31 (1) Net proceeds. — Gross proceeds less the cost to the county of administering
32 and collecting the tax, as determined by the finance officer, not to exceed three
33 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
34 proceeds collected each year and one percent (1%) of the remaining gross
35 receipts collected each year.
- 36 (2) Promote travel and tourism. — To advertise or market an area or activity,
37 publish and distribute pamphlets and other materials, conduct market research,
38 or engage in similar promotional activities that attract tourists or business
39 travelers to the area. The term includes administrative expenses incurred in
40 engaging in the listed activities.
- 41 (3) Tourism-related expenditures. — Expenditures that, in the judgment of the
42 Tourism Development Authority, are designed to increase the use of lodging
43 facilities, meeting facilities, or convention facilities in a county or to attract
44 tourists or business travelers to the county. The term includes tourism-related
45 capital expenditures.

46 ~~"Sec. 14.1. Distribution and Use of the Additional One Percent Occupancy Tax. — Haywood
47 County shall, on a monthly basis, remit the net proceeds of the room occupancy and tourism
48 development tax levied under Section 10.2 of this Part to the Haywood County Tourism
49 Development Authority. The Authority must segregate the net proceeds received under this
50 section into five separate accounts based on the collection area from which the proceeds were
51 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. 15. Tourism Development Authority. – (a) Appointment and Membership. – When the Haywood County Board of Commissioners adopts a resolution levying a room occupancy and tourism development tax pursuant to this Part, it shall also adopt a resolution creating the Haywood County Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide that the Authority is composed of the following ~~15-eight~~ members:

- ~~(1) Three-Two~~ members who own or operate hotels, motels, or other accommodations with more than 20 rental units. Of these members, one member must be from the 28751, 28785, or 28786 zip code, and one member must be from the 28716, 28721, or 28745 zip code.
- ~~(2) Three-Two~~ members who own or operate hotels, motels, or other accommodations with 20 or fewer rental units. Of these members, one member must be from the 28751, 28785, or 28786 zip code, and one member must be from the 28716, 28721, or 28745 zip code.
- ~~(3) Two~~ members who own or operate a tourism-related business, including, but not limited to, county attractions, resorts, restaurants, gift shops, and concert venues. Of these members, one member must be from the 28751, 28785, or 28786 zip code, and one member must be from the 28716, 28721, or 28745 zip code.
- ~~(4) Four at large members who are recommended to the Board of Commissioners by the four municipal governments. Each governing body must submit two names to the Board, and the Board must select from the names submitted.~~
- ~~(5)(4) Three ex officio, nonvoting members as follows:~~
 - ~~a. A member of the Haywood County Board of Commissioners.~~
 - ~~(5) b. The One ex officio, nonvoting member who shall be the Haywood County finance officer.~~
 - ~~e. The Executive Director of the Haywood County Economic Development Commission.~~

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

~~1 The Board shall designate one member of the Authority as chair and shall determine the~~
~~2 compensation, if any, to be paid to members of the Authority.~~

~~3 The members of the Tourism Development Authority shall elect from its membership a chair.~~
4 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its
5 meetings. ~~The chair shall only vote to break a tie vote.~~ The finance officer of Haywood County
6 shall ~~serve as the ex officio accountant for~~ finance officer of the Authority.

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

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

15 **SECTION 2.2.** This Part is effective when it becomes law. When the Haywood
16 County Board of Commissioners adopts a resolution levying an increase of the room occupancy
17 tax as authorized under this Part, it shall adopt a resolution modifying the composition of the
18 Haywood County Tourism Development Authority in accordance with this Part.

19 **PART III. BEAUFORT COUNTY DISTRICT B OCCUPANCY TAX**

20 **SECTION 3.1.** Beaufort County District B Created. – Beaufort County District B is
21 created as a taxing district. Its jurisdiction consists of that part of Beaufort County that is located
22 outside of the incorporated area of the City of Washington. Beaufort County District B is a body
23 politic and corporate and has the power to carry out the provisions of this Part. The Beaufort
24 County Board of Commissioners shall serve ex officio as the governing body of the district, and
25 the officers of the county shall serve as the officers of the governing body of the district. A simple
26 majority of the governing body constitutes a quorum, and approval by a majority of those present
27 is sufficient to determine any matter before the governing body, if a quorum is present.

28 **SECTION 3.2.** Occupancy tax. – (a) Authorization and Scope. – The governing body
29 of Beaufort County District B may levy a room occupancy tax of up to six percent (6%) of the
30 gross receipts derived from the rental of an accommodation within the district that is subject to
31 sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or
32 local sales tax.

33 **SECTION 3.2.(b)** Administration. – A tax levied under this Part shall be levied,
34 administered, collected, and repealed as provided in G.S. 153A-155 as if Beaufort County
35 District B were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under
36 this Part.

37 **SECTION 3.2.(c)** Distribution and Use of Tax Revenue. – Beaufort County District
38 B shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Beaufort
39 County District B Tourism Development Authority. The Authority shall use at least two-thirds
40 of the funds to promote travel and tourism and shall use the remainder for tourism-related
41 expenditures in the district. In accordance with the North Carolina Constitution and the United
42 States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of
43 Beaufort County District B. None of the proceeds may be used to promote travel or tourism in
44 areas within Beaufort County that are outside of the district or for tourism-related expenditures
45 in the county that are outside of the district.

46 The following definitions apply in this Part:

- 47 (1) Net proceeds. – Gross proceeds less the cost to the county of administering
48 and collecting the tax, as determined by the finance officer, not to exceed three
49 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
50

1 proceeds collected each year and one percent (1%) of the remaining gross
2 receipts collected each year.

