

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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**SENATE BILL 92
Finance Committee Substitute Adopted 4/16/01
Third Edition Engrossed 4/25/01**

Short Title: Various Local Occupancy Taxes.

(Local)

Sponsors:

Referred to:

February 7, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE VARIOUS MUNICIPALITIES AND COUNTIES TO
LEVY ROOM OCCUPANCY TAXES.

The General Assembly of North Carolina enacts:

PART I. CITY OF GASTONIA.

SECTION 1.1. Occupancy tax. – (a) Authorization and Scope. – The Gastonia City Council 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 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 1.1.(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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 1.1.(c) Use of Tax Revenue. – The city shall use the net proceeds of the tax collected under this Part for tourism-related capital and capital maintenance expenditures, including but not limited to, improving, leasing, designing, constructing, financing, operating, or acquiring facilities and properties as needed to provide for civic center meeting and convention facilities.

PART II. CITY OF KINGS MOUNTAIN.

SECTION 2.1. Occupancy tax. (a) Authorization and Scope. – The Kings Mountain City Council 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 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

1 furnished by nonprofit charitable, educational, or religious organizations when
2 furnished in furtherance of their nonprofit purpose.

3 **SECTION 2.1.(b)** Administration. – A tax levied under this section shall be
4 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
5 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

6 **SECTION 2.1.(c)** Distribution and Use of Tax Revenue. – Kings Mountain
7 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Kings
8 Mountain Tourism Development Authority. The Authority shall use at least two-thirds
9 of the funds remitted to it under this subsection to promote travel and tourism in Kings
10 Mountain and shall use the remainder for tourism-related expenditures.

11 The following definitions apply in this subsection:

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

27 **SECTION 2.2.** Kings Mountain Tourism Development Authority. (a)
28 Appointment and Membership. – When the Kings Mountain City Council adopts a
29 resolution levying a room occupancy tax under this act, it shall also adopt a resolution
30 creating a city Tourism Development Authority, which shall be a public authority under
31 the Local Government Budget and Fiscal Control Act. The resolution shall provide for
32 the membership of the Authority, including the members' terms of office, and for the
33 filling of vacancies on the Authority. At least one-third of the members must be
34 individuals who are affiliated with businesses that collect the tax in the city, and at least
35 three-fourths of the members must be individuals who are currently active in the
36 promotion of travel and tourism in the city. The city council shall designate one
37 member of the Authority as chair and shall determine the compensation, if any, to be
38 paid to members of the Authority.

39 The Authority shall meet at the call of the chair and shall adopt rules of
40 procedure to govern its meetings. The Finance Officer for Kings Mountain shall be the
41 ex officio finance officer of the Authority.

42 **SECTION 2.2.(b)** Duties. – The Authority shall expend the net proceeds of
43 the tax levied under this act for the purposes provided in Section 1 of this act. The

1 Authority shall promote travel, tourism, and conventions in the city, sponsor tourist-
2 related events and activities in the city, and finance tourist-related capital projects in the
3 city.

4 **SECTION 2.2.(c) Reports.** – The Authority shall report quarterly and at the
5 close of the fiscal year to the Kings Mountain City Council on its receipts and
6 expenditures for the preceding quarter and for the year in such detail as the city council
7 may require.

8 **PART III. CITY OF LINCOLNTON.**

9 **SECTION 3.1. Occupancy tax.** (a) Authorization and Scope. – The
10 Lincolnton City Council may levy a room occupancy tax of up to three percent (3%) of
11 the gross receipts derived from the rental of any room, lodging, or accommodation
12 furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is
13 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in
14 addition to any State or local sales tax. This tax does not apply to accommodations
15 furnished by nonprofit charitable, educational, or religious organizations when
16 furnished in furtherance of their nonprofit purpose.

17 **SECTION 3.1.(b) Administration.** – A tax levied under this section shall be
18 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
19 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

20 **SECTION 3.1.(c) Distribution and Use of Tax Revenue.** – Lincolnton shall
21 use at least two-thirds of the net proceeds of the occupancy tax to promote travel and
22 tourism in Lincolnton and shall use the remainder for tourism-related expenditures.

