

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE DRS85116-MC-76 (2/23)

Short Title:   Modify City of Lumberton Occupancy Tax. (Local)

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Sponsors:    Senator Weinstein.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO MODIFY THE OCCUPANCY TAX OF THE CITY OF LUMBERTON.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part IX of Chapter 908 of the 1983 Session Laws, as amended by Chapter 1028 of the 1983 Session laws and Chapter 935 of the 1987 Session Laws, as it relates to the City of Lumberton only, and Section 2 of Chapter 361 of the 1997 Session Laws, as it relates to the City of Lumberton only, reads as rewritten:

**"Section 2.** Lumberton Occupancy Tax. (a) Authorization and scope. The Lumberton 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.

(b) [Repealed August 1, 2000.]

(c) 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 A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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.

~~The tax collector may collect any unpaid taxes levied under this section through the use of attachment and garnishment proceedings as provided in G.S. 105-368 for collection of property taxes. The tax collector has the same enforcement powers concerning the tax imposed by this section as does the Secretary of Revenue in enforcing the State sales tax under G.S. 105-164.30.~~

(d) Distribution and use of ~~first three percent (3%)~~ tax revenue. The City of Lumberton shall, on a quarterly basis, remit sixty percent (60%) of the net proceeds of the ~~first three percent (3%)~~ occupancy tax authorized in subsection (a) of this section to

1 the Lumberton Tourism Development ~~Authority~~ Authority and forty percent (40%) of  
2 the net proceeds to the Carolina Civic Center Foundation, Inc. The Authority shall use  
3 at least two-thirds of the funds remitted to it under this subsection to promote travel and  
4 tourism in Lumberton and shall use the remainder for tourism-related expenditures. ~~Of~~  
5 ~~the funds designated for tourism-related expenditures, the Authority shall remit the first~~  
6 ~~one hundred fifteen thousand dollars (\$115,000) to the Carolina Civic Center~~  
7 ~~Foundation, Inc., for tourism-related expenditures. The Authority may use no more than~~  
8 ~~twenty three percent (23%) of the funds remitted to it under this subsection for salaries~~  
9 ~~in carrying out these purposes and may use no more than ten percent (10%) of the funds~~  
10 ~~remitted to it under this subsection for other administrative costs in carrying out these~~  
11 ~~purposes.~~ Of the forty percent (40%) remitted to it under this subsection, the Foundation  
12 shall use eighty-three percent (83%) for the general operations of the Carolina Civic  
13 Center and shall place the remaining funds into a capital reserve for the maintenance,  
14 repair, and capital needs of the Carolina Civic Center property and equipment.

15 (e) [Repealed August 1, 2000.]

16 (f) The following definitions apply in this section:

- 17 (1) Net proceeds. – Gross proceeds less the cost to the city of  
18 administering and collecting the tax, as determined by the finance  
19 officer, not to exceed ~~four percent (4%)~~ three percent (3%) of the first  
20 five hundred thousand dollars (\$500,000) of the gross  
21 proceeds. ~~proceeds collected each year and one percent (1%) of the~~  
22 remaining gross proceeds collected each year.
- 23 (2) Promote travel and tourism. – To advertise or market an area or  
24 activity, publish and distribute pamphlets and other materials, conduct  
25 market research, or engage in similar promotional activities that attract  
26 tourists or business travelers to the area; the term includes  
27 administrative expenses incurred in engaging in the listed activities.
- 28 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
29 the Authority, are designed to increase the use of lodging facilities,  
30 meeting facilities, and convention facilities in ~~a~~ the city ~~by attracting or~~  
31 to attract tourists or business travelers to the city. The term includes  
32 tourism-related capital expenditures."

33 **SECTION 2.** Part IX of Chapter 908 of the 1983 Session Laws, as amended  
34 by Chapter 1028 of the 1983 Session laws and Chapter 935 of the 1987 Session Laws,  
35 as it relates to the City of Lumberton only, and Section 3 of Chapter 361 of the 1997  
36 Session Laws, as it relates to the City of Lumberton only, and Section 1 of this act,  
37 reads as rewritten:

38 **"Section 2.** Lumberton Occupancy Tax. (a) Authorization and scope. The  
39 Lumberton City Council may levy a room occupancy tax of up to three percent (3%) of  
40 the gross receipts derived from the rental of any room, lodging, or accommodation  
41 furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is  
42 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in  
43 addition to any State or local sales tax. This tax does not apply to accommodations

1 furnished by nonprofit charitable, educational, or religious organizations when  
2 furnished in furtherance of their nonprofit purpose.

