

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE PRINCIPAL CLERK

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HOUSE DRH80184-MCx-19 (01/16)

Short Title: Henderson Occupancy Tax Authorization. (Local)

Sponsors: Representative Baskerville.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CITY OF HENDERSON TO LEVY A ROOM
OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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

The following definitions apply in this section:

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



1 **SECTION 1.(d)** Tourism Development Authority. – Appointment and
2 Membership. – When the City Council adopts a resolution levying a room occupancy tax under
3 this section, it shall also adopt a resolution creating the Henderson Tourism Development
4 Authority, which shall be a public authority under the Local Government Budget and Fiscal
5 Control Act. The resolution shall provide for the membership of the Authority, including the
6 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
7 the members shall be individuals who are affiliated with businesses that collect the tax in the
8 city, and at least one-half of the members shall be individuals who are currently active in the
9 promotion of travel and tourism in the city. The City Council shall designate one member of
10 the Authority as chair and shall determine the compensation, if any, to be paid to members of
11 the Authority.

12 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
13 govern its meetings. The finance officer for the City of Henderson shall be the ex officio
14 finance officer of the Authority.

15 **SECTION 1.(e)** Duties. – The Authority shall expend the net proceeds of the tax
16 levied under this section for the purposes provided in subsection (c) of this section. The
17 Authority shall promote travel, tourism, and conventions in the city, sponsor tourist-related
18 events and activities in the city, and finance tourist-related capital projects in the city.

19 **SECTION 1.(f)** Reports. – The Authority shall report quarterly and at the close of
20 the fiscal year to the Henderson City Council on its receipts and expenditures for the preceding
21 quarter and for the year in such detail as the City Council may require.

22 **SECTION 2.** G.S. 160A-215(g) reads as rewritten:

23 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an
24 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act,
25 subsection (c) supersedes that provision. The remainder of this section applies only to Beech
26 Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia,
27 Goldsboro, Greensboro, Henderson, Hickory, High Point, Jacksonville, Kings Mountain,
28 Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly,
29 Reidsville, Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to
30 the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling
31 Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson,
32 Elkin, Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland,
33 McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot
34 Mountain, Ranlo, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson,
35 Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to the municipalities in
36 Avery and Brunswick Counties."

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