

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE BILL 528

Short Title: Omnibus Gaston County Occupancy Tax. (Local)

Sponsors: Representative Neumann.

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

March 11, 2009

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CERTAIN MUNICIPALITIES LOCATED IN GASTON COUNTY TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

PART I. CRAMERTON OCCUPANCY TAX.

SECTION 1.1. Occupancy tax. – (a) Authorization and Scope. – The Cramerton Town 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 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.

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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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) Definitions. – The following definitions apply in this act:

- (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 Cramerton 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 1.1.(d) Distribution and Use of Tax Revenue. – The Town of Cramerton shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Cramerton 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 Cramerton and shall use the remainder for tourism-related expenditures.



1 **SECTION 1.2.** Tourism Development Authority. – (a) Appointment and
2 Membership. – When the Town Council adopts a resolution levying a room occupancy tax
3 under this act, it shall also adopt a resolution creating the Cramerton Tourism Development
4 Authority, which shall be a public authority under the Local Government Budget and Fiscal
5 Control Act. The resolution shall provide for the membership of the Authority, including the
6 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
7 the members shall be individuals who are affiliated with businesses that collect the tax in the
8 town, and at least one-half of the members shall be individuals who are currently active in the
9 promotion of travel and tourism in the town. The Cramerton Town Council shall designate one
10 member of the Authority as chair and shall determine the compensation, if any, to be paid to
11 members of the Authority.

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

15 **SECTION 1.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax
16 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
17 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
18 activities in the town, and finance tourist-related capital projects in the town.

19 **SECTION 1.2.(c) Reports.** – The Authority shall report quarterly and at the close
20 of the fiscal year to the Cramerton Town Council on its receipts and expenditures for the
21 preceding quarter and for the year in such detail as the Town Council may require.

22 **PART II. LOWELL OCCUPANCY TAX.**

23 **SECTION 2.1.** Occupancy tax. – (a) Authorization and Scope. – The Lowell City
24 Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
25 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
26 inn, tourist camp, or similar place within the city that is subject to sales tax imposed by the
27 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax
28 does not apply to accommodations furnished by nonprofit charitable, educational, or religious
29 organizations when furnished in furtherance of their nonprofit purpose.

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

33 **SECTION 2.1.(c) Definitions.** – The following definitions apply in this act:

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

49 **SECTION 2.1.(d) Distribution and Use of Tax Revenue.** – The City of Lowell
50 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Lowell Tourism
51 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it

1 under this subsection to promote travel and tourism in Lowell and shall use the remainder for
2 tourism-related expenditures.

3 **SECTION 2.2.** Tourism Development Authority. – (a) Appointment and
4 Membership. – When the City Council adopts a resolution levying a room occupancy tax under
5 this act, it shall also adopt a resolution creating the Lowell Tourism Development Authority,
6 which shall be a public authority under the Local Government Budget and Fiscal Control Act.
7 The resolution shall provide for the membership of the Authority, including the members' terms
8 of office, and for the filling of vacancies on the Authority. At least one-third of the members
9 shall be individuals who are affiliated with businesses that collect the tax in the city, and at
10 least one-half of the members shall be individuals who are currently active in the promotion of
11 travel and tourism in the city. The Lowell City Council shall designate one member of the
12 Authority as chair and shall determine the compensation, if any, to be paid to members of the
13 Authority.

14 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
15 govern its meetings. The Finance Officer for Lowell shall be the ex officio finance officer of
16 the Authority.

17 **SECTION 2.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
18 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
19 promote travel, tourism, and conventions in the city, sponsor tourist-related events and
20 activities in the city, and finance tourist-related capital projects in the city.

21 **SECTION 2.2.(c)** Reports. – The Authority shall report quarterly and at the close
22 of the fiscal year to the Lowell City Council on its receipts and expenditures for the preceding
23 quarter and for the year in such detail as the City Council may require.

