



HOUSE BILL 184: Haywood County Occupancy Taxes.

2023-2024 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	March 14, 2023
Introduced by:	Rep. Pless	Prepared by:	Trina Griffin Staff Attorney
Analysis of:	Second Edition		

OVERVIEW: House Bill 184 would authorize Haywood County to levy an additional 2% room occupancy tax. The proceeds of the tax would be remitted to the Haywood County Tourism Development Authority. The Authority must use at least two-thirds for tourism promotion and the remainder for tourism-related expenditures. This bill conforms to the House Finance Guidelines for Occupancy Tax.

CURRENT LAW: Haywood County currently has the authority to levy a 4% room occupancy tax. At least two-thirds of the proceeds must be used for tourism promotion and the remainder for tourism-related expenditures.¹

BILL ANALYSIS: House Bill 184 would authorize Haywood County to levy an additional 2% room occupancy tax, for a total of 6%. Haywood County must levy the first 4% occupancy tax to levy this additional tax. The tax proceeds would be remitted to the Haywood County Tourism Development Authority. Under the bill, at least two-thirds of the proceeds of the tax must be used to promote travel and tourism and the remainder must be used for tourism-related expenditures.

EFFECTIVE DATE: This act would be effective when it becomes law.

BACKGROUND: In 1997, the General Assembly enacted uniform municipal and county administrative provisions for occupancy tax,² 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,

¹ [S.L. 2007-337](#).

² G.S. 153A-155 and G.S. 160A-215.

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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.

Nick Giddings, counsel to House Local Government, substantially contributed to this summary.