

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1568

Short Title: St. Pauls Occupancy Tax.

(Local)

Sponsors: Representatives Yongue; and Bonner.

Referred to: Local and Regional Government I, if favorable, Finance.

May 28, 1998

A BILL TO BE ENTITLED

**AN ACT TO AUTHORIZE THE TOWN OF ST. PAULS TO LEVY A ROOM
OCCUPANCY AND TOURISM DEVELOPMENT TAX.**

The General Assembly of North Carolina enacts:

Section 1. Occupancy tax. (a) Authorization and scope. The board of commissioners of the Town of St. Pauls may levy a room occupancy tax of up to three percent (3%) 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 town 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.

(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 A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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.

(c) Distribution and use of tax revenue. The Town of St. Pauls shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the St. Pauls 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 St. Pauls and shall use the remainder for tourism-related expenditures.

1 The following definitions apply in this subsection:

- 2 (1) Net proceeds. – Gross proceeds less the cost to the town of
3 administering and collecting the tax, as determined by the finance
4 officer, not to exceed three percent (3%) of the first five hundred
5 thousand dollars (\$500,000) of gross proceeds collected each year and
6 one percent (1%) of the remaining gross receipts collected each year.
- 7 (2) Promote travel and tourism. – To advertise or market an area or activity,
8 publish and distribute pamphlets and other materials, conduct market
9 research, or engage in similar promotional activities that attract tourists
10 or business travelers to the area; the term includes administrative
11 expenses incurred in engaging in the listed activities.
- 12 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
13 the Tourism Development Authority are designed to increase the use of
14 lodging facilities, meeting facilities, or convention facilities in a town or
15 to attract tourists or business travelers to the town. The term includes
16 tourism-related capital expenditures.

17 Section 2. Town Administrative Provisions. – Section 3 of S.L. 1997-410, as
18 amended by Section 2 of S.L. 1997-447, reads as rewritten:

19 "Section 3. Municipal Administrative Provisions. G.S. 160A-215, as enacted by S.L.
20 1997-361 and S.L. 1997-364, applies to the Cities of Goldsboro, Lumberton, Mount Airy,
21 and Shelby, to the Town of St. Pauls, and to the municipalities in Brunswick County."

22 Section 3. Tourism Development Authority. (a) Appointment and membership.
23 When the board of commissioners adopts a resolution levying a room occupancy tax
24 under this act, it shall also adopt a resolution creating a town Tourism Development
25 Authority, which shall be a public authority under the Local Government Budget and
26 Fiscal Control Act. The resolution shall provide for the membership of the Authority,
27 including the members' terms of office, and for the filling of vacancies on the Authority.
28 At least one-third of the members must be individuals who are affiliated with businesses
29 that collect the tax in the town and at least three-fourths of the members must be
30 individuals who are currently active in the promotion of travel and tourism in the town.
31 The board of commissioners shall designate one member of the Authority as chair and
32 shall determine the compensation, if any, to be paid to members of the Authority.

33 The Authority shall meet at the call of the chair and shall adopt rules of
34 procedure to govern its meetings. The Finance Officer for the Town of St. Pauls shall be
35 the ex officio finance officer of the Authority.

36 (b) Duties. The Authority shall expend the net proceeds of the tax levied under
37 this act for the purposes provided in Section 1 of this act. The Authority shall promote
38 travel, tourism, and conventions in the town, sponsor tourist-related events and activities
39 in the town, and finance tourist-related capital projects in the town.

40 (c) Reports. The Authority shall report quarterly and at the close of the fiscal year
41 to the board of commissioners on its receipts and expenditures for the preceding quarter
42 and for the year in such detail as the board of commissioners may require.

43 Section 4. This act is effective when it becomes law.