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SESSION 2009

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SENATE BILL 80  
Second Edition Engrossed 5/28/09  
House Committee Substitute Favorable 6/17/09

Short Title: Jacksonville Occupancy Tax. (Local)

Sponsors:

Referred to:

February 10, 2009

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CITIES OF JACKSONVILLE, LOWELL, AND MOUNT HOLLY, AND THE TOWNS OF CRAMERTON, MCADENVILLE, AND RANLO TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

**PART I. JACKSONVILLE OCCUPANCY TAX.**

**SECTION 1.1.** Occupancy tax. – (a) Authorization and Scope. – The Jacksonville 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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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)** Definitions. – The following definitions apply in this act:

- (1) Net proceeds. – Gross proceeds less the cost to the city 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 Jacksonville Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.

**SECTION 1.1.(d)** Distribution and Use of Tax Revenue. – The City of Jacksonville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Jacksonville Tourism Development Authority. The Authority shall use at least two-thirds of



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

3 **SECTION 1.2.** 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 Jacksonville Tourism Development  
6 Authority, which shall be a public authority under the Local Government Budget and Fiscal  
7 Control Act. The resolution shall provide for the membership of the Authority, including the  
8 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of  
9 the members shall be individuals who are affiliated with businesses that collect the tax in the  
10 city, and at least one-half of the members shall be individuals who are currently active in the  
11 promotion of travel and tourism in the city. The Jacksonville City Council shall designate one  
12 member of the Authority as chair and shall determine the compensation, if any, to be paid to  
13 members of the 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 Jacksonville shall be the ex officio finance officer  
16 of the Authority.

17 **SECTION 1.2.(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 1.2.(c)** Reports. – The Authority shall report quarterly and at the close  
22 of the fiscal year to the Jacksonville City Council on its receipts and expenditures for the  
23 preceding quarter and for the year in such detail as the City Council may require.

## 24 **PART II. CRAMERTON OCCUPANCY TAX.**

25 **SECTION 2.1.** Occupancy tax. – (a) Authorization and Scope. – The Cramerton  
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 2.1.(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 2.1.(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 Cramerton Tourism Development Authority, are designed to increase the use  
48 of lodging facilities, meeting facilities, or convention facilities in the town or  
49 to attract tourists or business travelers to the town. The term includes  
50 tourism-related capital expenditures.

1           **SECTION 2.1.(d)** Distribution and Use of Tax Revenue. – The Town of  
2 Cramerton shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the  
3 Cramerton Tourism Development Authority. The Authority shall use at least two-thirds of the  
4 funds remitted to it under this subsection to promote travel and tourism in Cramerton and shall  
5 use the remainder for tourism-related expenditures.

6           **SECTION 2.2.** 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 Cramerton 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 Cramerton Town Council shall designate one  
15 member of the Authority as chair and shall determine the compensation, if any, to be paid to  
16 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 Cramerton shall be the ex officio finance officer  
19 of the Authority.

20           **SECTION 2.2.(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 2.2.(c)** Reports. – The Authority shall report quarterly and at the close  
25 of the fiscal year to the Cramerton 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 III. LOWELL OCCUPANCY TAX.**

28           **SECTION 3.1.** Occupancy tax. – (a) Authorization and Scope. – The Lowell City  
29 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 3.1.(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 3.1.(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           Lowell Tourism Development Authority, are designed to increase the use of  
51           lodging facilities, meeting facilities, or convention facilities in the city or to

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

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

8 **SECTION 3.2.** 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 Lowell Tourism Development Authority,  
11 which shall be a public authority under the Local Government Budget and Fiscal Control Act.  
12 The resolution shall provide for the membership of the Authority, including the members' terms  
13 of office, and for the filling of vacancies on the Authority. At least one-third of the members  
14 shall be individuals who are affiliated with businesses that collect the tax in the city, and at  
15 least one-half of the members shall be individuals who are currently active in the promotion of  
16 travel and tourism in the city. The Lowell City Council shall designate one member of the  
17 Authority as chair and shall determine the compensation, if any, to be paid to members of the  
18 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 Lowell shall be the ex officio finance officer of  
21 the Authority.

22 **SECTION 3.2.(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 3.2.(c)** Reports. – The Authority shall report quarterly and at the close  
27 of the fiscal year to the Lowell City Council on its receipts and expenditures for the preceding  
28 quarter and for the year in such detail as the City Council may require.