23 The following definitions apply in this subsection:

- 24 (1) Net proceeds. – Gross proceeds less the cost to the city of
25 administering and collecting the tax, as determined by the finance
26 officer, not to exceed three percent (3%) of the first five hundred
27 thousand dollars (\$500,000) of gross proceeds collected each year and
28 one percent (1%) of the remaining gross receipts collected each year.
- 29 (2) Promote travel and tourism. – To advertise or market an area or
30 activity, publish and distribute pamphlets and other materials, conduct
31 market research, or engage in similar promotional activities that attract
32 tourists or business travelers to the area; the term includes
33 administrative expenses incurred in engaging in the listed activities.
- 34 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
35 the Tourism Development Authority, are designed to increase the use
36 of lodging facilities, meeting facilities, or convention facilities in a city
37 or to attract tourists or business travelers to the city. The term includes
38 tourism-related capital expenditures.

39 **PART IV. MONROE.**

40 **SECTION 4.1. Monroe occupancy tax.** (a) Authorization and Scope. – The
41 Monroe City Council may levy a room occupancy tax of up to five percent (5%) of the
42 gross receipts derived from the rental of any room, lodging, or accommodation
43 furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is

1 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in
2 addition to any State or local sales tax. This tax does not apply to accommodations
3 furnished by nonprofit charitable, educational, or religious organizations when
4 furnished in furtherance of their nonprofit purpose.

5 **SECTION 4.1.(b)** Administration. – A tax levied under this section shall be
6 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
7 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

8 The tax collector may collect any unpaid taxes levied under this act through
9 the use of attachment and garnishment proceedings as provided in G.S. 105-368 for
10 collection of property taxes. The tax collector has the same enforcement powers
11 concerning the tax authorized by this act as the Secretary of Revenue in enforcing the
12 State sales tax under G.S. 105-164.30.

13 **SECTION 4.1.(c)** Distribution and Use of Tax Revenue. – The tax collector
14 shall account for the proceeds of a tax levied under this act to the city finance director
15 on a monthly basis. The city shall use at least five percent (5%) of the net proceeds of
16 the tax to promote tourism and economic development. The city shall use the remaining
17 net proceeds of the tax for construction, operation, and maintenance of a civic center for
18 Downtown Monroe Development, and for economic development.

19 **PART V. NORTH TOPSAIL BEACH.**

20 **SECTION 5.1.** Occupancy tax (a) Authorization and Scope. – The North
21 Topsail Beach City Council may levy a room occupancy tax of up to three percent (3%)
22 of the gross receipts derived from the rental of any room, lodging, or accommodation
23 furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is
24 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in
25 addition to any State or local sales tax. This tax does not apply to accommodations
26 furnished by nonprofit charitable, educational, or religious organizations when
27 furnished in furtherance of their nonprofit purpose.

28 **SECTION 5.1.(b)** Administration. – A tax levied under this section shall be
29 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
30 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

31 **SECTION 5.1.(c)** Distribution and Use of Tax Revenue. – North Topsail
32 Beach shall spend the net proceeds of the occupancy tax levied for beach
33 renourishment. For purposes of this section, "net proceeds" is the gross proceeds less
34 the cost to the city of administering and collecting the tax, as determined by the finance
35 officer, not to exceed three percent (3%) of the first five hundred thousand dollars
36 (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining
37 gross receipts collected each year.

38 **PART VI. SURF CITY.**

39 **SECTION 6.1.** Part IX of Chapter 908 of the 1983 Session Laws, as
40 amended by Chapter 985 of the 1983 Session Laws, as it relates to Surf City only is
41 recodified and rewritten as Section 6.2 of this act.

42 **SECTION 6.2.** Surf City occupancy tax. (a) Authorization and Scope. – The
43 Surf City Town Council may levy a room occupancy tax of up to three percent (3%) of

1 the gross receipts derived from the rental of any room, lodging, or accommodation
2 furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is
3 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3) and from the rental
4 of private residences and cottages, whether or not the residence or cottage is rented for
5 less than 15 days. This tax is in addition to any State or local sales tax.

6 **SECTION 6.2.(b)** Authorization of Additional Tax. – In addition to the tax
7 authorized by subsection (a) of this section, the Surf City Town Council may levy an
8 additional room occupancy tax of up to three percent (3%) of the gross receipts derived
9 from the rental of accommodations taxable under subsection (a). The levy, collection,
10 administration, and repeal of the tax authorized by this subsection shall be in accordance
11 with the provisions of this section. The governing body of a town may not levy a tax
12 under this subsection unless it also levies the tax authorized under subsection (a) of this
13 section.

