



# HOUSE BILL 420: Rockingham Cty Tourism Development Authority.

2017-2018 General Assembly

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<b>Committee:</b>	House State and Local Government I. If	<b>Date:</b>	March 31, 2017
	favorable, re-refer to Commerce and Job		
	Development		
<b>Introduced by:</b>	Reps. Bert Jones, K. Hall	<b>Prepared by:</b>	Billy R. Godwin
<b>Analysis of:</b>	First Edition		Staff Attorney

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**OVERVIEW:** *House Bill 420 would change the membership composition of the Rockingham County Tourism Development Authority and the method for filling vacancies. The bill would become effective when it becomes law.*

**CURRENT LAW:** In 1991 the General Assembly created The Rockingham County Tourism Development Authority (TDA) and authorized the Rockingham County Board of Commissioners (BOC) to levy a three percent (3% ) occupancy tax which was increased to four (4%) by the General Assembly in 2009. The TDA consists of 12 members, one-third (1/3) of whom must be *affiliated with* businesses that collect the tax and one-half (1/2) of whom must be currently active in promotion of travel and tourism. Members serve three-year terms with vacancies filled by the appointing authority. Current membership is composed as follows:

- The Executive Director of Rockingham Economic Development and Tourism.
- A Rockingham County Commissioner.
- Two hotel/motel owners or operators and two persons involved in the tourism business.
  - One appointed by the BOC & one appointed by each of the three Chambers of Commerce in Rockingham County.
- Five persons involved in businesses or professions affected by tourism development.
  - Two appointed by the BOC & one appointed by each of the three Chambers of Commerce in Rockingham County.
- The President of the Chinqua-Penn Foundation, Inc.

The taxes are levied, collected, and administered by the county in accordance with G.S. 153A- 155 and remitted to the TDA on a quarterly basis with two-thirds (2/3) to be used for promotion of travel and tourism and one-third (1/3) to be used for tourism related expenses.

**BILL ANALYSIS:** House Bill 430 would retain the 12-person membership but remove the requirement that one-third (1/3) of the members be *affiliated with* business that collect the tax and one-half (1/2) be currently active in promotion of travel and tourism. The County Finance Officer would be added as a member and membership designated for the President of the Chinqua-Penn Foundation, Inc., would be eliminated upon the expiration of that existing member's term. Composition of the TDA under the bill would be:

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- The Executive Director of Rockingham Economic Development and Tourism.
- A Rockingham County Commissioner.
- The County Finance Officer.
- Two hotel/motel owners or operators *that collect* the tax.
- Seven persons involved in businesses or professions who may, but are not required to be, *affiliated with* business that collect the tax.

The bill would also provide that:

- All TDA vacancies are filled by the Rockingham County Board of Commissioners.
- The membership changes take effect as the terms expire.
- Voting members are limited to two consecutive terms.
- The TDA chair is elected by the voting members only.

**COMPLIANCE WITH GUIDELINES:** The bill does not comply with the occupancy tax guidelines established by the House Finance Committee. The guidelines require that at least **one-half (1/2)** of a TDA's membership be currently active in the promotion of travel and tourism in the taxing district and that **one-third (1/3)** of the members be affiliated with organizations collecting the tax. In the case of the Rockingham County TDA, under the guidelines, at least six of its members must be active in the promotion of travel and tourism and at least 4 members must be affiliated with organizations collecting the tax. House Bill 420 would provide that two members [the hotel/motel owners] actually collect the tax and that seven members *may be* [but not required] affiliated with businesses that that collect the tax.

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