

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

**H.B. 444**  
**Mar 22, 2017**  
**HOUSE PRINCIPAL CLERK**

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**HOUSE BILL DRH40263-MCx-133 (03/17)**

Short Title: Rowan County Municip. Occupancy Tax Auth. (Local)

Sponsors: Representative Ford.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE THE LEVY OF AN OCCUPANCY TAX FOR THE  
3 MUNICIPALITIES IN ROWAN COUNTY NOT CURRENTLY LEVYING AN  
4 OCCUPANCY TAX.

5 The General Assembly of North Carolina enacts:

6  
7 **PART I. LANDIS OCCUPANCY TAX**

8 **SECTION 1.1.** Occupancy Tax. – (a) Authorization and Scope. – The Landis  
9 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts  
10 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,  
11 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the  
12 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

13 **SECTION 1.1.(b)** Administration. – A tax levied under this section shall be levied,  
14 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
15 G.S. 160A-215 apply to a tax levied under this section.

16 **SECTION 1.1.(c)** Distribution and Use of Tax Revenue. – Landis shall, on a  
17 quarterly basis, remit the net proceeds of the occupancy tax to the Landis Tourism  
18 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
19 under this subsection to promote travel and tourism in Landis and shall use the remainder for  
20 tourism-related expenditures.

21 The following definitions apply in this subsection:

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



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1           **SECTION 1.2.** Landis Tourism Development Authority. – (a) Appointment and  
2 Membership. – When the Landis Town Council adopts a resolution levying a room occupancy  
3 tax under this act, it shall also adopt a resolution creating a town 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 must be individuals who are affiliated with businesses that collect the tax in the  
8 town, and at least one-half of the members must be individuals who are currently active in the  
9 promotion of travel and tourism in the town. The town council shall designate one member of  
10 the Authority as chair and shall determine the compensation, if any, to be paid to members of  
11 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 Landis shall be the ex officio finance officer of  
14 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 this act. The Authority shall promote travel,  
17 tourism, and conventions in the town, sponsor tourist-related events and activities in the town,  
18 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 Landis Town Council on its receipts and expenditures for the preceding  
21 quarter and for the year in such detail as the town council may require.

## 22 23 **PART II. FAITH OCCUPANCY TAX**

24           **SECTION 2.1.** Occupancy Tax. – (a) Authorization and Scope. – The Faith Town  
25 Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts  
26 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,  
27 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the  
28 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

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

32           **SECTION 2.1.(c) Distribution and Use of Tax Revenue.** – Faith shall, on a  
33 quarterly basis, remit the net proceeds of the occupancy tax to the Faith Tourism Development  
34 Authority. The Authority shall use at least two-thirds of the funds remitted to it under this  
35 subsection to promote travel and tourism in Faith and shall use the remainder for  
36 tourism-related expenditures.

37           The following definitions apply in this subsection:

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

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

3 **SECTION 2.2.** Faith Tourism Development Authority. – (a) Appointment and  
4 Membership. – When the Faith Town Council adopts a resolution levying a room occupancy  
5 tax under this act, it shall also adopt a resolution creating a town 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 must be individuals who are affiliated with businesses that collect the tax in the  
10 town, and at least one-half of the members must be individuals who are currently active in the  
11 promotion of travel and tourism in the town. The town council shall designate one member of  
12 the Authority as chair and shall determine the compensation, if any, to be paid to members of  
13 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 Faith shall be the ex officio finance officer of the  
16 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 this act. The Authority shall promote travel,  
19 tourism, and conventions in the town, sponsor tourist-related events and activities in the town,  
20 and finance tourist-related capital projects in the town.

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

### 24 **PART III. SPENCER OCCUPANCY TAX**

25 **SECTION 3.1.** Occupancy Tax. – (a) Authorization and Scope. – The Spencer  
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.

30 **SECTION 3.1.(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 3.1.(c)** Distribution and Use of Tax Revenue. – Spencer shall, on a  
34 quarterly basis, remit the net proceeds of the occupancy tax to the Spencer Tourism  
35 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
36 under this subsection to promote travel and tourism in Spencer and shall use the remainder for  
37 tourism-related expenditures.