14 **SECTION 6.2.(c)** Administration. – A tax levied under this section shall be
15 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
16 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

17 The tax collector may collect any unpaid taxes levied under this act through
18 the use of attachment and garnishment proceedings as provided in G.S. 105-368 for
19 collection of property taxes. The tax collector has the same enforcement powers
20 concerning the tax imposed by this act as does the Secretary of Revenue in enforcing
21 the State sales tax under G.S. 105-164.30.

22 **SECTION 6.2.(d)** Distribution and Use of Tax Revenue. – The Town of
23 Surf City may use the proceeds of the tax levied pursuant to subsection (a) of this
24 section only for tourism-related expenditures. As used in this section, "tourism-related
25 expenditures" includes any of the following expenditures: criminal justice system, fire
26 protection, public facilities and utilities, health facilities, solid waste and sewage
27 treatment, and the control and repair of waterfront erosion. The term does not include,
28 however, expenditures for services normally provided by the town on behalf of its
29 citizens unless these services promote tourism and enlarge its economic benefits by
30 enhancing the ability of the town to attract and provide for tourists.

31 The Town of Surf City may use the proceeds of the tax levied pursuant to
32 subsection (b) of this section only for beach renourishment.

33 **PART VII. TOPSAIL BEACH.**

34 **SECTION 7.1.** Part IX of Chapter 908 of the 1983 Session Laws, as
35 amended by Chapter 985 of the 1983 Session Laws, as it relates to Topsail Beach only
36 is recodified and rewritten as Section 7.2 of this act.

37 **SECTION 7.2.** Topsail Beach occupancy tax. (a) Authorization and
38 Scope. – The Topsail Beach Town Council may levy a room occupancy tax of up to
39 three percent (3%) of the gross receipts derived from the rental of any room, lodging, or
40 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
41 the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3) and
42 from the rental of private residences and cottages, whether or not the residence or

1 cottage is rented for less than 15 days. This tax is in addition to any State or local sales
2 tax.

3 **SECTION 7.2.(b)** Authorization of Additional Tax. – In addition to the tax
4 authorized by subsection (a) of this section, the Topsail Beach Town Council may levy
5 an additional room occupancy tax of up to three percent (3%) of the gross receipts
6 derived from the rental of accommodations taxable under subsection (a). The levy,
7 collection, administration, and repeal of the tax authorized by this subsection shall be in
8 accordance with the provisions of this section. The governing body of a town may not
9 levy a tax under this subsection unless it also levies the tax authorized under subsection
10 (a) of this section.

11 **SECTION 7.2.(c)** Administration. – A tax levied under this section shall be
12 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
13 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

14 The tax collector may collect any unpaid taxes levied under this act through
15 the use of attachment and garnishment proceedings as provided in G.S. 105-368 for
16 collection of property taxes. The tax collector has the same enforcement powers
17 concerning the tax imposed by this act as does the Secretary of Revenue in enforcing
18 the State sales tax under G.S. 105-164.30.

19 **SECTION 7.2.(d)** Distribution and Use of Tax Revenue. – The Town of
20 Topsail Beach may use the proceeds of the tax levied pursuant to subsection (a) of this
21 section only for tourism-related expenditures. As used in this section, "tourism-related
22 expenditures" includes any of the following expenditures: criminal justice system, fire
23 protection, public facilities and utilities, health facilities, solid waste and sewage
24 treatment, and the control and repair of waterfront erosion. The term does not include,
25 however, expenditures for services normally provided by the town on behalf of its
26 citizens unless these services promote tourism and enlarge its economic benefits by
27 enhancing the ability of the town to attract and provide for tourists.

28 The Town of Topsail Beach may use the proceeds of the tax levied pursuant
29 to subsection (b) of this section only for beach renourishment.

