

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE DRH50181-MCx-119 (3/3)

Short Title: Omnibus Gaston County Occupancy Tax. (Local)

Sponsors: Representative Neumann.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CERTAIN MUNICIPALITIES LOCATED IN GASTON COUNTY TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

PART I. CRAMERTON OCCUPANCY TAX.

SECTION 1.1. Occupancy tax. – (a) Authorization and Scope. – The Cramerton Town 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 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 1.1.(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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 1.1.(c) Definitions. – The following definitions apply in this act:

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

SECTION 1.1.(d) Distribution and Use of Tax Revenue. – The Town of Cramerton shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Cramerton Tourism Development Authority. The Authority shall use at least two-thirds of the



1 funds remitted to it under this subsection to promote travel and tourism in Cramerton and shall
2 use the remainder for tourism-related expenditures.

3 **SECTION 1.2.** Tourism Development Authority. – (a) Appointment and
4 Membership. – When the Town Council adopts a resolution levying a room occupancy tax
5 under this act, it shall also adopt a resolution creating the Cramerton 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 shall be individuals who are affiliated with businesses that collect the tax in the
10 town, and at least one-half of the members shall be individuals who are currently active in the
11 promotion of travel and tourism in the town. The Cramerton Town Council shall designate one
12 member of the Authority as chair and shall determine the compensation, if any, to be paid to
13 members of 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 Cramerton shall be the ex officio finance officer
16 of the Authority.

17 **SECTION 1.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
18 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
19 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
20 activities in the town, and finance tourist-related capital projects in the town.

21 **SECTION 1.2.(c)** Reports. – The Authority shall report quarterly and at the close
22 of the fiscal year to the Cramerton Town Council on its receipts and expenditures for the
23 preceding quarter and for the year in such detail as the Town Council may require.

24 **PART II. LOWELL OCCUPANCY TAX.**

25 **SECTION 2.1.** Occupancy tax. – (a) Authorization and Scope. – The Lowell City
26 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 city 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. This tax
30 does not apply to accommodations furnished by nonprofit charitable, educational, or religious
31 organizations when furnished in furtherance of their nonprofit purpose.

32 **SECTION 2.1.(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 2.1.(c)** Definitions. – The following definitions apply in this act:

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

1 **SECTION 2.1.(d)** Distribution and Use of Tax Revenue. – The City of Lowell
2 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Lowell Tourism
3 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
4 under this subsection to promote travel and tourism in Lowell and shall use the remainder for
5 tourism-related expenditures.

6 **SECTION 2.2.** Tourism Development Authority. – (a) Appointment and
7 Membership. – When the City Council adopts a resolution levying a room occupancy tax under
8 this act, it shall also adopt a resolution creating the Lowell Tourism Development Authority,
9 which shall be a public authority under the Local Government Budget and Fiscal Control Act.
10 The resolution shall provide for the membership of the Authority, including the members' terms
11 of office, and for the filling of vacancies on the Authority. At least one-third of the members
12 shall be individuals who are affiliated with businesses that collect the tax in the city, and at
13 least one-half of the members shall be individuals who are currently active in the promotion of
14 travel and tourism in the city. The Lowell City Council shall designate one member of the
15 Authority as chair and shall determine the compensation, if any, to be paid to members of the
16 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 Lowell shall be the ex officio finance officer of
19 the Authority.

20 **SECTION 2.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
21 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
22 promote travel, tourism, and conventions in the city, sponsor tourist-related events and
23 activities in the city, and finance tourist-related capital projects in the city.

24 **SECTION 2.2.(c)** Reports. – The Authority shall report quarterly and at the close
25 of the fiscal year to the Lowell City Council on its receipts and expenditures for the preceding
26 quarter and for the year in such detail as the City Council may require.

27 **PART III. MCADENVILLE OCCUPANCY TAX.**

28 **SECTION 3.1.** Occupancy tax. – (a) Authorization and Scope. – The McAdenville
29 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
30 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
31 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
32 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax
33 does not apply to accommodations furnished by nonprofit charitable, educational, or religious
34 organizations when furnished in furtherance of their nonprofit purpose.

35 **SECTION 3.1.(b)** Administration. – A tax levied under this section shall be levied,
36 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
37 G.S. 160A-215 apply to a tax levied under this section.