38 The following definitions apply in this subsection:

- 39 (1) Net proceeds. – Gross proceeds less the cost to the town of administering  
40 and collecting the tax, as determined by the finance officer, not to exceed  
41 three percent (3%) of the first five hundred thousand dollars (\$500,000) of  
42 gross proceeds collected each year and one percent (1%) of the remaining  
43 gross receipts 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 Tourism Development Authority, are designed to increase the use of lodging  
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1 facilities, meeting facilities, or convention facilities in a town or to attract  
2 tourists or business travelers to the town. The term includes tourism-related  
3 capital expenditures.

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

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

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

22 **SECTION 3.2.(c)** Reports. – The Authority shall report quarterly and at the close  
23 of the fiscal year to the Spencer Town Council on its receipts and expenditures for the  
24 preceding quarter and for the year in such detail as the town council may require.  
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#### 26 **PART IV. EAST SPENCER OCCUPANCY TAX**

27 **SECTION 4.1.** Occupancy Tax. – (a) Authorization and Scope. – The East Spencer  
28 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts  
29 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,  
30 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the  
31 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

32 **SECTION 4.1.(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 4.1.(c)** Distribution and Use of Tax Revenue. – East Spencer shall, on a  
36 quarterly basis, remit the net proceeds of the occupancy tax to the East Spencer Tourism  
37 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
38 under this subsection to promote travel and tourism in East Spencer and shall use the remainder  
39 for tourism-related expenditures.

40 The following definitions apply in this subsection:

- 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 receipts 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 Tourism Development Authority, are designed to increase the use of lodging  
3 facilities, meeting facilities, or convention facilities in a town or to attract  
4 tourists or business travelers to the town. The term includes tourism-related  
5 capital expenditures.

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

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

24 **SECTION 4.2.(c)** Reports. – The Authority shall report quarterly and at the close  
25 of the fiscal year to the East Spencer 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.  
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## 28 **PART V. CHINA GROVE OCCUPANCY TAX**

29 **SECTION 5.1.** Occupancy Tax. – (a) Authorization and Scope. – The China Grove  
30 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts  
31 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,  
32 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the  
33 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

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

37 **SECTION 5.1.(c)** Distribution and Use of Tax Revenue. – China Grove shall, on a  
38 quarterly basis, remit the net proceeds of the occupancy tax to the China Grove Tourism  
39 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
40 under this subsection to promote travel and tourism in China Grove and shall use the remainder  
41 for tourism-related expenditures.

42 The following definitions apply in this subsection:

- 43 (1) Net proceeds. – Gross proceeds less the cost to the town of administering  
44 and collecting the tax, as determined by the finance officer, not to exceed  
45 three percent (3%) of the first five hundred thousand dollars (\$500,000) of  
46 gross proceeds collected each year and one percent (1%) of the remaining  
47 gross receipts collected each year.
- 48 (2) Promote travel and tourism. – To advertise or market an area or activity,  
49 publish and distribute pamphlets and other materials, conduct market  
50 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 Tourism Development Authority, are designed to increase the use of lodging  
5 facilities, meeting facilities, or convention facilities in a town or to attract  
6 tourists or business travelers to the town. The term includes tourism-related  
7 capital expenditures.

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

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

26 **SECTION 5.2.(c)** Reports. – The Authority shall report quarterly and at the close  
27 of the fiscal year to the China Grove Town Council on its receipts and expenditures for the  
28 preceding quarter and for the year in such detail as the town council may require.  
29

## 30 **PART VI. ROCKWELL OCCUPANCY TAX**

31 **SECTION 6.1.** Occupancy Tax. – (a) Authorization and Scope. – The Rockwell  
32 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts  
33 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,  
34 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the  
35 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

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

39 **SECTION 6.1.(c)** Distribution and Use of Tax Revenue. – Rockwell shall, on a  
40 quarterly basis, remit the net proceeds of the occupancy tax to the Rockwell Tourism  
41 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
42 under this subsection to promote travel and tourism in Rockwell and shall use the remainder for  
43 tourism-related expenditures.