30 **PART VIII. DARE COUNTY.**

31 **SECTION 8.** Chapter 449 of the 1985 Session Laws, as amended by
32 Chapter 826 of the 1985 Session Laws and Chapters 177 and 906 of the 1991 Session
33 Laws, is further amended by adding a new section to read:

34 "Section 3.1. Supplemental Occupancy Tax. In addition to the taxes authorized by
35 Sections 1 and 3 of this act, the Dare County Board of Commissioners may levy a room
36 occupancy tax of one percent (1%) of the gross receipts derived from the rental of
37 accommodations taxable under Section 1 of this act. The county may not levy a tax
38 under this section unless it also levies the taxes under Section 1 and Section 3 of this
39 act. A tax levied under this section may not become effective before the first day of the
40 second month after the resolution levying the tax is adopted. The levy, collection,
41 administration, and repeal of the tax authorized by this section shall be in accordance
42 with Section 1 of this act. The county shall use the net proceeds of the tax authorized by

1 this section only for shoreline protection activities the board of commissioners considers
2 necessary to protect the public health, safety, and economic well-being of the county."

3 **PART IX. ROWAN ADMINISTRATIVE CHANGES.**

4 **SECTION 9.1.** Section 1 of Chapter 379 of the 1987 Session Laws, as
5 amended by Chapter 882 of the 1991 Session Laws, reads as rewritten:

6 "Section 1. – Occupancy tax. (a) Authorization and scope. – The Rowan
7 County Board of Commissioners may ~~by resolution, after not less than 10 days' public~~
8 ~~notice and after a public hearing held pursuant thereto,~~ levy a room occupancy tax of up
9 to three percent (3%) of the gross receipts derived from the rental of any room, lodging,
10 or similar accommodation furnished by a hotel, motel, inn, or similar place within the
11 county that is subject to sales tax imposed by the State under G.S. ~~105-164.4(3).~~
12 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not
13 apply to accommodations furnished by nonprofit charitable, educational, or religious
14 organizations.

15 (b) ~~Collection.~~ ~~Every operator of a business subject to the tax levied under this~~
16 ~~section shall, on and after the effective date of the levy of the tax, collect the tax. This~~
17 ~~tax shall be collected as part of the charge for furnishing a taxable accommodation. The~~
18 ~~tax shall be stated and charged separately from the sales records, and shall be paid by~~
19 ~~the purchaser to the operator of the business as trustee for and on account of the county.~~
20 ~~The tax shall be added to the sales price and shall be passed on to the purchaser instead~~
21 ~~of being borne by the operator of the business. The county shall design, print, and~~
22 ~~furnish to all appropriate businesses and persons in the county the necessary forms for~~
23 ~~filing returns and instructions to ensure the full collection of the tax. An operator of a~~
24 ~~business who collects the occupancy tax levied under this section may deduct from the~~
25 ~~amount remitted to the county a discount of three percent (3%) of the amount collected.~~

26 (c) Administration. – A tax levied under this section shall be levied,
27 administered, collected, and repealed as provided in G.S. 153A-155. ~~The penalties~~
28 ~~provided in G.S. 153A-155 apply to a tax levied under this section. The county shall~~
29 ~~administer a tax levied under this section. A tax levied under this section is due and~~
30 ~~payable to the county finance officer in monthly installments on or before the 15th day~~
31 ~~of the month following the month in which the tax accrues. Every person, firm,~~
32 ~~corporation, or association liable for the tax shall, on or before the 15th day of each~~
33 ~~month, prepare and render a return on a form prescribed by the county. The return shall~~
34 ~~state the total gross receipts derived in the preceding month from rentals upon which the~~
35 ~~tax is levied. The board of commissioners shall appoint a board to oversee the~~
36 ~~operations of the Rowan County Convention and Visitors Bureau. Appointments to the~~
37 ~~board shall be made by the board of commissioners for specified terms as outlined in~~
38 ~~the bylaws of the Bureau.~~

39 ~~A return filed with the county finance officer under this section is not a public record~~
40 ~~as defined by G.S. 132-1 and may not be disclosed except as required by law.~~

41 (d) ~~Penalties.~~ ~~A person, firm, corporation, or association who fails or refuses to~~
42 ~~file the return required by this section shall pay a penalty of ten dollars (\$10.00) for~~
43 ~~each day's omission. In case of failure or refusal to file the return or pay the tax for a~~

1 period of 30 days after the time required for filing the return or for paying the tax, there
2 shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to
3 any other penalty, with an additional tax of five percent (5%) for each additional month
4 or fraction thereof until the tax is paid.

5 Any person who willfully attempts in any manner to evade a tax imposed under this
6 section or who willfully fails to pay the tax or make and file a return shall, in addition to
7 all other penalties provided by law, be guilty of a misdemeanor and shall be punishable
8 by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six
9 months, or both. The board of commissioners may, for good cause shown, compromise
10 or forgive the penalties imposed by this subsection.

