



# HOUSE BILL 184: Maggie Valley Dev. Auth.

2023-2024 General Assembly

<b>Committee:</b> Senate Rules and Operations of the Senate	<b>Date:</b> June 28, 2023
<b>Introduced by:</b> Rep. Pless	<b>Prepared by:</b> Billy R. Godwin
<b>Analysis of:</b> Third Edition	Staff Attorney

**OVERVIEW:** House Bill 184 would prohibit the Town of Maggie Valley from exercising extra territorial jurisdiction (ETJ) powers, adopting or renewing or extending any temporary moratoria, and down-zoning property without all the property owners' written consent. These provisions would be effective when law and would expire on January 1, 2028.

**CURRENT LAW:** Extraterritorial jurisdiction is the power of a municipality to exercise planning and development regulatory jurisdiction in an area beyond its corporate limits. Land use regulations include zoning, subdivision regulation, building code enforcement, minimum housing code enforcement, historic preservation, erosion and sedimentation control regulation, and historic district regulation. Local governments may adopt temporary moratoria for a reasonable duration on any development approval required by law and not otherwise exempted by statute. The temporary moratoria may be extended or renewed if new facts and conditions warrant an extension or renewal. Down-zoning is a zoning ordinance change that decreases the development density or reduces the permitted uses of land. Local governments may initiate down-zoning of property without the written consent of all the property owners.

**BILL ANALYSIS:** House Bill 184 would do all of the following with regard to the Town of Maggie Valley:

- Prohibit the town from exercising ETJ powers until January 1, 2028.
- Prohibit the town from adopting or renewing or extending any temporary moratoria until January 1, 2028.<sup>1</sup>
- Prohibit the town from down-zoning property without the written consent of all the property owners until January 1, 2028.
- Expand, until January 1, 2028, the definition of down-zoning applicable to the Town of Maggie Valley to include a zoning ordinance that limits options available or adds additional requirements to develop an area of land.

**EFFECTIVE DATE:** The act, as amended, would be effective when it becomes law and would expire January 1, 2028.

<sup>1</sup> Article II, Section 24(1)(a) of the State Constitution prohibits local bills relating to health, sanitation, and the abatement of nuisances.

Jeffrey Hudson  
Director



Legislative Analysis  
Division  
919-733-2578



# HOUSE BILL 184: Haywood County Occupancy Taxes.

2023-2024 General Assembly

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

**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.<sup>1</sup>

**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.

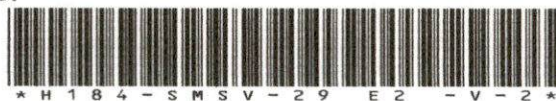
**EFFECTIVE DATE:** This act would be effective when it becomes law.

**BACKGROUND:** In 1997, the General Assembly enacted uniform municipal and county administrative provisions for occupancy tax,<sup>2</sup> 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
<b>Rate</b> – The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.
<b>Use</b> – Two-thirds of the proceeds must be used to promote travel and tourism and the remainder must be used for tourism-related expenditures.
<b>Definitions</b> The term "net proceeds", "promote travel and tourism", and "tourism-related expenditures" are defined terms.
<b>Administration</b> – 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,

<sup>1</sup> S.L. 2007-337.  
<sup>2</sup> G.S. 153A-155 and G.S. 160A-215.

Jeffrey Hudson  
Director



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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.*

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 184  
Committee Substitute Favorable 3/14/23  
Senate State and Local Government Committee Substitute Adopted 6/27/23

Short Title: Maggie Valley Dev. Auth.

(Local)

Sponsors:

Referred to:

February 27, 2023

A BILL TO BE ENTITLED

AN ACT TO ELIMINATE THE EXTRATERRITORIAL JURISDICTION AUTHORITY OF THE TOWN OF MAGGIE VALLEY, TO PROHIBIT THE TOWN OF MAGGIE VALLEY FROM ADOPTING OR RENEWING OR EXTENDING ANY MORATORIA ON ANY DEVELOPMENT APPROVAL, AND TO EXPAND THE PROHIBITIONS ON DOWN-ZONING PROPERTY IN MAGGIE VALLEY.

The General Assembly of North Carolina enacts:

**SECTION 1.** Notwithstanding the provisions of Article 2 of Chapter 160D of the General Statutes, the Town of Maggie Valley shall not exercise any powers of extraterritorial jurisdiction.

**SECTION 2.** Notwithstanding the provisions of G.S. 160D-107, the Town of Maggie Valley shall have no authority to adopt or renew or extend any temporary moratoria on any development approval.

**SECTION 3.(a)** G.S. 160D-601(d) reads as rewritten:

"(d) Down-Zoning. – No amendment to zoning regulations or a zoning map that down-zones property shall be initiated nor is it enforceable without the written consent of all property owners whose property is the subject of the down-zoning ~~amendment, unless the down-zoning amendment is initiated by the local government.~~ amendment. For purposes of this section, "down-zoning" means a zoning ordinance that affects an area of land in one of the following ways:

- (1) By decreasing the development density of the land to be less dense than was allowed under its previous usage.
- (2) By reducing the permitted uses of the land that are specified in a zoning ordinance or land development regulation to fewer uses than were allowed under its previous usage.
- (3) By limiting the options available or adding additional requirements to develop an area of land as specified in a zoning ordinance or land development regulation to depress or hinder development to the same extent allowed under its previous usage.

**SECTION 3.(b)** This section applies only to the Town of Maggie Valley.

**SECTION 4.** This act is effective when it becomes law and expires on January 1,

2028.