38 **SECTION 3.1.(c)** Definitions. – The following definitions apply in this act:

- 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 proceeds 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 McAdenville Tourism Development Authority, are designed to increase the
51 use of lodging facilities, meeting facilities, or convention facilities in the

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

3 **SECTION 3.1.(d)** Distribution and Use of Tax Revenue. – The Town of
4 McAdenville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
5 McAdenville Tourism Development Authority. The Authority shall use at least two-thirds of
6 the funds remitted to it under this subsection to promote travel and tourism in McAdenville and
7 shall use the remainder for tourism-related expenditures.

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

22 **SECTION 3.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
23 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
24 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
25 activities in the town, and finance tourist-related capital projects in the town.

26 **SECTION 3.2.(c)** Reports. – The Authority shall report quarterly and at the close
27 of the fiscal year to the McAdenville 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 **PART IV. MOUNT HOLLY OCCUPANCY TAX.**

30 **SECTION 4.1.** Occupancy tax. – (a) Authorization and Scope. – The Mount Holly
31 City Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
32 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
33 inn, tourist camp, or similar place within the city that is subject to sales tax imposed by the
34 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax
35 does not apply to accommodations furnished by nonprofit charitable, educational, or religious
36 organizations when furnished in furtherance of their nonprofit purpose.

37 **SECTION 4.1.(b)** Administration. – A tax levied under this section shall be levied,
38 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
39 G.S. 160A-215 apply to a tax levied under this section.

40 **SECTION 4.1.(c)** Definitions. – The following definitions apply in this act:

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

6 **SECTION 4.1.(d)** Distribution and Use of Tax Revenue. – The City of Mount
7 Holly shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Mount
8 Holly Tourism Development Authority. The Authority shall use at least two-thirds of the funds
9 remitted to it under this subsection to promote travel and tourism in Mount Holly and shall use
10 the remainder for tourism-related expenditures.

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

25 **SECTION 4.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
26 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
27 promote travel, tourism, and conventions in the city, sponsor tourist-related events and
28 activities in the city, and finance tourist-related capital projects in the city.

29 **SECTION 4.2.(c)** Reports. – The Authority shall report quarterly and at the close
30 of the fiscal year to the Mount Holly City Council on its receipts and expenditures for the
31 preceding quarter and for the year in such detail as the City Council may require.

32 **PART V. RANLO OCCUPANCY TAX.**

33 **SECTION 5.1.** Occupancy tax. – (a) Authorization and Scope. – The Ranlo Town
34 Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
35 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
36 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
37 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax
38 does not apply to accommodations furnished by nonprofit charitable, educational, or religious
39 organizations when furnished in furtherance of their nonprofit purpose.

40 **SECTION 5.1.(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 5.1.(c)** Definitions. – The following definitions apply in this act:

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

8 **SECTION 5.1.(d)** Distribution and Use of Tax Revenue. – The Town of Ranlo
9 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Ranlo Tourism
10 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
11 under this subsection to promote travel and tourism in Ranlo and shall use the remainder for
12 tourism-related expenditures.

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

27 **SECTION 5.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
28 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
29 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
30 activities in the town, and finance tourist-related capital projects in the town.

31 **SECTION 5.2.(c)** Reports. – The Authority shall report quarterly and at the close
32 of the fiscal year to the Ranlo Town Council on its receipts and expenditures for the preceding
33 quarter and for the year in such detail as the Town Council may require.

34 **PART VI. UNIFORM PROVISIONS.**

35 **SECTION 6.** G.S. 160A-215(g) reads as rewritten:

36 "(g) This section applies only to Beech Mountain District W, to the Cities of Belmont,
37 ~~Cramerton, Elizabeth City, Eden, Elizabeth City,~~ Gastonia, Goldsboro, Greensboro, High Point,
38 Kings Mountain, Lexington, Lincolnton, ~~Lowell,~~ Lumberton, ~~McAdenville,~~ Monroe, Mount
39 Airy, ~~Mount Holly,~~ Ranlo, Reidsville, Roanoke Rapids, Shelby, Statesville, Washington, and
40 Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Blowing Rock, Boiling
41 Springs, Burgaw, Carolina Beach, Carrboro, Dallas, Dobson, Elkin, Franklin, Jonesville,
42 Kenly, Kure Beach, Leland, Mooresville, North Topsail Beach, Pilot Mountain, Selma,
43 Smithfield, St. Pauls, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach,
44 Yadkinville, and Yanceyville, and to the municipalities in Avery and Brunswick Counties."

45 **PART VII. EFFECTIVE DATE.**

46 **SECTION 7.** This act is effective when it becomes law.