11 (e) Distribution and use of tax revenue. – Rowan County shall apply the net
12 proceeds of the occupancy tax to the purposes provided in this subsection. The county
13 shall, on a ~~quarterly~~ monthly basis, remit the net proceeds of the occupancy tax to the
14 Rowan County ~~Convention and Visitors Bureau~~ Tourism Development Authority. The
15 ~~Bureau Authority~~ shall spend funds remitted to it under this subsection only to promote
16 travel, tourism, and conventions in Rowan County and to sponsor tourist-oriented
17 events and activities in Rowan County. The ~~Bureau Authority~~ may not spend any of the
18 funds for construction, improvement, or maintenance of real property or for any other
19 capital project. The ~~Bureau Authority~~ shall report ~~quarterly~~ and at the close of the fiscal
20 year to the board of commissioners on its receipts and expenditures for the ~~preceding~~
21 ~~quarter~~ and for the year in such detail as the board may require.

22 As used in this subsection, 'net proceeds' means gross proceeds less the cost to the
23 county of administering and collecting the tax, as determined by the finance officer.

24 (f) ~~Effective date of levy.~~ A tax levied under this section shall become
25 effective on the date specified in the resolution levying the tax. That date must be the
26 first day of a calendar month, however, and may not be earlier than the first day of the
27 second month after the date the resolution is adopted.

28 (g) ~~Repeal.~~ A tax levied under this section may be repealed by a resolution
29 adopted by the Rowan County Board of Commissioners. ~~Repeal of a tax levied under~~
30 ~~this section shall become effective on the first day of a month and may not become~~
31 ~~effective until the end of the fiscal year in which the repeal resolution was adopted.~~
32 ~~Repeal of a tax levied under this section does not affect a liability for a tax that was~~
33 ~~attached before the effective date of the repeal, nor does it affect a right to a refund of a~~
34 ~~tax that accrued before the effective date of the repeal."~~

35 **SECTION 9.2.** Chapter 379 of the 1987 Session Laws, as amended by
36 Chapter 882 of the 1991 Session Laws, is amended by adding a new section to read:

37 "Section 1.1. Establishment, Appointment, and Duties of Tourism Authority.

38 (a) The board of commissioners shall adopt a resolution establishing and creating
39 the Rowan County Tourism Development Authority, which shall be a public authority
40 under the Local Government Budget and Fiscal Control Act and shall be composed of
41 the following 11 members appointed by the board of commissioners:

42 (1) A county commissioner or their designee.

43 (2) A member of the Salisbury City Council or their designee.

- 1 (3) Two owners, operators, or representatives of hotels, motels, or other
2 taxable tourist accommodations.
3 (4) Two individuals to represent all bona fide Rowan County sites and
4 attractions, to be selected from those sites and attractions.
5 (5) One individual to represent the Rowan County Chamber of
6 Commerce, either the chair of the board or the chair's designee.
7 (6) Four individuals who have an interest in tourism development and do
8 not own or operate hotels, motels, or other taxable tourist
9 accommodations.

10 To fill the seat designated for a member of the Salisbury Council, the board of
11 commissioners shall appoint the individual selected by the Salisbury City Council. The
12 term of office of each member of the Authority is two years. Members may serve no
13 more than two consecutive terms. All members of the Authority shall serve without
14 compensation.

15 (b) In addition to any other powers and duties of the Authority otherwise
16 conferred by law, the authority may contract with any person, firm, or agency to advise
17 and assist it in the promotion of travel and tourism and to carry out the purposes
18 identified in Section 1 of this act. The Authority may accept contributions from any
19 source to be used for the purposes stated in Section 1 of this act."

20 **SECTION 9.3.** G.S. 153A-155(g) reads as rewritten:

21 "(g) This section applies only to Avery, Brunswick, Craven, Currituck, Davie,
22 Granville, Madison, Nash, Person, Randolph, Rowan, Scotland, and Transylvania
23 Counties."

