

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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SENATE BILL 80

Short Title: Jacksonville Occupancy Tax. (Local)

Sponsors: Senator Brown.

Referred to: Finance.

February 10, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE CITY OF JACKSONVILLE TO LEVY A ROOM
3 OCCUPANCY AND TOURISM DEVELOPMENT TAX.

4 The General Assembly of North Carolina enacts:

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

12 **SECTION 1.(b)** Administration. – A tax levied under this section shall be levied,
13 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
14 G.S. 160A-215 apply to a tax levied under this section.

15 **SECTION 1.(c)** Definitions. – The following definitions apply in this act:

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

31 **SECTION 1.(d)** Distribution and Use of Tax Revenue. – The City of Jacksonville
32 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Jacksonville
33 Tourism Development Authority. The Authority shall use at least two-thirds of the funds
34 remitted to it under this subsection to promote travel and tourism in Jacksonville and shall use
35 the remainder for tourism-related expenditures.

36 **SECTION 2.** Tourism Development Authority. – (a) Appointment and
37 Membership. – When the City Council adopts a resolution levying a room occupancy tax under



1 this act, it shall also adopt a resolution creating the Jacksonville Tourism Development
2 Authority, which shall be a public authority under the Local Government Budget and Fiscal
3 Control Act. The resolution shall provide for the membership of the Authority, including the
4 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
5 the members shall be individuals who are affiliated with businesses that collect the tax in the
6 city, and at least one-half of the members shall be individuals who are currently active in the
7 promotion of travel and tourism in the city. The Jacksonville City Council shall designate one
8 member of the Authority as chair and shall determine the compensation, if any, to be paid to
9 members of the Authority.

10 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
11 govern its meetings. The Finance Officer for Jacksonville shall be the ex officio finance officer
12 of the Authority.

13 **SECTION 2.(b) Duties.** – The Authority shall expend the net proceeds of the tax
14 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
15 promote travel, tourism, and conventions in the city, sponsor tourist-related events and
16 activities in the city, and finance tourist-related capital projects in the city.

17 **SECTION 2.(c) Reports.** – The Authority shall report quarterly and at the close of
18 the fiscal year to the Jacksonville City Council on its receipts and expenditures for the
19 preceding quarter and for the year in such detail as the City Council may require.

20 **SECTION 3.** G.S. 160A-215(g) reads as rewritten:

21 "(g) This section applies only to Beech Mountain District W, to the Cities of Belmont,
22 ~~Elizabeth City, Eden, Elizabeth City,~~ Gastonia, Goldsboro, Greensboro, High Point,
23 Jacksonville, Kings Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy,
24 Reidsville, Roanoke Rapids, Shelby, Statesville, Washington, and Wilmington, to the Towns of
25 Ahoskie, Beech Mountain, Benson, Blowing Rock, Boiling Springs, Burgaw, Carolina Beach,
26 Carrboro, Dallas, Dobson, Elkin, Franklin, Jonesville, Kenly, Kure Beach, Leland, Mooresville,
27 North Topsail Beach, Pilot Mountain, Selma, Smithfield, St. Pauls, Troutman, Tryon, West
28 Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to the
29 municipalities in Avery and Brunswick Counties."

30 **SECTION 4.** This act is effective when it becomes law.