44 The following definitions apply in this subsection:

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

1 research, or engage in similar promotional activities that attract tourists or  
2 business travelers to the area. The term includes administrative expenses  
3 incurred in engaging in the listed activities.

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

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

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

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

27 **SECTION 6.2.(c)** Reports. – The Authority shall report quarterly and at the close  
28 of the fiscal year to the Rockwell Town Council on its receipts and expenditures for the  
29 preceding quarter and for the year in such detail as the town council may require.

## 30 **PART VII. GRANITE QUARRY OCCUPANCY TAX**

31 **SECTION 7.1.** Occupancy Tax. – (a) Authorization and Scope. – The Granite  
32 Quarry Town Council may levy a room occupancy tax of up to three percent (3%) of the gross  
33 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,  
34 motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by  
35 the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

36 **SECTION 7.1.(b)** Administration. – A tax levied under this section shall be levied,  
37 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
38 G.S. 160A-215 apply to a tax levied under this section.

39 **SECTION 7.1.(c)** Distribution and Use of Tax Revenue. – Granite Quarry shall, on  
40 a quarterly basis, remit the net proceeds of the occupancy tax to the Granite Quarry Tourism  
41 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
42 under this subsection to promote travel and tourism in Granite Quarry and shall use the  
43 remainder for tourism-related expenditures.

44 The following definitions apply in this subsection:

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

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 Tourism Development Authority, are designed to increase the use of lodging  
8 facilities, meeting facilities, or convention facilities in a town or to attract  
9 tourists or business travelers to the town. The term includes tourism-related  
10 capital expenditures.

11 **SECTION 7.2.** Granite Quarry Tourism Development Authority. – (a)  
12 Appointment and Membership. – When the Granite Quarry Town Council adopts a resolution  
13 levying a room occupancy tax under this act, it shall also adopt a resolution creating a town  
14 Tourism Development Authority, which shall be a public authority under the Local  
15 Government Budget and Fiscal Control Act. The resolution shall provide for the membership of  
16 the Authority, including the members' terms of office, and for the filling of vacancies on the  
17 Authority. At least one-third of the members must be individuals who are affiliated with  
18 businesses that collect the tax in the town, and at least one-half of the members must be  
19 individuals who are currently active in the promotion of travel and tourism in the town. The  
20 town council shall designate one member of the Authority as chair and shall determine the  
21 compensation, if any, to be paid 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 Granite Quarry shall be the ex officio finance  
24 officer of the Authority.

25 **SECTION 7.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
26 levied under this act for the purposes provided in this act. The Authority shall promote travel,  
27 tourism, and conventions in the town, sponsor tourist-related events and activities in the town,  
28 and finance tourist-related capital projects in the town.

29 **SECTION 7.2.(c)** Reports. – The Authority shall report quarterly and at the close  
30 of the fiscal year to the Granite Quarry 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

## 33 **PART VIII. KANNAPOLIS OCCUPANCY TAX**

34 **SECTION 8.1.** Occupancy Tax. – (a) Authorization and Scope. – The Kannapolis  
35 City Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts  
36 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,  
37 inn, tourist camp, or similar place within the city that is subject to sales tax imposed by the  
38 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

39 **SECTION 8.1.(b)** Administration. – A tax levied under this section shall be levied,  
40 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
41 G.S. 160A-215 apply to a tax levied under this section.

42 **SECTION 8.1.(c)** Distribution and Use of Tax Revenue. – Kannapolis shall, on a  
43 quarterly basis, remit the net proceeds of the occupancy tax to the Kannapolis Tourism  
44 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
45 under this subsection to promote travel and tourism in Kannapolis and shall use the remainder  
46 for tourism-related expenditures.

47 The following definitions apply in this subsection:

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



1 proceeds collected each year and one percent (1%) of the remaining gross  
2 receipts collected each year.

