

June 17, 2020

The Washington County Board of Commissioners met in recessed meeting on Wednesday, June 17, 2020 at 5:15 PM by using ZOOM—virtual meeting software (due to the COVID-19 pandemic) for Facebook Live Streaming and in person in the Courthouse Courtroom. Commissioners Johnson, Phelps, Sexton, Riddick and Walker were present. Also present were County Manager/County Attorney Curtis Potter, Clerk to the Board Julie J. Bennett and Finance Officer Missy Dixon.

Chair Phelps called the meeting to order.

RESOLUTION EXTENDING OCCUPANCY TAX PAYMENT DEADLINES DUE TO COVID-19: Mr. Potter, County Manager/County Attorney spoke to the Board regarding the resolution below.

COUNTY OF WASHINGTON
BOARD OF COMMISSIONERS

COMMISSIONERS:
D. COLE PHELPS, CHAIR
JENNIFER C. RIDDICK, VICE-CHAIR
TRACEY A. JOHNSON
WILLIAM "BILL" R. SEXTON, JR.
JULIUS WALKER, JR.



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JULIE J. BENNETT, CMC,
NCMCC
CLERK TO THE BOARD
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RESOLUTION

Extending Occupancy Tax Payment Deadlines
Due to COVID-19

WHEREAS, Washington County currently levies a local Occupancy Tax of SIX PERCENT (6%) which is locally collected, reported, and remitted to the Washington County Finance Office in accordance with applicable law including without limitation NCGS 153A-155; and

WHEREAS, the COVID-19 pandemic has significantly disrupted and negatively impacted the overall economies of the United States, North Carolina, and Washington County; and

WHEREAS, such disruption makes it practically difficult for certain trades and industries, including without limitation, the local hotel and hospitality industry, to comply with certain deadlines applicable to tax reporting and revenue remittance deadlines; and

WHEREAS, with very few and limited exceptions, general tax reporting and remittance obligations and deadlines are established by applicable North Carolina state law, and are not subject to any local modification, discretion or control; and

WHEREAS, one such limited exception exists for Occupancy Taxes only pursuant to NCGS 153A-155 which reads in relevant part (underline/bold emphasis added):

(d) Administration. - The taxing county shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the county finance officer 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 a form prescribed by the taxing county. The 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 county finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) Penalties. - 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 G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The

governing board of the taxing county 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.

(f) *Repeal or Reduction.* - A room occupancy tax levied by a county may be repealed or reduced by a resolution adopted by the governing body of the county. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

WHEREAS, multiple members of the Washington County Travel & Tourism Development Authority (the "TDA") and the TDA Director have requested the Board of County Commissioners of Washington County exercise its limited authority to aid in reducing the unprecedented hardships currently facing the hotel and hospitality industry during this pandemic by temporarily waiving certain penalties and interest usually imposed for failure to timely remit payments of room occupancy tax otherwise owed; and

WHEREAS, the Board of County Commissioners of Washington County desires to do so in order to support and aid the owners, operators, employees, patrons, and numerous other indirectly connected businesses for the purpose of providing economic relief; and

WHEREAS, the Board of County Commissioners of Washington County previously adopted a resolution extending the deadline to pay occupancy taxes typically due in April, May, and June until July 20, 2020; and

WHEREAS, the Washington County Travel & Tourism Development Authority (the "TDA") and the TDA Director have requested that this deadline be further extended to support and aid the owners, operators, employees, patrons, and numerous other indirectly connected businesses for the purpose of providing temporary economic relief; and

WHEREAS, the Board of County Commissioners of Washington County desires to provide for a reasonable extension of the previously established deadline for the purposes stated above.

NOW THEREFORE, THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY HEREBY RESOLVES AS FOLLOWS:

1. For those citizens and businesses subject to the Washington County Occupancy Tax, all such payors who have not paid their tax that were first due on:
 - a. April 20, 2020, shall not be charged a penalty, nor shall interest accrue thereon, so long as the report is filed timely, and the tax is paid in full by October 20, 2020; and on
 - b. May 20, 2020 shall not be charged a penalty, nor shall interest accrue thereon, so long as the report is filed timely, and the tax is paid in full by October 20, 2020; and on
 - c. June 20, 2020 shall not be charged a penalty, nor shall interest accrue thereon, so long as the report is filed timely, and the tax is paid in full by October 20, 2020; and on
 - d. July 20, 2020 shall not be charged a penalty, nor shall interest accrue thereon, so long as the report is filed timely, and the tax is paid in full by October 20, 2020; and on
 - e. August 20, 2020 shall not be charged a penalty, nor shall interest accrue thereon, so long as the report is filed timely, and the tax is paid in full by October 20, 2020; and on
 - f. September 20, 2020 shall not be charged a penalty, nor shall interest accrue thereon, so long as the report is filed timely, and the tax is paid in full by October 20, 2020; and on

2. Should such reports not be filed on time and the taxes owed on them not be paid by the revised deadline stated above, the County reserves the right to go back and charge penalties for reports not timely filed and taxes not paid in full by said deadline.
3. This provision does not apply to reports and taxes owed prior to the April 20, 2020 deadline.
4. It is expected that the tax report and corresponding payment due October 20, 2020 will be made at that time and for each month thereafter.
5. The County reserves the right to modify, rescind, or extend any of the applicable deadlines stated herein before such deadlines have passed at any time in the future within its sole discretion.
6. Nothing in this Resolution shall be interpreted as any kind of waiver or forfeiture of the actual Occupancy Taxes owed by any party for any period of time.

Adopted this ____ day of _____, _____.

D. Cole Phelps, Chair
Washington County Board of Commissioners

ATTEST:

Julie J. Bennett, CMC, NCMCC
Clerk to the Board

Commissioner Riddick made a motion to approve the Resolution Extending Occupancy Tax Payment Deadlines Due to COVID-19. Commissioner Walker seconded. Motion carried unanimously.

ADOPTION OF THE WASHINGTON COUNTY FY2020-2021 BUDGET ORDINANCE: Mr. Potter, CM/CA spoke to the Board saying that he incorporated the changes that the Commissioners requested. *The original budget ordinance is incorporated by reference and hereby made a part of these minutes.*

Commissioner Riddick made a motion to approve adoption of the Washington County FY2020-2021 Budget Ordinance except for the Washington County Schools portion. Commissioner Johnson seconded. Motion carried unanimously.

Commissioner Johnson made a motion to recuse Commissioner Walker from the next vote on the Washington County FY2020-2021 Budget Ordinance which includes the Washington County Schools budget. Commissioner Sexton seconded. Motion passed 4-0. Commissioner Walker will not vote on the next motion.

Commissioner Johnson made a motion to approve adoption of the Washington County Schools budget in the Washington County FY2020-2021 Budget Ordinance. Commissioner Riddick seconded. Motion passed 4-0.

Closed Session: Commissioner Riddick made a motion to go into Closed Session pursuant to NCGS §143-318.11(a)(3) (attorney-client privilege) to discuss instructions for the Board of Adjustment. Commissioner Sexton seconded. Motion carried unanimously.

Chair Phelps asked that it be noted that it is the consensus of the Board not to meet on July 6, 2020. The clerk is to put out a cancellation notice.

With no further business to discuss, **Commissioner Johnson made a motion to adjourn the meeting. Commissioner Riddick seconded. Motion carried unanimously.**

D. Cole Phelps
Chair

Julie J. Bennett, CMC, NCMCC
Clerk to the Board