



# HOUSE BILL 211: Increase Sampson County Occupancy Tax Auth.

2017-2018 General Assembly

<b>Committee:</b> House Finance	<b>Date:</b> June 14, 2017
<b>Introduced by:</b> Reps. Brisson, L. Bell	<b>Prepared by:</b> Trina Griffin
<b>Analysis of:</b> First Edition	Committee Co-Counsel

**OVERVIEW:** House Bill 211 would increase from 3% to 6% Sampson County's authority to levy a room occupancy tax.

**CURRENT LAW:** In 2007, the General Assembly granted Sampson County the authority to levy a 3% room occupancy tax. The provisions of that act conform to the Occupancy Tax Guidelines adhered to by the House Finance Committee.

**BILL ANALYSIS:** House Bill 211 would increase from 3% to 6% the county's authority to levy an occupancy tax. No other changes are being made, so this local act would continue to conform to the Occupancy Tax Guidelines.

**EFFECTIVE DATE:** The bill would become effective when it becomes law.

**BACKGROUND:** In 1997, the General Assembly enacted uniform municipal and county administrative provisions for occupancy tax,<sup>1</sup> which provide uniformity among counties and cities with respect to the levy, administration, collection, repeal, and imposition of penalties. In 1993, the House Finance Committee established the Occupancy Tax Guidelines, which address the rate of tax, the use of the tax proceeds, the administration of the tax, and the body with authority to determine how the proceeds will be spent. A summary of these provisions is detailed in the chart below.

UNIFORM OCCUPANCY TAX PROVISIONS
<b>Rate</b> – The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.
<b>Use</b> – Two-thirds of the proceeds must be used to promote travel and tourism and the remainder must be used for tourism related expenditures.
<b>Definitions</b> The term "net proceeds", "promote travel and tourism", and "tourism related expenditures" are defined terms.
<b>Administration</b> – The net revenues must be administered by a local tourism development authority that has the authority to determine how the tax proceeds will be used, is created by a local ordinance, and at least 1/2 of the members must be currently active in the promotion of travel and tourism in the county and 1/3 of the members must be affiliated with organizations that collect the tax.
<b>Costs of Collection</b> – The taxing authority may retain from the revenues its actual costs of collection, not to exceed 3% of the first \$500,000 collected each year plus 1% of the remainder collected each year.

<sup>1</sup> G.S. 153A-155 and G.S. 160A-215.

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