

**ALAMANCE COUNTY
CITY OF GRAHAM
ALAMANCE COUNTY MUNICIPAL TOURISM DEVELOPMENT AUTHORITY**

**INTERLOCAL AGREEMENT
FOR COLLECTION OF OCCUPANCY TAX**

THIS INTERLOCAL AGREEMENT, (“Agreement”) made and entered into pursuant to North Carolina General Statutes § 160A-461 and § 160A-215 this 11th day of June 2024, by and between Alamance County, (hereinafter referred to as “County”) a body politic and corporate organized and existing under the laws of the State of North Carolina, the City of Graham (hereinafter referred to as “City”), a North Carolina Municipal Corporation organized and existing under the laws of the state of North Carolina, and Alamance County Municipal Tourism Development Authority (hereinafter, “Authority”).

WHEREAS, on October 25, 2023, the North Carolina General Assembly ratified Senate Bill 154, An Act to Make Various Occupancy Tax Changes, designated as Session Law 2023-144, herein known as “the Act;” and,

WHEREAS, the City of Burlington, (hereinafter, “Burlington”), adopted a Resolution Creating and Levying a Municipal Room Occupancy Tax on January 2, 2024; and,

WHEREAS, the Burlington Resolution Creating and Levying a Municipal Room Occupancy Tax created and levied a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of accommodations within Burlington’s corporate limits, which are subject to sales tax imposed by the State under G.S. § 105-164.4(a)(3); and,

WHEREAS, the Town of Elon, (hereinafter, “Elon”), adopted a Resolution Creating and Levying a Municipal Room Occupancy Tax on February 13, 2024; and,

WHEREAS, the Elon Resolution Creating and Levying a Municipal Room Occupancy Tax created and levied a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of accommodations within Elon’s corporate limits which are subject to sales tax imposed by the State under G.S. § 105-164.4(a)(3); and,

WHEREAS, the City of Graham, (hereinafter, “Graham”), adopted a Resolution Creating and Levying a Municipal Room Occupancy Tax on March 12, 2024; and,

WHEREAS, the Graham Resolution Creating and Levying a Municipal Room Occupancy Tax created and levied a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of accommodations within Graham’s corporate limits which are subject to sales tax imposed by the State under G.S. § 105-164.4(a)(3); and,

WHEREAS, the City of Mebane, (hereinafter, “Mebane”), adopted a Resolution Creating and Levying a Municipal Room Occupancy Tax on April 8, 2024; and,

WHEREAS, the Resolution Creating and Levying a Municipal Room Occupancy Tax created and levied a room occupancy tax of three percent (3%) of the gross receipts derived from

the rental of accommodations within Mebane’s corporate limits which are subject to sales tax imposed by the State under G.S. § 105-164.4(a)(3); and,

WHEREAS, the Burlington City Council adopted a Resolution Establishing Alamance County Municipal Tourism Development Authority, (hereinafter, “Authority”), on January 2, 2024; and,

WHEREAS, pursuant to Session Law 2023-144, said Resolution Establishing Alamance County Municipal Tourism Development Authority established a duty of the Authority to collect the proceeds of the tax levies from the room occupancy tax and segregate the net proceeds into separate accounts based on the municipality from which the proceeds are collected; and,

WHEREAS, Elon adopted a Resolution joining said Authority on February 13, 2024;

WHEREAS, Graham adopted a Resolution joining said Authority on March 12, 2024;

WHEREAS, Mebane adopted a Resolution joining said Authority on April 8, 2024;

WHEREAS, pursuant to N.C.G.S. § 160A-215(d), the taxing municipality shall administer and collect a room occupancy tax it levies; and,

WHEREAS, pursuant to Session Law 2023-144, the taxing municipality may withhold a portion of the gross occupancy tax receipts for administering and collecting the occupancy tax, not to exceed three (3%) of the first five hundred thousand dollars (\$500,000.00) collected each year and one percent (1%) of the remaining gross occupancy tax receipts collected each year; and,

WHEREAS, pursuant to N.C.G.S. § 160A-461, units of local government may enter into contracts or agreements with each other in order to execute any undertaking; and,

WHEREAS, Alamance County and the City of Graham desire Alamance County Tax Department to collect the occupancy tax from the accommodation retailers located within the corporate limits of Graham to be paid to Authority.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COMMISSIONERS OF ALAMANCE COUNTY, THE CITY OF GRAHAM CITY COUNCIL, AND THE ALAMANCE COUNTY MUNICIPAL TOURISM DEVELOPMENT AUTHORITY that:

Section 1. Collection of Tax.

Alamance County shall be responsible for collecting the occupancy tax. The Alamance County Tax Collector shall design and furnish to all appropriate businesses and persons within the corporate limits of Graham the necessary forms for filing returns and instructions to ensure the full collection of the tax.

Section 2. Administration and Penalties.

A room occupancy tax is due and payable to the Alamance County Tax Collector in monthly installments on or before the 20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 20th day of each month, prepare and render a return on the form prescribed by the Alamance County Tax

Collector as set out in Section 1 above. The occupancy tax return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the Alamance County Tax Collector is not a public record and may not be disclosed except in accordance with N.C.G.S. § 160A-208.1. A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by N.C.G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing municipality has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

Section 3. Collection Expenses.

As administration and collection expenses, County shall withhold three percent (3%) of the first five hundred thousand dollars (\$500,000.00) gross occupancy tax receipts collected each year and one percent (1%) of the remaining gross occupancy tax receipts collected each year.

Section 4. Remittance of Tax.

On a quarterly basis, Alamance County will remit the gross proceeds of the occupancy tax, less the administration and collection expenses as set out in Section 3 above, to the Alamance Municipal Tourism Development Authority which shall, in turn, pursuant to Session Law 2023-144, collect the gross occupancy tax proceeds of the participating municipalities and then segregate the net occupancy tax proceeds into separate accounts based upon the municipality from which the proceeds were collected.

Section 5. Effective Date.

This Resolution shall become effective upon the adoption of the Alamance County Commissioners, City of Graham City Council and Alamance County Municipal Tourism Development Authority, whichever signatory is last.

Adopted by the City of Graham this 11th day of June, 2024.

ATTEST:

John P. Paisley, Jr., Chair
Alamance County Commissioners

Tory Frink, County Clerk to the Board

Jennifer Talley, Mayor
City of Graham

Renee Ward, City Clerk

Chair
Alamance County Municipal Tourism
Development Authority

Secretary to the Board