

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 120

Short Title: Swain County Occupancy Tax Rate Increase. (Local)

Sponsors: Senator Corbin (Primary Sponsor).

Referred to: Rules and Operations of the Senate

February 20, 2023

A BILL TO BE ENTITLED

AN ACT TO ALLOW SWAIN COUNTY TO LEVY AN ADDITIONAL OCCUPANCY TAX
OF UP TO TWO PERCENT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 923 of the 1985 Session Laws, as amended by Section 1 of
S.L. 2007-23, reads as rewritten:

"Section 1. Occupancy Tax. (a) Authorization and Scope. – The Swain County Board of
Commissioners may levy a room occupancy tax of up to three percent (3%) of the gross receipts
derived from the rental of ~~any room, lodging, or accommodation furnished by a hotel, motel, inn,
tourist camp, or similar place~~ an accommodation within the county that is subject to sales tax
imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local
sales tax. ~~This tax does not apply to accommodations furnished by nonprofit charitable,
educational, or religious organizations when furnished in furtherance of their nonprofit purpose.~~

(a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a)
of this section, the Swain County Board of Commissioners may levy an additional room
occupancy tax of up to one percent (1%) of the gross receipts derived from the rental of
accommodations taxable under subsection (a) of this section. The levy, collection,
administration, and repeal of the tax authorized by this subsection shall be in accordance with
the provisions of this section. Swain County may not levy a tax under this subsection unless it
also levies the ~~maximum~~ tax authorized under subsection (a) of this section.

(a2) Authorization of Second Additional Tax. – In addition to the tax authorized by
subsections (a) and (a1) of this section, the Swain County Board of Commissioners may levy an
additional room occupancy tax of up to two percent (2%) of the gross receipts derived from the
rental of accommodations taxable under subsection (a) of this section. The levy, collection,
administration, and repeal of the tax authorized by this subsection shall be in accordance with
the provisions of this section. Swain County may not levy a tax under this subsection unless it
also levies the tax authorized under subsections (a) and (a1) of this section.

(c) Administration. – A tax levied under this section shall be levied, administered,
collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155
apply to a tax levied under this section.

(e) Distribution and Use of Tax Revenue. – Swain County shall, on a quarterly basis,
remit the net proceeds of the occupancy tax to the Swain Tourism Development Authority. The
Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote
travel and tourism ~~in Swain County~~ and shall use the remainder for tourism-related
~~expenditures.~~ expenditures in the county.

The following definitions apply in this subsection:



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- 1 (1) Net proceeds. – Gross proceeds less the cost to the county of administering
2 and collecting the tax, as determined by the finance officer, not to exceed three
3 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
4 proceeds collected each year and one percent (1%) of the remaining gross
5 proceeds collected each year.
- 6 (2) Promote travel and tourism. – To advertise or market an area or activity,
7 publish and distribute pamphlets and other materials, conduct market research,
8 or engage in similar promotional activities that attract tourists or business
9 travelers to the ~~area; the area.~~ The term includes administrative expenses
10 incurred in engaging in the listed activities.
- 11 (3) Tourism-related expenditures. – Expenditures that, in the judgment of Swain
12 County Tourism Development Authority, are designed to increase the use of
13 ~~lodging facilities, meeting facilities, or convention facilities~~ accommodations,
14 meeting facilities, or convention facilities in the county or to attract tourists or
15 business travelers to the county. The term includes tourism-related capital
16 expenditures.

17 **"Sec. 2.** Tourism Development Authority. – (a) Appointment and Membership. – When the
18 ~~board of commissioners~~ Swain County Board of Commissioners adopts a resolution levying a
19 room occupancy tax under this act, it shall also adopt a resolution creating a county Tourism
20 Development Authority, which shall be a public authority under the Local Government Budget
21 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,
22 including the members' terms of office, and for the filling of vacancies on the Authority. At least
23 one-third of the members shall be individuals who are affiliated with businesses that collect the
24 tax in the county, and at least one-half of the members shall be individuals who are currently
25 active in the promotion of travel and tourism in the county. The ~~board of commissioners~~ Swain
26 County Board of Commissioners shall designate one member of the Authority as chair and shall
27 determine the compensation, if any, to be paid to members of the Authority.

28 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern
29 its meetings. The finance officer of Swain County shall be the ex officio finance officer of the
30 Authority.

31 (b) Duties. – The Authority shall expend the net proceeds of the tax levied under this act
32 ~~for the purposes provided in Section 1 of this act. The Authority shall promote travel, tourism,~~
33 ~~and conventions in Swain County, sponsor tourist related events and activities in the county, and~~
34 ~~finance tourist related capital projects in the county.~~ promoting travel and tourism and for
35 tourism-related expenditures as provided in this act.

36 (c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to
37 the ~~board of county commissioners~~ Swain County Board of Commissioners on its receipts and
38 expenditures for the preceding quarter and for the year in such detail as the ~~board~~ Board may
39 require.

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41 **SECTION 2.** This act is effective when it becomes law.