

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 580*

Short Title: City of Belmont Occupancy Tax.

(Local)

Sponsors: Representative Rayfield.

Referred to: Finance.

March 10, 2005

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CITY OF BELMONT TO LEVY A ROOM AND
TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Occupancy tax. – (a) Authorization and Scope. – The Belmont 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.

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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 City of Belmont shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Belmont 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 Belmont 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 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

1 tourists or business travelers to the area. The term includes
2 administrative expenses incurred in engaging in the listed activities.

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

8 **SECTION 2.** Belmont Tourism Development Authority. – (a) Appointment
9 and Membership. – When the Belmont City Council adopts a resolution levying a room
10 occupancy tax under this act, it shall also adopt a resolution creating a city Tourism
11 Development Authority, which shall be a public authority under the Local Government
12 Budget and Fiscal Control Act. The resolution shall provide for the membership of the
13 Authority, including the members' terms of office, and for the filling of vacancies on the
14 Authority. At least one-third of the members must be individuals who are affiliated
15 with businesses that collect the tax in the city, and at least three-fourths of the members
16 must be individuals who are currently active in the promotion of travel and tourism in
17 the city. The city council shall designate one member of the Authority as chair and
18 shall determine the compensation, if any, to be paid to members of the Authority.

19 The Authority shall meet at the call of the chair and shall adopt rules of
20 procedure to govern its meetings. The Finance Officer for Belmont shall be the ex
21 officio finance officer of the Authority.

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

26 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the
27 close of the fiscal year to the Belmont City Council on its receipts and expenditures for
28 the preceding quarter and for the year in such detail as the city council may require.

29 **SECTION 3.** City Administrative Provisions. – G.S. 160A-215(g) reads as
30 rewritten:

31 "(g) This section applies only to Beech Mountain District W, to the Cities of
32 Belmont, Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington,
33 Lincolnton, Lumberton, Monroe, Mount Airy, Shelby, Statesville, Washington, and
34 Wilmington, to the Towns of Beech Mountain, Blowing Rock, Carolina Beach,
35 Carrboro, Franklin, Kure Beach, Jonesville, Mooresville, North Topsail Beach, Selma,
36 Smithfield, St. Pauls, Wilkesboro, and Wrightsville Beach, and to the municipalities in
37 Avery and Brunswick Counties."

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