

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 444

Short Title: Rowan County Municip. Occupancy Tax Auth. (Local)

Sponsors: Representative Ford.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government II, if favorable, Finance

March 23, 2017

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE LEVY OF AN OCCUPANCY TAX FOR THE MUNICIPALITIES IN ROWAN COUNTY NOT CURRENTLY LEVYING AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

PART I. LANDIS OCCUPANCY TAX

SECTION 1.1. Occupancy Tax. – (a) Authorization and Scope. – The Landis 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.

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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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) Distribution and Use of Tax Revenue. – Landis shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Landis 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 Landis 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 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 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 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 Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a town or to attract



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

3 **SECTION 1.2.** Landis Tourism Development Authority. – (a) Appointment and
4 Membership. – When the Landis Town Council adopts a resolution levying a room occupancy
5 tax under this act, it shall also adopt a resolution creating a town 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 must be individuals who are affiliated with businesses that collect the tax in the
10 town, and at least one-half of the members must be individuals who are currently active in the
11 promotion of travel and tourism in the town. The town council shall designate one member of
12 the Authority as chair and shall determine the compensation, if any, to be paid to members of
13 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 Landis shall be the ex officio finance officer of
16 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 this act. The Authority shall promote travel,
19 tourism, and conventions in the town, sponsor tourist-related events and activities in the town,
20 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 Landis Town Council on its receipts and expenditures for the preceding
23 quarter and for the year in such detail as the town council may require.

24 25 **PART II. FAITH OCCUPANCY TAX**

26 **SECTION 2.1.** Occupancy Tax. – (a) Authorization and Scope. – The Faith Town
27 Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
28 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
29 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
30 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

31 **SECTION 2.1.(b)** Administration. – A tax levied under this section shall be levied,
32 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
33 G.S. 160A-215 apply to a tax levied under this section.

34 **SECTION 2.1.(c)** Distribution and Use of Tax Revenue. – Faith shall, on a
35 quarterly basis, remit the net proceeds of the occupancy tax to the Faith Tourism Development
36 Authority. The Authority shall use at least two-thirds of the funds remitted to it under this
37 subsection to promote travel and tourism in Faith and shall use the remainder for
38 tourism-related expenditures.

39 The following definitions apply in this subsection:

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

1 facilities, meeting facilities, or convention facilities in a town or to attract
2 tourists or business travelers to the town. The term includes tourism-related
3 capital expenditures.

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

15 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
16 govern its meetings. The Finance Officer for Faith shall be the ex officio finance officer of the
17 Authority.

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

22 **SECTION 2.2.(c)** Reports. – The Authority shall report quarterly and at the close
23 of the fiscal year to the Faith Town Council on its receipts and expenditures for the preceding
24 quarter and for the year in such detail as the town council may require.

25 **PART III. SPENCER OCCUPANCY TAX**

26 **SECTION 3.1.** Occupancy Tax. – (a) Authorization and Scope. – The Spencer
27 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
28 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
29 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
30 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

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

34 **SECTION 3.1.(c)** Distribution and Use of Tax Revenue. – Spencer shall, on a
35 quarterly basis, remit the net proceeds of the occupancy tax to the Spencer Tourism
36 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
37 under this subsection to promote travel and tourism in Spencer and shall use the remainder for
38 tourism-related expenditures.

39 The following definitions apply in this subsection:

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

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

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

24 **SECTION 3.2.(c)** Reports. – The Authority shall report quarterly and at the close
25 of the fiscal year to the Spencer Town Council on its receipts and expenditures for the
26 preceding quarter and for the year in such detail as the town council may require.
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28 **PART IV. EAST SPENCER OCCUPANCY TAX**

29 **SECTION 4.1.** Occupancy Tax. – (a) Authorization and Scope. – The East Spencer
30 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
31 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
32 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
33 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

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

37 **SECTION 4.1.(c)** Distribution and Use of Tax Revenue. – East Spencer shall, on a
38 quarterly basis, remit the net proceeds of the occupancy tax to the East Spencer Tourism
39 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
40 under this subsection to promote travel and tourism in East Spencer and shall use the remainder
41 for tourism-related expenditures.

42 The following definitions apply in this subsection:

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

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

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

26 **SECTION 4.2.(c)** Reports. – The Authority shall report quarterly and at the close
27 of the fiscal year to the East Spencer 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.
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30 **PART V. CHINA GROVE OCCUPANCY TAX**

31 **SECTION 5.1.** Occupancy Tax. – (a) Authorization and Scope. – The China Grove
32 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
33 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
34 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
35 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

36 **SECTION 5.1.(b)** Administration. – A tax levied under this section shall be levied,
37 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
38 G.S. 160A-215 apply to a tax levied under this section.

39 **SECTION 5.1.(c)** Distribution and Use of Tax Revenue. – China Grove shall, on a
40 quarterly basis, remit the net proceeds of the occupancy tax to the China Grove Tourism
41 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
42 under this subsection to promote travel and tourism in China Grove and shall use the remainder
43 for tourism-related expenditures.

