

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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HOUSE BILL 80

Short Title: St. James Occupancy Tax Authorization. (Local)

Sponsors: Representative Miller.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Local Government, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

February 9, 2023

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF ST. JAMES TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Occupancy tax. – (a) Authorization and Scope. – The St. James Town Council may levy a room occupancy tax of up to five percent (5%) of the gross receipts derived from the rental of an accommodation 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.

SECTION 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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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.(c) Distribution and Use of Tax Revenue. – The Town of St. James shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the St. James 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 the Town of St. James and shall use the remainder for tourism-related expenditures.

The following definitions apply in this section:

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

SECTION 1.(d) Tourism Development Authority. – Appointment and Membership. – When the Town Council adopts a resolution levying a room occupancy tax under this section, it shall also adopt a resolution creating the St. James Tourism Development Authority, which



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

8 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
9 govern its meetings. The finance officer for the Town of St. James shall be the ex officio finance
10 officer of the Authority.

11 **SECTION 1.(e) Duties.** – The Authority shall expend the net proceeds of the tax
12 levied under this section for the purposes provided in subsection (c) of this section.

13 **SECTION 1.(f) Reports.** – The Authority shall report quarterly and at the close of
14 the fiscal year to the St. James Town Council on its receipts and expenditures for the preceding
15 quarter and for the year in such detail as the Town Council may require.

16 **SECTION 2.** G.S. 160A-215(g) reads as rewritten:

17 "(g) **Applicability.** – Subsection (c) of this section applies to all cities that levy an
18 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection
19 (c) supersedes that provision. The remainder of this section applies only to Beech Mountain
20 District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro,
21 Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lake Santeetlah, Lenoir,
22 Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville,
23 Roanoke Rapids, Salisbury, Sanford, Shelby, Statesville, Washington, and Wilmington, to the
24 Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs,
25 Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin,
26 Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland,
27 McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot
28 Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. James, St. Pauls, Swansboro, Troutman,
29 Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, Yanceyville, to the
30 municipalities in Avery and Brunswick Counties, and to Saluda District D."

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