

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 731  
State and Local Government Committee Substitute Adopted 6/18/14

Short Title: Southport Occupancy Tax Modification. (Local)

Sponsors:

Referred to:

May 15, 2014

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THE TOURISM DEVELOPMENT AUTHORITY  
3 REQUIREMENTS PERTAINING TO THE OCCUPANCY TAX AUTHORIZED FOR  
4 THE TOWN OF SOUTHPORT.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Section 1(e) of Chapter 639 of the 1989 Session Laws, as enacted by  
7 S.L. 2002-129, reads as rewritten:

8 "(e) Distribution and use of tax revenue. – ~~The~~ Until the Southport Board of Aldermen  
9 adopts a resolution levying a room occupancy tax under subsection (a1) of this section, the City  
10 of Southport shall use at least two-thirds of the funds to promote travel and tourism in  
11 Southport and shall use the remainder for tourism-related expenditures. When the Southport  
12 Board of Aldermen adopts a resolution levying a room occupancy tax under subsection (a1) of  
13 this section, City of Southport shall, on a quarterly basis, remit the net proceeds of the  
14 occupancy tax to the Southport Tourism Development Authority. The Authority shall use at  
15 least two-thirds of the funds remitted to it under this subsection to promote travel and tourism  
16 in Southport and shall use the remainder for tourism-related expenditures.

17 The following definitions apply in this subsection:

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

33 **SECTION 2.** Section 1.2 of Chapter 639 of the 1989 Session Laws, as enacted by  
34 S.L. 2002-129, reads as rewritten:

35 "**Sec. 1.2.** Southport Tourism Development Authority. – When the Southport Board of  
36 Aldermen adopts a resolution levying a room occupancy tax under subsection (a1) of Section 1



1 of this act, it shall also adopt a resolution creating a city Tourism Development Authority,  
2 which shall be a public authority under the Local Government Budget and Fiscal Control Act.  
3 The resolution shall provide for the membership of the Authority, including the members' terms  
4 of office, and for the filling of vacancies on the Authority. At least one-third of the members  
5 must be individuals who are affiliated with businesses that collect the tax in the city, and at  
6 least three-fourths of the members must be individuals who are currently active in the  
7 promotion of travel and tourism in the city. The Board of Aldermen shall designate one  
8 member of the Authority as chair and shall determine the compensation, if any, to be paid to  
9 members of the Authority.

10 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern  
11 its meetings. The Finance Officer for Southport shall be the ex officio finance officer of the  
12 Authority."

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