

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 489  
Finance Committee Substitute Adopted 4/19/07

Short Title: Modify City of Lumberton Occupancy Tax.

(Local)

Sponsors:

Referred to:

March 6, 2007

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, Chapter 935 of the 1987 Session Laws, and Section 2 of S.L. 1997-361, 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(b) [Repealed August 1, 2000.]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 —A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 the Lumberton Tourism Development Authority.~~ Authority and forty percent (40%) of the net proceeds to the Carolina Civic Center Foundation, Inc. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and

1 tourism in Lumberton and shall use the remainder for tourism-related expenditures. ~~Of~~  
2 ~~the funds designated for tourism-related expenditures, the Authority shall remit the first~~  
3 ~~one hundred fifteen thousand dollars (\$115,000) to the Carolina Civic Center~~  
4 ~~Foundation, Inc., for tourism-related expenditures. The Authority may use no more than~~  
5 ~~twenty-three percent (23%) of the funds remitted to it under this subsection for salaries~~  
6 ~~in carrying out these purposes and may use no more than ten percent (10%) of the funds~~  
7 ~~remitted to it under this subsection for other administrative costs in carrying out these~~  
8 ~~purposes.~~ Of the forty percent (40%) remitted to it under this subsection, the Foundation  
9 shall use ninety-three percent (93%) for the general operations of the Carolina Civic  
10 Center and shall place the remaining funds into a capital reserve for the maintenance,  
11 repair, and capital needs of the Carolina Civic Center property and equipment.

12 (e) [Repealed August 1, 2000.]

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

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

30 **SECTION 2.** Part IX of Chapter 908 of the 1983 Session Laws, as amended  
31 by Chapter 1028 of the 1983 Session Laws, Chapter 935 of the 1987 Session Laws,  
32 Section 2 of S.L. 1997-361, and Section 1 of this act, reads as rewritten:

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

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

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

1 (d) Distribution and use of tax revenue. – The City of Lumberton shall, on a  
2 quarterly basis, remit ~~sixty percent (60%) of the net proceeds of the occupancy tax to~~  
3 ~~the Lumberton Tourism Development Authority and forty percent (40%) of the net~~  
4 ~~proceeds to the Carolina Civic Center Foundation, Inc. Authority.~~ The Authority shall  
5 use at least two-thirds of the funds remitted to it under this subsection to promote travel  
6 and tourism in Lumberton and shall use the remainder for tourism-related expenditures.  
7 ~~Of the forty percent (40%) remitted to it under this subsection, the Foundation shall use~~  
8 ~~ninety three percent (93%) for the general operations of the Carolina Civic Center and~~  
9 ~~shall place the remaining funds into a capital reserve for the maintenance, repair, and~~  
10 ~~capital needs of the Carolina Civic Center property and equipment.~~

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

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

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

29 **SECTION 3.** Section 3 of S.L. 1997-361 reads as rewritten:

30 **"Section 3.** Lumberton Tourism Development Authority. (a) Appointment and  
31 membership. = When the Lumberton City Council adopts a resolution levying a room  
32 occupancy tax under this act, it shall also adopt a resolution creating a city Tourism  
33 Development Authority, which shall be a public authority under the Local Government  
34 Budget and Fiscal Control Act. The resolution shall provide for the membership of the  
35 Authority, including the members' terms of office, and for the filling of vacancies on the  
36 Authority. At least one-third of the members shall be individuals who are affiliated with  
37 businesses that collect the tax in the city, and at least one-half of the members shall be  
38 individuals who are currently active in the promotion of travel and tourism in the city.  
39 ~~members' terms of office and for the filling of vacancies on the Authority.~~

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

- 42 (1) ~~Four individuals who own or operate a hotel or motel in the city.~~  
43 (2) ~~Four individuals who are currently active in the promotion of travel~~  
44 ~~and tourism in the city.~~

- 1           ~~(3) The Finance Officer for Lumberton, to serve ex officio.~~  
2           ~~(4) A member of the Lumberton City Council, designated by the city~~  
3           ~~council, to serve ex officio.~~

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

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

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

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

16       **SECTION 4.** Section 1 of this act is effective the first day of the first month  
17 following enactment of this act. Section 2 of this act becomes effective October 1,  
18 2014. The remainder of this act is effective when it becomes law. The Lumberton City  
19 Council has 30 days from the date the act becomes effective to ensure that the  
20 membership of the Authority is in compliance with this act.