

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE DRS65290-MC~~x~~-224 (4/23)**

Short Title: Town of Leland Occupancy Tax. (Local)

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Sponsors: Senator Soles.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF LELAND TO LEVY A ROOM  
OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Occupancy Tax. – (a) Authorization and Scope. – The Town Council of the Town of Leland 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.(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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 Leland shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Leland 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 the Town of Leland and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

- (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.

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

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

11 **SECTION 2.** Tourism Development Authority. – (a) Appointment and  
12 Membership. – When the Town Council adopts a resolution levying a room occupancy  
13 tax under this act, it shall also adopt a resolution creating the Leland Tourism  
14 Development Authority, which shall be a public authority under the Local Government  
15 Budget and Fiscal Control Act. The resolution shall provide for the membership of the  
16 Authority, including the members' terms of office, and for the filling of vacancies on the  
17 Authority. At least one-third of the members shall be individuals who are affiliated with  
18 businesses that collect the tax in the town, and at least one-half of the members shall be  
19 individuals who are currently active in the promotion of travel and tourism in the town.  
20 The Town Council shall designate one member of the Authority as chair and shall  
21 determine the 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  
23 procedure to govern its meetings. The Finance Officer for the Town of Leland shall be  
24 the ex officio finance officer of the Authority.

25 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of the  
26 tax levied under this act for the purposes provided in Section 1 of this act. The  
27 Authority shall promote travel, tourism, and conventions in the town, sponsor  
28 tourist-related events and activities in the town, and finance tourist-related capital  
29 projects in the town.

30 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the  
31 close of the fiscal year to the Leland Town Council on its receipts and expenditures for  
32 the preceding quarter and for the year in such detail as the Town Council may require.

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