24 **PART III. MCADENVILLE OCCUPANCY TAX.**

25 **SECTION 3.1.** Occupancy tax. – (a) Authorization and Scope. – The McAdenville
26 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
27 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
28 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
29 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax
30 does not apply to accommodations furnished by nonprofit charitable, educational, or religious
31 organizations when furnished in furtherance of their nonprofit purpose.

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

35 **SECTION 3.1.(c)** Definitions. – The following definitions apply in this act:

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

1 **SECTION 3.1.(d)** Distribution and Use of Tax Revenue. – The Town of
2 McAdenville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
3 McAdenville Tourism Development Authority. The Authority shall use at least two-thirds of
4 the funds remitted to it under this subsection to promote travel and tourism in McAdenville and
5 shall use the remainder for tourism-related expenditures.

6 **SECTION 3.2.** Tourism Development Authority. – (a) Appointment and
7 Membership. – When the Town Council adopts a resolution levying a room occupancy tax
8 under this act, it shall also adopt a resolution creating the McAdenville Tourism Development
9 Authority, which shall be a public authority under the Local Government Budget and Fiscal
10 Control Act. The resolution shall provide for the membership of the Authority, including the
11 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
12 the members shall be individuals who are affiliated with businesses that collect the tax in the
13 town, and at least one-half of the members shall be individuals who are currently active in the
14 promotion of travel and tourism in the town. The McAdenville Town Council shall designate
15 one member of the Authority as chair and shall determine the compensation, if any, to be paid
16 to members of the Authority.

17 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
18 govern its meetings. The Finance Officer for McAdenville shall be the ex officio finance
19 officer of the Authority.

20 **SECTION 3.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
21 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
22 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
23 activities in the town, and finance tourist-related capital projects in the town.

24 **SECTION 3.2.(c)** Reports. – The Authority shall report quarterly and at the close
25 of the fiscal year to the McAdenville Town Council on its receipts and expenditures for the
26 preceding quarter and for the year in such detail as the Town Council may require.

27 **PART IV. MOUNT HOLLY OCCUPANCY TAX.**

28 **SECTION 4.1.** Occupancy tax. – (a) Authorization and Scope. – The Mount Holly
29 City Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
30 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
31 inn, tourist camp, or similar place within the city that is subject to sales tax imposed by the
32 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax
33 does not apply to accommodations furnished by nonprofit charitable, educational, or religious
34 organizations when furnished in furtherance of their nonprofit purpose.

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

38 **SECTION 4.1.(c)** Definitions. – The following definitions apply in this act:

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

1 or to attract tourists or business travelers to the city. The term includes
2 tourism-related capital expenditures.

3 **SECTION 4.1.(d)** Distribution and Use of Tax Revenue. – The City of Mount
4 Holly shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Mount
5 Holly Tourism Development Authority. The Authority shall use at least two-thirds of the funds
6 remitted to it under this subsection to promote travel and tourism in Mount Holly and shall use
7 the remainder for tourism-related expenditures.

8 **SECTION 4.2.** Tourism Development Authority. – (a) Appointment and
9 Membership. – When the City Council adopts a resolution levying a room occupancy tax under
10 this act, it shall also adopt a resolution creating the Mount Holly Tourism Development
11 Authority, which shall be a public authority under the Local Government Budget and Fiscal
12 Control Act. The resolution shall provide for the membership of the Authority, including the
13 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
14 the members shall be individuals who are affiliated with businesses that collect the tax in the
15 city, and at least one-half of the members shall be individuals who are currently active in the
16 promotion of travel and tourism in the city. The Mount Holly City Council shall designate one
17 member of the Authority as chair and shall determine the compensation, if any, to be paid to
18 members of the Authority.

19 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
20 govern its meetings. The Finance Officer for Mount Holly shall be the ex officio finance officer
21 of the Authority.

22 **SECTION 4.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
23 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
24 promote travel, tourism, and conventions in the city, sponsor tourist-related events and
25 activities in the city, and finance tourist-related capital projects in the city.

26 **SECTION 4.2.(c)** Reports. – The Authority shall report quarterly and at the close
27 of the fiscal year to the Mount Holly City Council on its receipts and expenditures for the
28 preceding quarter and for the year in such detail as the City Council may require.