3 (b) [Repealed August 1, 2000.]

4 (c) Administration. A tax levied under this section shall be levied, administered,  
5 collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
6 G.S. 160A-215 apply to a tax levied under this section.

7 (d) Distribution and use of tax revenue. The City of Lumberton shall, on a  
8 quarterly basis, remit ~~sixty percent (60%) of the net proceeds of the occupancy tax to~~  
9 ~~the Lumberton Tourism Development Authority and forty percent (40%) of the net~~  
10 ~~proceeds to the Carolina Civic Center Foundation, Inc. Authority.~~ The Authority shall  
11 use at least two-thirds of the funds remitted to it under this subsection to promote travel  
12 and tourism in Lumberton and shall use the remainder for tourism-related expenditures.  
13 ~~Of the forty percent (40%) remitted to it under this subsection, the Foundation shall use~~  
14 ~~eighty three percent (83%) for the general operations of the Carolina Civic Center and~~  
15 ~~shall place the remaining funds into a capital reserve for the maintenance, repair, and~~  
16 ~~capital needs of the Carolina Civic Center property and equipment.~~

17 (e) [Repealed August 1, 2000.]

18 (f) The following definitions apply in this section:

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

35 **SECTION 3.** Part IX of Chapter 908 of the 1983 Session Laws, as amended  
36 by Chapter 1028 of the 1983 Session laws and Chapter 935 of the 1987 Session Laws,  
37 as it relates to the City of Lumberton only, and Section 3 of Chapter 361 of the 1997  
38 Session Laws, as it relates to the City of Lumberton only, reads as rewritten:

39 **"Section 3.** Lumberton Tourism Development Authority. (a) Appointment and  
40 membership. When the Lumberton City Council adopts a resolution levying a room  
41 occupancy tax under this act, it shall also adopt a resolution creating a city Tourism  
42 Development Authority, which shall be a public authority under the Local Government  
43 Budget and Fiscal Control Act. The resolution shall provide for the ~~members' terms of~~  
44 ~~office and for the filling of vacancies on the Authority.~~

1       ~~The Authority shall have eight members appointed by the city council and two ex~~  
2 ~~officio, nonvoting members, as follows:~~

- 3           (1) ~~Four individuals who own or operate a hotel or motel in the city.~~  
4           (2) ~~Four individuals who are currently active in the promotion of travel~~  
5 ~~and tourism in the city.~~  
6           (3) ~~The Finance Officer for Lumberton, to serve ex officio.~~  
7           (4) ~~A member of the Lumberton City Council, designated by the city~~  
8 ~~council, to serve ex officio.~~  
9           membership of the Authority, including the  
10 members' terms of office, and for the filling of vacancies on the  
11 Authority. At least one-third of the members shall be individuals who  
12 are affiliated with businesses that collect the tax in the city, and at least  
13 one-half of the members shall be individuals who are currently active  
14 in the promotion of travel and tourism in the city.

14       The Lumberton City Council shall designate one member of the Authority as chair and  
15 shall determine the compensation, if any, to be paid to members of the Authority.

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

19       (b) Duties. The Authority shall expend the net proceeds of the tax levied under  
20 Section 2 of this act for the purposes provided in Section 2 of this act. The Authority  
21 shall promote travel, tourism, and conventions in the city, sponsor tourist-related events  
22 and activities in the city, and finance tourist-related capital projects in the city.

23       (c) Reports. The Authority shall report quarterly and at the close of the fiscal  
24 year to the Lumberton City Council on its receipts and expenditures for the preceding  
25 quarter and for the year in such detail as the Lumberton City Council may require."

26       **SECTION 4.** Section 1 of this act is effective the first day of the first month  
27 following enactment of this act. Section 2 of this act becomes effective October 1,  
28 2014. The remainder of this act is effective when it becomes law. The Board of  
29 Commissioners has 30 days from the date the act becomes effective to ensure that the  
30 membership of the Authority is in compliance with this act.