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

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

13 **SECTION 8.2.** Kannapolis Tourism Development Authority. – (a) Appointment  
14 and Membership. – When the Kannapolis City Council adopts a resolution levying a room  
15 occupancy tax under this act, it shall also adopt a resolution creating a city Tourism  
16 Development Authority, which shall be a public authority under the Local Government Budget  
17 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,  
18 including the members' terms of office, and for the filling of vacancies on the Authority. At  
19 least one-third of the members must be individuals who are affiliated with businesses that  
20 collect the tax in the city, and at least one-half of the members must be individuals who are  
21 currently active in the promotion of travel and tourism in the city. The city council shall  
22 designate one member of the Authority as chair and shall determine the compensation, if any,  
23 to be paid to 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 Kannapolis shall be the ex officio finance officer  
26 of the Authority.

27 **SECTION 8.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax  
28 levied under this act for the purposes provided in this act. The Authority shall promote travel,  
29 tourism, and conventions in the city, sponsor tourist-related events and activities in the city, and  
30 finance tourist-related capital projects in the city.

31 **SECTION 8.2.(c) Reports.** – The Authority shall report quarterly and at the close  
32 of the fiscal year to the Kannapolis 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 IX. CLEVELAND OCCUPANCY TAX**

35 **SECTION 9.1.** Occupancy Tax. – (a) Authorization and Scope. – The Cleveland  
36 Town 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.

40 **SECTION 9.1.(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 9.1.(c) Distribution and Use of Tax Revenue.** – Cleveland shall, on a  
44 quarterly basis, remit the net proceeds of the occupancy tax to the Cleveland Tourism  
45 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
46 under this subsection to promote travel and tourism in Cleveland and shall use the remainder  
47 for tourism-related expenditures.

48 The following definitions apply in this subsection:

49 (1) Net proceeds. – Gross proceeds less the cost to the town of administering  
50 and collecting the tax, as determined by the finance officer, not to exceed  
51

1 three percent (3%) of the first five hundred thousand dollars (\$500,000) of  
2 gross proceeds collected each year and one percent (1%) of the remaining  
3 gross receipts collected each year.

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

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

14 **SECTION 9.2.** Cleveland Tourism Development Authority. – (a) Appointment and  
15 Membership. – When the Cleveland Town Council adopts a resolution levying a room  
16 occupancy tax under this act, it shall also adopt a resolution creating a town Tourism  
17 Development Authority, which shall be a public authority under the Local Government Budget  
18 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,  
19 including the members' terms of office, and for the filling of vacancies on the Authority. At  
20 least one-third of the members must be individuals who are affiliated with businesses that  
21 collect the tax in the town, and at least one-half of the members must be individuals who are  
22 currently active in the promotion of travel and tourism in the town. The town council shall  
23 designate one member of the Authority as chair and shall determine the compensation, if any,  
24 to be paid to members of the Authority.

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

28 **SECTION 9.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
29 levied under this act for the purposes provided in this act. The Authority shall promote travel,  
30 tourism, and conventions in the town, sponsor tourist-related events and activities in the town,  
31 and finance tourist-related capital projects in the town.

32 **SECTION 9.2.(c)** Reports. – The Authority shall report quarterly and at the close  
33 of the fiscal year to the Cleveland Town Council on its receipts and expenditures for the  
34 preceding quarter and for the year in such detail as the town council may require.

## 35 **PART X. UNIFORM PROVISIONS**

36 **SECTION 10.** G.S. 160A-215(g) reads as rewritten:

37 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an  
38 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act,  
39 subsection (c) supersedes that provision. The remainder of this section applies only to Beech  
40 Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia,  
41 Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kannapolis, Kings Mountain, Lake  
42 Santeetlah, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount  
43 Holly, Reidsville, Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and  
44 Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing  
45 Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, China Grove, Cleveland,  
46 Cooleemee, Cramerton, Dallas, Dobson, East Spencer, Elkin, Faith, Fontana Dam, Franklin,  
47 Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Landis, Leland, McAdenville,  
48 Mocksville, Mooreville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain,  
49 Ranlo, Robbinsville, Rock Quarry, Rockwell, Selma, Spencer, Smithfield, St. Pauls,

1 Swansboro, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville,  
2 and Yanceyville, and to the municipalities in Avery and Brunswick Counties."  
3

4 **PART XI. EFFECTIVE DATE**

5 **SECTION 11.** This act is effective when it becomes law.