24 **PART X. TOWN OF WILKESBORO.**

25 **SECTION 10.1.** Occupancy tax. – (a) Authorization and Scope. – The
26 Wilkesboro Board of Town Commissioners may levy a room occupancy tax of up to
27 three percent (3%) of the gross receipts derived from the rental of any room, lodging, or
28 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
29 the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
30 This tax is in addition to any State or local sales tax. This tax does not apply to
31 accommodations furnished by nonprofit charitable, educational, or religious
32 organizations when furnished in furtherance of their nonprofit purpose.

33 **SECTION 10.1.(b)** Administration. – A tax levied under this section
34 shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.
35 The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

36 **SECTION 10.1.(c)** Distribution and Use of Tax Revenue. – The Town of
37 Wilkesboro shall, on a quarterly basis, remit the net proceeds of the occupancy tax to
38 the Wilkesboro Tourism Development, Convention, and Visitors Bureau. The Bureau
39 shall use at least two-thirds of the funds remitted to it under this subsection to promote
40 travel and tourism in Wilkesboro and shall use the remainder for tourism-related
41 expenditures.

42 The following definitions apply in this subsection:

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

17 **SECTION 10.2.** Wilkesboro Tourism Development, Convention, and
18 Visitors Bureau. – (a) Appointment and Membership. – When the Wilkesboro
19 Board of Town Commissioners adopts a resolution levying a room occupancy tax under
20 this act, it shall also adopt a resolution creating the Wilkesboro Tourism Development,
21 Convention, and Visitors Bureau, which shall be a public authority under the Local
22 Government Budget and Fiscal Control Act. The resolution shall provide that the board
23 of commissioners shall appoint members of the Bureau for one-year terms and shall
24 provide for the filling of vacancies on the Bureau. At least one-third of the members
25 must be individuals who are affiliated with businesses that collect the tax in the town
26 and at least three-fourths of the members must be individuals who are currently active in
27 the promotion of travel and tourism in the town. The board of town commissioners
28 shall designate one member of the Bureau as chair and shall determine the
29 compensation, if any, to be paid to members of the Bureau.

30 The Bureau shall meet at the call of the chair and shall adopt rules of
31 procedure to govern its meetings. The Finance Officer for the Town of Wilkesboro
32 shall be the ex officio finance officer of the Bureau.

33 **SECTION 10.2.(b)** Duties. – The Bureau shall expend the net proceeds
34 of the tax levied under this act for the purposes provided in Section 9.1 of this act. The
35 Bureau shall promote travel, tourism, and conventions in the town, sponsor
36 tourist-related events and activities in the town, and finance tourist-related capital
37 projects in the town.

38 **SECTION 10.2.(c)** Reports. – The Bureau shall report quarterly and at
39 the close of the fiscal year to the town commissioners on its receipts and expenditures
40 for the preceding quarter and for the year in such detail as the board of commissioners
41 may require.

42 **PART XI. TOWN OF SELMA.**

1 **SECTION 11.1.** Occupancy tax. – (a) Authorization and Scope. – The Town
2 Council of the Town of Selma may levy a room occupancy tax of up to three percent
3 (3%) of the gross receipts derived from the rental of any room, lodging, or
4 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
5 the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
6 This tax is in addition to any State or local sales tax. This tax does not apply to
7 accommodations furnished by nonprofit charitable, educational, or religious
8 organizations when furnished in furtherance of their nonprofit purpose.

9 **SECTION 11.1.(b)** Administration. – A tax levied under this section
10 shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.
11 The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

12 **SECTION 11.1.(c)** Distribution and Use of Tax Revenue. – The Town of
13 Selma shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
14 Selma Tourism Development Authority. The Authority shall use at least two-thirds of
15 the funds remitted to it under this subsection to promote travel and tourism in Selma and
16 shall use the remainder for tourism-related expenditures.

17 The following definitions apply in this subsection:

- 18 (1) Net proceeds. – Gross proceeds less the cost to the town of
19 administering and collecting the tax, as determined by the finance
20 officer, not to exceed three percent (3%) of the first five hundred
21 thousand dollars (\$500,000) of gross proceeds collected each year and
22 one percent (1%) of the remaining gross receipts collected each year.
- 23 (2) Promote travel and tourism. – To advertise or market an area or
24 activity, publish and distribute pamphlets and other materials, conduct
25 market research, or engage in similar promotional activities that attract
26 tourists or business travelers to the area, including the operation of a
27 visitor's center. The term includes administrative expenses incurred in
28 engaging in the listed activities.
- 29 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
30 the Authority, are designed to increase the use of lodging facilities,
31 meeting facilities, or convention facilities in a town or to attract
32 tourists or business travelers to the town. The term includes
33 tourism-related capital expenditures.

