

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

S

1

SENATE BILL 73

Short Title: Richlands Occupancy Tax Authorization. (Local)

Sponsors: Senator Lazzara (Primary Sponsor).

Referred to: Rules and Operations of the Senate

February 12, 2025

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF RICHLANDS TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Occupancy Tax. – (a) Authorization and Scope. – The Board of Aldermen of the Town of Richlands may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation 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.

SECTION 1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 1.(c) Distribution and Use of Tax Revenue. – The Town of Richlands shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Town of Richlands Tourism Development Authority. The Authority shall use at least two-thirds of the funds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the city.

The following definitions apply in this subsection:

- (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 receipts 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 Tourism Development Authority, are designed to increase the use of accommodations, 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 2. Tourism Development Authority. – (a) Appointment and Membership. – When the Board of Aldermen of the Town of Richlands adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a city Tourism Development



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

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

12 **SECTION 2.(b) Duties.** – The Authority shall expend the net proceeds of the tax
13 levied under this act for promoting travel and tourism and for tourism-related expenditures as
14 provided in this act.

15 **SECTION 2.(c) Reports.** – The Authority shall report quarterly and at the close of
16 the fiscal year to the Board of Aldermen of the Town of Richlands on its receipts and expenditures
17 for the preceding quarter and for the year in such detail as the Board of Aldermen may require.

18 **SECTION 3. G.S. 160A-215(g) reads as rewritten:**

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

34 **SECTION 4.** This act is effective when it becomes law.