#### 29 **PART IV. MCADENVILLE OCCUPANCY TAX.**

30 **SECTION 4.1.** Occupancy tax. – (a) Authorization and Scope. – The McAdenville  
31 Town 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 4.1.(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 4.1.(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 McAdenville Tourism Development Authority, are designed to increase the  
3 use of lodging facilities, meeting facilities, or convention facilities in the  
4 town or to attract tourists or business travelers to the town. The term  
5 includes tourism-related capital expenditures.

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

11 **SECTION 4.2.** 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 McAdenville 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 McAdenville Town Council shall designate  
20 one member of the Authority as chair and shall determine the compensation, if any, to be paid  
21 to 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 McAdenville shall be the ex officio finance  
24 officer of the Authority.

25 **SECTION 4.2.(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 4.2.(c)** Reports. – The Authority shall report quarterly and at the close  
30 of the fiscal year to the McAdenville Town Council on its receipts and expenditures for the  
31 preceding quarter and for the year in such detail as the Town Council may require.

## 32 **PART V. MOUNT HOLLY OCCUPANCY TAX.**

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

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

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

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

1 business travelers to the area. The term includes administrative expenses  
2 incurred in engaging in the listed activities.

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

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

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

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

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

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

#### 34 **PART VI. RANLO OCCUPANCY TAX.**

35 **SECTION 6.1.** Occupancy tax. – (a) Authorization and Scope. – The Ranlo Town  
36 Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts  
37 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,  
38 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the  
39 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax  
40 does not apply to accommodations furnished by nonprofit charitable, educational, or religious  
41 organizations when furnished in furtherance of their nonprofit purpose.

42 **SECTION 6.1.(b)** Administration. – A tax levied under this section shall be levied,  
43 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
44 G.S. 160A-215 apply to a tax levied under this section.

45 **SECTION 6.1.(c)** Definitions. – The following definitions apply in this act:

- 46 (1) Net proceeds. – Gross proceeds less the cost to the town of administering  
47 and collecting the tax, as determined by the finance officer, not to exceed  
48 three percent (3%) of the first five hundred thousand dollars (\$500,000) of  
49 gross proceeds collected each year and one percent (1%) of the remaining  
50 gross proceeds collected each year.

1 (2) Promote travel and tourism. – To advertise or market an area or activity,  
2 publish and distribute pamphlets and other materials, conduct market  
3 research, or engage in similar promotional activities that attract tourists or  
4 business travelers to the area. The term includes administrative expenses  
5 incurred in engaging in the listed activities.

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

11 **SECTION 6.1.(d)** Distribution and Use of Tax Revenue. – The Town of Ranlo  
12 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Ranlo Tourism  
13 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
14 under this subsection to promote travel and tourism in Ranlo and shall use the remainder for  
15 tourism-related expenditures.

16 **SECTION 6.2.** Tourism Development Authority. – (a) Appointment and  
17 Membership. – When the Town Council adopts a resolution levying a room occupancy tax  
18 under this act, it shall also adopt a resolution creating the Ranlo Tourism Development  
19 Authority, which shall be a public authority under the Local Government Budget and Fiscal  
20 Control Act. The resolution shall provide for the membership of the Authority, including the  
21 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of  
22 the members shall be individuals who are affiliated with businesses that collect the tax in the  
23 town, and at least one-half of the members shall be individuals who are currently active in the  
24 promotion of travel and tourism in the town. The Ranlo Town Council shall designate one  
25 member of the Authority as chair and shall determine the compensation, if any, to be paid to  
26 members of the Authority.

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

30 **SECTION 6.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
31 levied under this act for the purposes provided in Section 1 of this act. The Authority shall  
32 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
33 activities in the town, and finance tourist-related capital projects in the town.

34 **SECTION 6.2.(c)** Reports. – The Authority shall report quarterly and at the close  
35 of the fiscal year to the Ranlo Town Council on its receipts and expenditures for the preceding  
36 quarter and for the year in such detail as the Town Council may require.

## 37 **PART VII. UNIFORM PROVISIONS.**

38 **SECTION 7.** G.S. 160A-215(g) reads as rewritten:

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

## 49 **PART VIII. EFFECTIVE DATE.**

50 **SECTION 8.** This act is effective when it becomes law.