

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021**

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**HOUSE BILL 239  
Committee Substitute Favorable 3/16/21**

Short Title: Additional North Topsail Occupancy Tax. (Local)

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Sponsors:

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Referred to:

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March 9, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE AN ADDITIONAL ONE PERCENT OCCUPANCY TAX FOR  
3 THE TOWN OF NORTH TOPSAIL BEACH FOR BEACH NOURISHMENT PURPOSES.  
4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Section 5.1 of Part V of S.L. 2001-439 is amended by adding a new  
6 subsection to read:

7 "SECTION 5.1.(a1) Authorization of Additional Tax. – In addition to the tax authorized by  
8 subsection (a) of this section, the North Topsail Beach Board of Aldermen may levy an additional  
9 room occupancy tax of up to one percent (1%) of the gross receipts derived from the rental of  
10 accommodations taxable under subsection (a) of this section. The levy, collection,  
11 administration, and repeal of the tax authorized by this subsection shall be in accordance with  
12 the provisions of this section. The governing body of a town may not levy a tax under this  
13 subsection unless it also levies the tax authorized under subsection (a) of this section. The  
14 authority to levy a tax under this subsection is repealed when the nonfederal partner match  
15 requirement for a beach renourishment qualifying project ceases."

16 **SECTION 2.** Section 5.1(c) of Part V of S.L. 2001-439 reads as rewritten:

17 "SECTION 5.1.(c) Distribution and Use of Tax Revenue. – North Topsail Beach shall spend  
18 the net proceeds of the occupancy tax levied under subsection (a) of this section for beach  
19 nourishment. North Topsail Beach shall spend the proceeds of the tax levied pursuant to  
20 subsection (a1) of this section for the nonfederal partner match requirement for a beach  
21 renourishment qualifying project.

22 The following definitions apply in this subsection:

- 23 (1) Net proceeds. – Gross proceeds less the cost to the town of administering and  
24 collecting the tax, as determined by the finance officer, not to exceed three  
25 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross  
26 proceeds collected each year and one percent (1%) of the remaining gross  
27 receipts collected each year.
- 28 (2) Beach nourishment. – The placement of sand, from other sand sources, on a  
29 beach or dune by mechanical means and other associated activities that are in  
30 conformity with the North Carolina Coastal Management Program along the  
31 North Carolina shorelines and connecting inlets for the purpose of widening  
32 the beach to benefit public recreational use and mitigating damage and erosion  
33 from storms to inland property. The term includes expenditures for the  
34 following:



- 1 a. Costs directly associated with qualifying for projects either contracted
- 2 through the U.S. Army Corps of Engineers or otherwise permitted by
- 3 all appropriate federal and State agencies;
- 4 b. The nonfederal share of the cost required to construct these projects;
- 5 c. The costs associated with providing enhanced public beach access; and
- 6 d. The costs of associated nonhardening activities such as the planting of
- 7 vegetation, the building of dunes, and the placement of sand fences.
- 8 (3) Qualifying project. – A beach renourishment project with the U.S. Army
- 9 Corps of Engineers (i) estimated to have a total cost of approximately nine
- 10 hundred million dollars (\$900,000,000), (ii) consisting of an estimated six
- 11 renourishment cycles over a span of approximately 50 years, and (iii)
- 12 requiring a nonfederal partner match for a portion of which the town will be
- 13 responsible."

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