



HOUSE BILL 282: Yadkin Occupancy Tax Modification.

2017-2018 General Assembly

Committee:	House Finance	Date:	June 14, 2017
Introduced by:	Rep. Zachary	Prepared by:	Trina Griffin
Analysis of:	PCS to First Edition H282-CSSVX-36		Committee Co-Counsel

OVERVIEW: House Bill 282 would repeal Yadkinville's authority to levy an occupancy tax and expand Yadkin County's authority to levy an occupancy tax in all areas of the county except for the Town of Jonesville and the Town of Yadkinville, both of which already levy an occupancy tax.

CURRENT LAW: Yadkin County has the authority to levy a 6% occupancy tax in all of the unincorporated areas of the county. There are 4 municipalities in Yadkin County: Boonville, East Bend, Jonesville, and Yadkinville. Both Jonesville and Yadkinville have the authority to levy a 6% occupancy tax.

BILL ANALYSIS: House Bill 282 would expand the area in which Yadkin County may levy the county tax to all areas in the county other than the Towns of Jonesville and Yadkinville.

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,¹ 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
Rate – The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.
Use – Two-thirds of the proceeds must be used to promote travel and tourism and the remainder must be used for tourism related expenditures.
Definitions The term "net proceeds", "promote travel and tourism", and "tourism related expenditures" are defined terms.
Administration – 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.
Costs of Collection – 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.

¹ G.S. 153A-155 and G.S. 160A-215.

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