

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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HOUSE BILL 332

Short Title: Modify Nash County Occupancy Tax. (Local)

Sponsors: Representative Chesser.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Finance, if favorable, Rules, Calendar, and Operations of the House

March 10, 2025

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE NASH COUNTY OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Sections 1 and 2 of Chapter 32 of the 1987 Session Laws, as amended by S.L. 1993-545, S.L. 1997-255, and S.L. 2001-349, read as rewritten:

"Section 1. Occupancy tax. – (a) Authorization and scope. – The Nash County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place 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.

(a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Nash 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). The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. Nash County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

(b) 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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155.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.

(c) Distribution and use of tax revenue. – Nash County shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under subsection (a) of this section to the Nash Tourism Development Authority and the net proceeds of the occupancy tax levied under subsection (a1) of this section to the City of Rocky Mount. The Authority shall spend at least two-thirds of the funds remitted to it only to promote travel and tourism in Nash County, and shall spend the remainder on tourism-related expenditures. The City of Rocky Mount shall spend the funds remitted to it only for tourism-related expenditures within Nash County that have been specifically approved in advance by the Nash County Tourism Development Authority. ~~expenditures in the City of Rocky Mount.~~ The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross



1 proceeds collected each year and one percent (1%) of the remaining gross  
2 receipts collected each year.

3 (2) Promote travel and tourism. – To advertise or market an area or activity,  
4 publish and distribute pamphlets and other materials, conduct market research,  
5 or engage in similar promotional activities that attract tourists or business  
6 travelers to the area; the term includes administrative expenses incurred in  
7 engaging in the listed activities.

8 (3) Tourism-related expenditures. – Expenditures that are designed to increase the  
9 use of lodging facilities in a county or to attract tourists or business travelers  
10 to the county and expenditures incurred by the county in collecting the tax.  
11 The term includes expenditures to construct, maintain, operate, or market a  
12 convention center and other expenditures that, in the judgment of the  
13 Authority, will facilitate and support tourism.

14 "Sec. 2. Tourism Development Authority. – (a) Appointment and membership. – When the  
15 Board of Commissioners adopts a resolution levying a room occupancy tax under this act, it shall  
16 also adopt a resolution creating a county Tourism Development Authority, which shall be a  
17 public authority under the Local Government Budget and Fiscal Control Act. The resolution shall  
18 provide for the Board of Commissioners to appoint the membership of the Authority, for the  
19 terms of office of the members, and for the filling of vacancies on the Authority. At least one-third  
20 of the members must be individuals who are affiliated with businesses that collect the tax in the  
21 county. If the Authority has an even number of members, then at least one-half of the members  
22 shall have experience in the promotion of travel and tourism. If the Authority has an odd number  
23 of members, then at least one less than one-half of the members shall have experience in the  
24 promotion of travel and tourism. The Board of Commissioners shall designate one member of  
25 the Authority as chair and shall determine the compensation, if any, to be paid to members of the  
26 Authority.

27 The Authority shall meet at the call of the chair or upon a written request signed by at least  
28 one-third of its members and shall adopt rules of procedure to govern its meetings. The Finance  
29 Officer for Nash County shall be the ex officio finance officer of the Authority.

30 (b) Duties. – The Authority shall promote travel, tourism, and conventions in the county,  
31 and shall expend the net tax proceeds distributed to it under this act for the purposes provided in  
32 Section 1(c) of this act.

33 (c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to  
34 the Board of County Commissioners on its receipts and expenditures for the preceding quarter  
35 and for the year in such detail as the Board may require."

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