3 (2) Promote travel and tourism. – To advertise or market an area or activity,
4 publish and distribute pamphlets and other materials, conduct market research,
5 or engage in similar promotional activities that attract tourists or business
6 travelers to the area. The term includes administrative expenses incurred in
7 engaging in the listed activities.

8 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
9 Tourism Development Authority, are designed to increase the use of
10 accommodations, meeting facilities, or convention facilities in a county or to
11 attract tourists or business travelers to the county. The term includes
12 tourism-related capital expenditures.

13 **SECTION 3.3.(a)** Beaufort County District B Tourism Development Authority. –
14 Appointment and Membership. – When the Beaufort County Board of Commissioners adopts a
15 resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating
16 the Beaufort County District B Tourism Development Authority, which shall be a public
17 authority under the Local Government Budget and Fiscal Control Act. The resolution shall
18 provide for the membership of the Authority, including the members' terms of office, and for the
19 filling of vacancies on the Authority. At least one-third of the members must be individuals who
20 are affiliated with businesses that collect the tax in the district, and at least one-half of the
21 members must be individuals who are currently active in the promotion of travel and tourism in
22 the district. The board of commissioners shall designate one member of the Authority as chair
23 and shall determine the compensation, if any, to be paid to members of the Authority.

24 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
25 govern its meetings. The Finance Officer for Beaufort County shall be the ex officio finance
26 officer of the Authority.

27 **SECTION 3.3.(b)** Duties. – The Authority shall expend the net proceeds of the tax
28 levied under this Part for promoting travel and tourism and for tourism-related expenditures as
29 provided in this Part.

30 **SECTION 3.3.(c)** Reports. – The Authority shall report quarterly and at the close of
31 the fiscal year to the Beaufort County Board of Commissioners on its receipts and expenditures
32 for the preceding quarter and for the year in such detail as the board may require.

33 **SECTION 3.4.** G.S. 153A-155(g) reads as rewritten:

34 "(g) Applicability. – Subsection (c) of this section applies to all counties and county
35 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of
36 a local act, subsection (c) supersedes that provision. The remainder of this section applies only
37 to Alleghany, Anson, Bertie, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret,
38 Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie,
39 Duplin, Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood,
40 Henderson, Jackson, Madison, Martin, McDowell, Mitchell, Montgomery, Moore, Nash, New
41 Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond,
42 Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Stokes, Swain, Transylvania,
43 Tyrrell, Union, Vance, Warren, Washington, Wayne, Wilson, and Yancey Counties, to Avery
44 County District A, Beaufort County District B, Graham County District G, Harnett County
45 District H, Iredell County District I, New Hanover County District U, Pender County District P,
46 Surry County District S, Watauga County District U, Wilkes County District W, Yadkin County
47 District Y, and the Township of Averagesboro in Harnett County and the Ocracoke Township
48 Taxing District."

49 **SECTION 3.5.** This Part is effective when it becomes law.

50
51 **PART IV. CHEROKEE COUNTY TDA CHANGES**

1 **SECTION 4.1.(a)** Section 6 of Chapter 1055 of the 1983 Session Laws, as amended
2 by Section 21(e) of S.L. 2007-527, Section 1 of S.L. 2008-33, and Section 28 of S.L. 2009-445,
3 reads as rewritten:

4 "Sec. 6. Cherokee County Tourism Development Authority. –

5 (a) Appointment and Membership. – When the Cherokee County Board of
6 Commissioners adopts a resolution levying a room occupancy tax under this act, it shall also
7 adopt a resolution creating a County Tourism Development Authority, which shall be a public
8 authority under the Local Government Budget and Fiscal Control Act. The resolution shall
9 provide for the membership of the Authority, including the members' terms of office, in
10 accordance with this section, and for the filling of vacancies on the Authority. At least one-third
11 of the members must be individuals who are affiliated with businesses that collect the tax in the
12 county, and at least one-half of the members must be individuals who are currently active in the
13 promotion of travel and tourism in the county. Members of the Authority shall serve for terms of
14 three years, and no member shall serve more than two consecutive full terms unless a minimum
15 of 12 months has elapsed since the expiration of the member's second full term. The board of
16 commissioners shall designate one member of the Authority as chair and shall determine the
17 compensation, if any, to be paid to members of the Authority. The Authority shall meet at the
18 call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer
19 for Cherokee County shall be the ex officio finance officer of the Authority. The Authority shall
20 be composed of seven members as follows:

21 (1) One member of the Cherokee County Board of Commissioners, appointed by
22 the Cherokee County Board of Commissioners.

23 (2) One member, nominated by the Town Council of the Town of Murphy, who
24 is actively engaged in the promotion of travel and tourism or the collection of
25 occupancy tax. The Cherokee County Board of Commissioners shall appoint
26 the Town Council's nominee under this subdivision.

27 (3) One member, nominated by the Board of Aldermen of the Town of Andrews,
28 who is actively engaged in the promotion of travel and tourism or collects
29 occupancy tax. The Cherokee County Board of Commissioners shall appoint
30 the Board of Aldermen's nominee under this subdivision.

31 (4) Four members who are actively engaged in the promotion of travel and
32 tourism or collect the occupancy tax. The Cherokee County Board of
33 Commissioners shall appoint the four members under this subdivision.

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

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

41 **SECTION 4.1.(b)** The modifications to appointments and term limits of members
42 of the Cherokee County Tourism Development Authority under this Part become incrementally
43 effective upon the expiration of the terms of current members of the Authority and applicable to
44 newly seated members of the Authority thereafter.

45 **PART V. EFFECTIVE DATE**

46 **SECTION 5.** Except as otherwise provided, this act is effective when it becomes
47 law.
48