

## Franklin County Tourism Development Authority Bylaws

ARTICLE 1: Name. The name of this authority shall be the Franklin County Tourism Development Authority.

ARTICLE 2: Authorization. The authority shall be established under the authority of North Carolina Senate Bill 369, as ratified in the 2005 Session of the North Carolina General Assembly.

ARTICLE 3: Purpose. To promote tourism in Franklin County and begin building a stronger economic base for the creation of job opportunities specific to tourism-related activities and endeavors.

ARTICLE 4: Membership.

Section 1. The authority shall consist of nine members. Seven of the nine shall be appointed by the Franklin County Board of Commissioners with each commissioner having one appointment to the authority. Three of the seven shall be affiliated with businesses actively involved in collecting the occupancy tax, and four shall be persons generally involved in cultural, educational, and/or hospitality industries. The Franklin County Finance Officer and the Franklin County Economic Development Director or his/her designee shall serve as ex-officio members of the authority.

Section 2. Members nominated by commissioners shall serve co-terminus to the commissioners' terms of office, and each commissioner nominee serves at the pleasure of the board.

Section 3. All members shall serve without compensation.

ARTICLE 4: Voting. All authority members, including ex-officio members, have one vote.

ARTICLE 5: Quorum. Five of the authority members shall be necessary to constitute a quorum for the transaction of business. Any question coming before the authority shall be determined by a majority of those present, unless otherwise provided herein.

ARTICLE 6: Officers.

Section 1. The officers of the authority shall be a chairperson, a vice chairperson, secretary, and treasurer. These officers shall perform the duties prescribed by the bylaws and shall be elected annually, with the exception of the treasurer, by the members of the authority at its first regularly scheduled meeting of the new administrative year. The treasurer shall be the duly named Franklin County Finance Officer and shall serve perpetually.

Section 2. The chairperson shall preside at all meetings of the authority and shall supervise the works of the authority in accordance with the bylaws. The chairperson shall serve for one year and may succeed him or herself by reelection of the authority members.

Section 3. The vice chairperson shall act for the authority in the absence of the chairperson.

Section 4. The secretary shall keep a correct record of all meetings of the authority.

Section 5. The treasurer shall disburse funds upon approval of the authority, shall keep accurate records of financial transactions in accordance with the North Carolina Fiscal Control Act, and shall have financial records available and update for review at each regularly scheduled meeting of the authority.

ARTICLE 7: Signature. The treasurer and the county manager have the authority to cosign checks, and all checks issued on behalf of the authority and the county shall be preaudited and have two signatures.

ARTICLE 8: Meetings.

Section 1. The authority shall meet at least six times per year including a meeting in July of each year for the purpose of electing officers.

Section 2. The chairperson or vice chairperson may call for special meetings with a 48 hour notice to all members required.

Section 3. All meetings shall be open to the public as specified by the laws of North Carolina.

ARTICLE 9: Reports. The treasurer shall report quarterly and at the close of the fiscal year to the Franklin County Board of Commissioners on receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

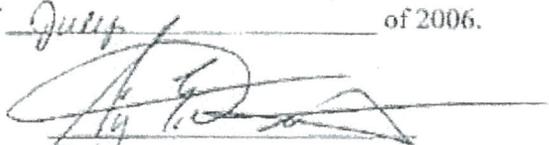
ARTICLE 10: Committees. The chairperson shall have the power to appoint such committees as deemed appropriate.

ARTICLE 11: Administrative Year. The administrative year of the authority shall begin as of July 1 and end as of June 30 of the following year so as to run concurrently with the fiscal year of Franklin County.

ARTICLE 12: Amendments. The bylaws may be amended at any meeting of the authority by a majority of those members present, provided the authority members have been notified of proposed amendment not less than five days prior to the scheduled

meeting. However, such amended bylaws shall not be put into effect until ratified by the Franklin County Board of Commissioners.

ADOPTED this the 17 day of July of 2006.

  
Chairperson

Attested:

Kristen B. King  
Secretary



**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**SESSION LAW 2005-233  
SENATE BILL 369**

**AN ACT TO AUTHORIZE FRANKLIN COUNTY AND THE CITIES OF EDEN AND REIDSVILLE TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO AMEND THE DURHAM AND ROCKINGHAM OCCUPANCY TAXES.**

The General Assembly of North Carolina enacts:

**PART I. FRANKLIN COUNTY OCCUPANCY TAX.**

**SECTION 1.1. Occupancy Tax.** – (a) Authorization and Scope. – The Franklin County Board of Commissioners may levy a room occupancy tax of up to six percent (6%) 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 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.

**SECTION 1.1.(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.

**SECTION 1.1.(c) Distribution and Use of Tax Revenue.** – Franklin County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Franklin County 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 Franklin County and shall use the remainder for tourism-related expenditures.

The following definitions apply in this Part:

- (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 proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

**SECTION 1.2. Franklin County Tourism Development Authority.** – (a) Appointment and Membership. – When the Franklin County Board of Commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution

shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals who are affiliated with businesses that collect the tax in the county, and at least one-half of the members must be individuals who are currently active in the promotion of travel and tourism in the county. The board of commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Franklin County shall be the ex officio finance officer of the Authority.

**SECTION 1.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in this act. The Authority shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county.

**SECTION 1.2.(c) Reports.** – The Authority shall report quarterly and at the close of the fiscal year to the Franklin County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

## **PART II. EDEN OCCUPANCY TAX.**

**SECTION 2. Occupancy Tax.** – (a) Authorization and Scope. – The Eden City Council may levy a room occupancy tax of up to two percent (2%) 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 within the city 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.

**SECTION 2.(b) Administration.** – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

**SECTION 2.(c) Distribution and Use of Tax Revenue.** – The City of Eden shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part to the Rockingham County Tourism Development Authority. The net proceeds under this Part shall be deposited into a separate Eden Account. Based on recommendations from and in consultation with the Eden City Council, the Authority shall use at least two-thirds of the funds in the Eden Account for tourism promotion and the remainder for tourism-related expenditures. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the City of Eden. None of the proceeds may be used to promote travel and tourism or for tourism-related expenditures in areas within Rockingham County that are outside of the City of Eden.

The following definitions apply in this Part:

- (1) Net proceeds. – Gross proceeds less the cost to the city 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 proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.
- (3) Tourism-related expenditures. – Expenditures that are designed to increase the use of lodging facilities, meeting facilities, or convention