

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

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**HOUSE BILL 232  
Committee Substitute Favorable 3/14/23**

Short Title: Mitchell County Occupancy Tax Modification.

(Local)

Sponsors:

Referred to:

March 2, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO INCREASE THE MITCHELL COUNTY OCCUPANCY TAX  
3 AUTHORIZATION.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Section 1 of Chapter 141 of the 1987 Session Laws, as amended by  
6 Section 21(m) of S.L. 2007-527 and Section 1.1 of S.L. 2022-40, reads as rewritten:

7 "**Section 1.** Occupancy tax. (a) Authorization and ~~scope.~~ Scope. – The Mitchell County  
8 Board of Commissioners may levy a room occupancy tax of up to three percent (3%) of the gross  
9 receipts derived from the rental of an accommodation within the county that is subject to sales  
10 tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local  
11 sales tax.

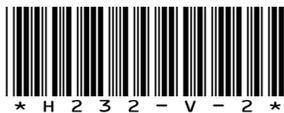
12 (a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection (a) of  
13 this section, the Mitchell County Board of Commissioners may levy an additional room  
14 occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of  
15 accommodations taxable under subsection (a) of this section. The levy, collection,  
16 administration, and repeal of the tax authorized by this subsection shall be in accordance with  
17 the provisions of this section. Mitchell County may not levy a tax under this subsection unless it  
18 also levies the tax authorized under subsection (a) of this section.

19 (c) Administration. – A tax levied under this section 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20 collected, and repealed as provided in G.S. 153A-155.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 section.

22 (e) Distribution and use of tax revenue. – Mitchell County shall, on a quarterly basis,  
23 remit the net proceeds of the occupancy tax to the Mitchell County Tourism Development  
24 Authority. The Authority shall use at least two-thirds of the funds remitted to it under this  
25 subsection to promote travel and tourism in Mitchell County and shall use the remainder for  
26 tourism-related expenditures.

27 The following definitions apply in this subsection:

- 28 (1) Net proceeds. – Gross proceeds less the cost to the county of administering  
29 and collecting the tax, as determined by the finance officer, not to exceed three  
30 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross  
31 proceeds collected each year and one percent (1%) of the remaining gross  
32 proceeds collected each year.
- 33 (2) Promote travel and tourism. – To advertise or market an area or activity,  
34 publish and distribute pamphlets and other materials, conduct market research,  
35 or engage in similar promotional activities that attract tourists or business



- 1 travelers to the area; the term includes administrative expenses incurred in
- 2 engaging in the listed activities.
- 3 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
- 4 Mitchell County Tourism Development Authority, are designed to increase
- 5 the use of lodging facilities, meeting facilities, or convention facilities in the
- 6 county or to attract tourists or business travelers to the county. The term
- 7 includes tourism-related capital expenditures."
- 8 **SECTION 2.** This act is effective when it becomes law.