

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE DRS15209-MC-229 (02/20)

Short Title: Modify Southport Occupancy Tax. (Local)

Sponsors: Senator Rabon.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY THE SOUTHPORT OCCUPANCY TAX.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1. Section 1 of Chapter 639 of the 1989 Session Laws, as rewritten by  
5 S.L. 2002-129, reads as rewritten:

6 "Section 1. Occupancy tax. (a) Authorization and scope. – The Southport Board of  
7 Aldermen may levy a room occupancy tax of no more than three percent (3%) of the gross  
8 receipts derived from the rental of any room, lodging, or similar accommodation furnished by a  
9 hotel, motel, inn, or similar place within the City of Southport that is subject to sales tax  
10 imposed by the State under G.S. 105-164.4(a)(3) and on the rental of all private residences and  
11 cottages, regardless of whether the residence or cottage is rented for less than 15 days. This tax  
12 is in addition to any State or local sales tax. This tax does not apply to accommodations  
13 furnished by nonprofit charitable, educational, or religious organizations.

14 (a1) Authorization of additional tax. – In addition to the tax authorized by subsection (a)  
15 of this section, the Southport Board of Aldermen may levy an additional room occupancy tax of  
16 up to two percent (2%) of the gross receipts derived from the rental of accommodations taxable  
17 under subsection (a). The levy, collection, administration, and repeal of the tax authorized by  
18 this subsection shall be in accordance with the provisions of this section. The City of Southport  
19 may not levy a tax under this subsection unless it also levies the tax authorized under  
20 subsection (a) of this section.

21 (b) Administration. – A tax levied under this section shall be levied, administered,  
22 collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
23 G.S. 160A-215 apply to a tax levied under this section.

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

28 (e) Distribution and use of tax revenue. – The City of Southport shall, on a quarterly  
29 basis, remit the net proceeds of the occupancy tax levied under subsection (a) of this section to  
30 the Southport Tourism Development Authority. The Authority shall use at least two-thirds of  
31 the funds remitted to it under this subsection to promote travel and tourism in Southport and  
32 shall use the remainder for tourism-related expenditures. The City of Southport shall use the net  
33 proceeds of the occupancy tax levied under subsection (a1) of this section only for beach  
34 renourishment and protection.

35 The following definitions apply in this subsection:



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

16 **SECTION 2.** Section 1.3 of Chapter 639 of the 1989 Session Laws, as enacted by  
17 S.L. 2002-129, reads as rewritten:

18 "Sec. 1.3. Duties. – The Authority shall expend the net proceeds of the tax levied under  
19 subsection (a) of Section 1 of this act for the purposes provided in this act. The Authority shall  
20 promote travel, tourism, and conventions in the city, sponsor tourist-related events and  
21 activities in the city, and finance tourist-related capital projects in the city."

22 **SECTION 3.** This act is effective when it becomes law.