34 **SECTION 11.2.** Selma Tourism Development Authority. – (a) Appointment
35 and Membership. – When the Town of Selma adopts a resolution levying a room
36 occupancy tax under this act, it shall also adopt a resolution creating the Selma Tourism
37 Development Authority, which shall be a public authority under the Local Government
38 Budget and Fiscal Control Act. The resolution shall provide for the membership of the
39 Authority, including the members' terms of office, and for the filling of vacancies on the
40 Authority. At least one-third of the members must be individuals who are affiliated
41 with businesses that collect the tax in the town and at least three-fourths of the members
42 must be individuals who are currently active in the promotion of travel and tourism in
43 the town. The Selma Town Council shall designate one member of the Authority as

1 chair and shall determine the compensation, if any, to be paid to members of the
2 Authority.

3 The Authority shall meet at the call of the chair and shall adopt rules of
4 procedure to govern its meetings. The Finance Officer for the Town of Selma shall be
5 the ex officio finance officer of the Authority.

6 **SECTION 11.2.(b) Duties.** – The Authority shall expend the net proceeds
7 of the tax levied under this act for the purposes provided in Section 10.1 of this act. The
8 Authority shall promote travel, tourism, and conventions in the town, sponsor
9 tourist-related events and activities in the town, and finance tourist-related capital
10 projects in the town.

11 **SECTION 11.2.(c) Reports.** – The Authority shall report quarterly and at
12 the close of the fiscal year to the town council on its receipts and expenditures for the
13 preceding quarter and for the year in such detail as the town council may require.

14 **PART XII. JOHNSTON COUNTY.**

15 **SECTION 12.1.** Chapter 647 of the 1987 Session Laws is amended by
16 adding a new section to read:

17 "Section 2.1. Additional Occupancy Tax. – In addition to the tax authorized by
18 Sections 1 and 2 of this act, the Johnston County Board of Commissioners may levy a
19 room occupancy tax of three percent (3%) of the gross receipts derived from the rental
20 of accommodations taxable under Sections 2 and 3 of this act. The county may not levy
21 a tax under this section unless it also levies the tax under Section 2 of this act. A tax
22 levied under this section may not become effective before the first day of the second
23 month after the resolution levying the tax is adopted. The levy, collection,
24 administration, and repeal of the tax authorized by this section shall be in accordance
25 with Sections 1, 4, 5, and 8 of this act. The county shall use the net proceeds of the tax
26 authorized by this section only for improving, leasing, constructing, financing,
27 operating, or acquiring facilities and properties as needed to provide for a civic center
28 facility. The use of the funds for the financing of a civic center may include the payment
29 of interest or the retiring of principal on debt related to a civic center."

30 **PART XIII. AVERASBORO TOWNSHIP IN HARNETT COUNTY.**

31 **SECTION 13.1.** Chapter 142 of the 1987 Session Laws is amended by
32 adding a new section to read:

33 "Section 1.1. Additional Occupancy Tax. – In addition to the tax authorized by
34 Section 1 of this act, the Harnett County Board of Commissioners may levy a room
35 occupancy tax of three percent (3%) of the gross receipts derived from the rental of
36 accommodations taxable under Section 1 of this act. The county may not levy a tax
37 under this section unless it also levies the tax under Section 1 of this act. A tax levied
38 under this section may not become effective before the first day of the second month
39 after the resolution levying the tax is adopted. The levy, collection, administration, and
40 repeal of the tax authorized by this section shall be in accordance with Section 1 of this
41 act. The county shall, on a quarterly basis, remit the net proceeds of the tax authorized
42 by this section to the Averasboro Township Tourism Development Authority to be used
43 only for improving, leasing, constructing, financing, operating, or acquiring facilities

1 and properties as needed to provide for a civic center facility. The use of the funds for
2 the financing of a civic center may include the payment of interest or the retiring of
3 principal on debt related to a civic center. If the Authority has not used the funds
4 remitted to it under this section for a civic center facility within three years after the date
5 the tax is levied, then the Authority must use the funds for the operation and
6 maintenance of the General William C. Lee Memorial Commission, Inc."