29 **PART V. RANLO OCCUPANCY TAX.**

30 **SECTION 5.1.** Occupancy tax. – (a) Authorization and Scope. – The Ranlo Town
31 Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
32 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
33 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
34 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax
35 does not apply to accommodations furnished by nonprofit charitable, educational, or religious
36 organizations when furnished in furtherance of their nonprofit purpose.

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

40 **SECTION 5.1.(c)** Definitions. – The following definitions apply in this act:

- 41 (1) Net proceeds. – Gross proceeds less the cost to the town of administering
42 and collecting the tax, as determined by the finance officer, not to exceed
43 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
44 gross proceeds collected each year and one percent (1%) of the remaining
45 gross proceeds collected each year.
- 46 (2) Promote travel and tourism. – To advertise or market an area or activity,
47 publish and distribute pamphlets and other materials, conduct market
48 research, or engage in similar promotional activities that attract tourists or
49 business travelers to the area. The term includes administrative expenses
50 incurred in engaging in the listed activities.

- 1 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
2 Ranlo Tourism Development Authority, are designed to increase the use of
3 lodging facilities, meeting facilities, or convention facilities in the town or to
4 attract tourists or business travelers to the town. The term includes
5 tourism-related capital expenditures.

6 **SECTION 5.1.(d)** Distribution and Use of Tax Revenue. – The Town of Ranlo
7 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Ranlo Tourism
8 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
9 under this subsection to promote travel and tourism in Ranlo and shall use the remainder for
10 tourism-related expenditures.

11 **SECTION 5.2.** Tourism Development Authority. – (a) Appointment and
12 Membership. – When the Town Council adopts a resolution levying a room occupancy tax
13 under this act, it shall also adopt a resolution creating the Ranlo Tourism Development
14 Authority, which shall be a public authority under the Local Government Budget and Fiscal
15 Control Act. The resolution shall provide for the membership of the Authority, including the
16 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
17 the members shall be individuals who are affiliated with businesses that collect the tax in the
18 town, and at least one-half of the members shall be individuals who are currently active in the
19 promotion of travel and tourism in the town. The Ranlo Town Council shall designate one
20 member of the Authority as chair and shall determine the compensation, if any, to be paid to
21 members of the Authority.

22 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
23 govern its meetings. The Finance Officer for Ranlo shall be the ex officio finance officer of the
24 Authority.

25 **SECTION 5.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
26 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
27 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
28 activities in the town, and finance tourist-related capital projects in the town.

29 **SECTION 5.2.(c)** Reports. – The Authority shall report quarterly and at the close
30 of the fiscal year to the Ranlo Town Council on its receipts and expenditures for the preceding
31 quarter and for the year in such detail as the Town Council may require.

32 **PART VI. UNIFORM PROVISIONS.**

33 **SECTION 6.** G.S. 160A-215(g) reads as rewritten:

34 "(g) This section applies only to Beech Mountain District W, to the Cities of Belmont,
35 ~~Cramerton, Elizabeth City~~, Eden, Elizabeth City, Gastonia, Goldsboro, Greensboro, High Point,
36 Kings Mountain, Lexington, Lincolnton, Lowell, Lumberton, McAdenville, Monroe, Mount
37 Airy, Mount Holly, Ranlo, Reidsville, Roanoke Rapids, Shelby, Statesville, Washington, and
38 Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Blowing Rock, Boiling
39 Springs, Burgaw, Carolina Beach, Carrboro, Dallas, Dobson, Elkin, Franklin, Jonesville,
40 Kenly, Kure Beach, Leland, Mooresville, North Topsail Beach, Pilot Mountain, Selma,
41 Smithfield, St. Pauls, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach,
42 Yadkinville, and Yanceyville, and to the municipalities in Avery and Brunswick Counties."

43 **PART VII. EFFECTIVE DATE.**

44 **SECTION 7.** This act is effective when it becomes law.