7 **PART XIV. CITY OF ROCKINGHAM.**

8 **SECTION 14.1.** Occupancy tax. (a) Authorization and Scope. – The
9 Rockingham City Council may levy a room occupancy tax of up to three percent (3%)
10 of the gross receipts derived from the rental of any room, lodging, or accommodation
11 furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is
12 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in
13 addition to any State or local sales tax. This tax does not apply to accommodations
14 furnished by nonprofit charitable, educational, or religious organizations when
15 furnished in furtherance of their nonprofit purpose.

16 **SECTION 14.1.(b)** Administration. – A tax levied under this section shall
17 be levied, administered, collected, and repealed as provided in G.S. 160A-215. The
18 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

19 The tax collector may collect any unpaid taxes levied under this act through
20 the use of attachment and garnishment proceedings as provided in G.S. 105-368 for
21 collection of property taxes. The tax collector has the same enforcement powers
22 concerning the tax authorized by this act as the Secretary of Revenue in enforcing the
23 State sales tax under G.S. 105-164.30.

24 **SECTION 14.1.(c)** Distribution and Use of Tax Revenue. – The tax
25 collector shall account for the proceeds of a tax levied under this part to the city finance
26 director on a monthly basis. The city shall use the net proceeds for travel and tourism
27 purposes.

28 **PART XV. CITY UNIFORM PROVISIONS.**

29 **SECTION 15.** City administrative provisions. – G.S. 160A-215 reads as
30 rewritten:

31 **"§ 160A-215. Uniform provisions for room occupancy taxes.**

32 (a) Scope. – This section applies only to municipalities the General Assembly
33 has authorized to levy room occupancy taxes. For the purpose of this section, the term
34 "city" means a municipality.

35 (b) Levy. – A room occupancy tax may be levied only by resolution, after not
36 less than 10 days' public notice and after a public hearing held pursuant thereto. A room
37 occupancy tax shall become effective on the date specified in the resolution levying the
38 tax. That date must be the first day of a calendar month, however, and may not be
39 earlier than the first day of the second month after the date the resolution is adopted.

40 (c) Collection. – Every operator of a business subject to a room occupancy tax
41 shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall
42 be collected as part of the charge for furnishing a taxable accommodation. The tax shall
43 be stated and charged separately from the sales records and shall be paid by the

1 purchaser to the operator of the business as trustee for and on account of the taxing city.
2 The tax shall be added to the sales price and shall be passed on to the purchaser instead
3 of being borne by the operator of the business. The taxing city shall design, print, and
4 furnish to all appropriate businesses and persons in the city the necessary forms for
5 filing returns and instructions to ensure the full collection of the tax. An operator of a
6 business who collects a room occupancy tax may deduct from the amount remitted to
7 the taxing city a discount equal to the discount the State allows the operator for State
8 sales and use tax.

9 (d) Administration. – The taxing city shall administer a room occupancy tax it
10 levies. A room occupancy tax is due and payable to the city finance officer in monthly
11 installments on or before the fifteenth day of the month following the month in which
12 the tax accrues. Every person, firm, corporation, or association liable for the tax shall,
13 on or before the fifteenth day of each month, prepare and render a return on a form
14 prescribed by the taxing city. The return shall state the total gross receipts derived in the
15 preceding month from rentals upon which the tax is levied. A room occupancy tax
16 return filed with the city finance officer is not a public record and may not be disclosed
17 except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

18 (e) Penalties. – A person, firm, corporation, or association who fails or refuses to
19 file a room occupancy tax return or pay a room occupancy tax as required by law is
20 subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a
21 return for State sales and use taxes. The governing board of the taxing city has the same
22 authority to waive the penalties for a room occupancy tax that the Secretary of Revenue
23 has to waive the penalties for State sales and use taxes.

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

32 (g) This section applies only to the Cities of Gastonia, Goldsboro, Greensboro,
33 Kings Mountain, Lincolnton, Lumberton, Monroe, Mount Airy, Rockingham, Shelby,
34 and Statesville, to the Towns of Banner Elk, Mooresville, North Topsail Beach, and
35 Selma, St. Pauls, Surf City, Topsail Beach, and Wilkesboro, and to the municipalities in
36 Brunswick County."

37 **PART XVI. EFFECTIVE DATE.**

38 **SECTION 16.** This act is effective when it becomes law.