44 The following definitions apply in this subsection:

- 45 (1) Net proceeds. – Gross proceeds less the cost to the town of administering
46 and collecting the tax, as determined by the finance officer, not to exceed
47 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
48 gross proceeds collected each year and one percent (1%) of the remaining
49 gross receipts collected each year.
- 50 (2) Promote travel and tourism. – To advertise or market an area or activity,
51 publish and distribute pamphlets and other materials, conduct market

1 research, or engage in similar promotional activities that attract tourists or
2 business travelers to the area. The term includes administrative expenses
3 incurred in engaging in the listed activities.

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

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

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

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

27 **SECTION 5.2.(c)** Reports. – The Authority shall report quarterly and at the close
28 of the fiscal year to the China Grove Town Council on its receipts and expenditures for the
29 preceding quarter and for the year in such detail as the town council may require.

30 **PART VI. ROCKWELL OCCUPANCY TAX**

31 **SECTION 6.1.** Occupancy Tax. – (a) Authorization and Scope. – The Rockwell
32 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
33 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
34 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
35 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

36 **SECTION 6.1.(b)** Administration. – A tax levied under this section shall be levied,
37 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
38 G.S. 160A-215 apply to a tax levied under this section.

39 **SECTION 6.1.(c)** Distribution and Use of Tax Revenue. – Rockwell shall, on a
40 quarterly basis, remit the net proceeds of the occupancy tax to the Rockwell Tourism
41 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
42 under this subsection to promote travel and tourism in Rockwell and shall use the remainder for
43 tourism-related expenditures.

44 The following definitions apply in this subsection:

- 45 (1) Net proceeds. – Gross proceeds less the cost to the town of administering
46 and collecting the tax, as determined by the finance officer, not to exceed
47 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
48 gross proceeds collected each year and one percent (1%) of the remaining
49 gross receipts collected each year.
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1 (2) Promote travel and tourism. – To advertise or market an area or activity,
2 publish and distribute pamphlets and other materials, conduct market
3 research, or engage in similar promotional activities that attract tourists or
4 business travelers to the area. The term includes administrative expenses
5 incurred in engaging in the listed activities.

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

11 **SECTION 6.2.** Rockwell Tourism Development Authority. – (a) Appointment and
12 Membership. – When the Rockwell Town Council adopts a resolution levying a room
13 occupancy tax under this act, it shall also adopt a resolution creating a town Tourism
14 Development Authority, which shall be a public authority under the Local Government Budget
15 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,
16 including the members' terms of office, and for the filling of vacancies on the Authority. At
17 least one-third of the members must be individuals who are affiliated with businesses that
18 collect the tax in the town, and at least one-half of the members must be individuals who are
19 currently active in the promotion of travel and tourism in the town. The town council shall
20 designate one member of the Authority as chair and shall determine the compensation, if any,
21 to be paid to 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 Rockwell shall be the ex officio finance officer of
24 the Authority.

25 **SECTION 6.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
26 levied under this act for the purposes provided in this act. The Authority shall promote travel,
27 tourism, and conventions in the town, sponsor tourist-related events and activities in the town,
28 and finance tourist-related capital projects in the town.

29 **SECTION 6.2.(c)** Reports. – The Authority shall report quarterly and at the close
30 of the fiscal year to the Rockwell Town Council on its receipts and expenditures for the
31 preceding quarter and for the year in such detail as the town council may require.
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33 **PART VII. GRANITE QUARRY OCCUPANCY TAX**

34 **SECTION 7.1.** Occupancy Tax. – (a) Authorization and Scope. – The Granite
35 Quarry Town Council may levy a room occupancy tax of up to three percent (3%) of the gross
36 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,
37 motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by
38 the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

39 **SECTION 7.1.(b)** Administration. – A tax levied under this section shall be levied,
40 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
41 G.S. 160A-215 apply to a tax levied under this section.

42 **SECTION 7.1.(c)** Distribution and Use of Tax Revenue. – Granite Quarry shall, on
43 a quarterly basis, remit the net proceeds of the occupancy tax to the Granite Quarry Tourism
44 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
45 under this subsection to promote travel and tourism in Granite Quarry and shall use the
46 remainder for tourism-related expenditures.

47 The following definitions apply in this subsection:

48 (1) Net proceeds. – Gross proceeds less the cost to the town of administering
49 and collecting the tax, as determined by the finance officer, not to exceed
50 three percent (3%) of the first five hundred thousand dollars (\$500,000) of

1 gross proceeds collected each year and one percent (1%) of the remaining
2 gross receipts collected each year.

3 (2) Promote travel and tourism. – To advertise or market an area or activity,
4 publish and distribute pamphlets and other materials, conduct market
5 research, or engage in similar promotional activities that attract tourists or
6 business travelers to the area. The term includes administrative expenses
7 incurred in engaging in the listed activities.

8 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
9 Tourism Development Authority, are designed to increase the use of lodging
10 facilities, meeting facilities, or convention facilities in a town or to attract
11 tourists or business travelers to the town. The term includes tourism-related
12 capital expenditures.

13 **SECTION 7.2.** Granite Quarry Tourism Development Authority. – (a)
14 Appointment and Membership. – When the Granite Quarry Town Council adopts a resolution
15 levying a room occupancy tax under this act, it shall also adopt a resolution creating a town
16 Tourism Development Authority, which shall be a public authority under the Local
17 Government Budget and Fiscal Control Act. The resolution shall provide for the membership of
18 the Authority, including the members' terms of office, and for the filling of vacancies on the
19 Authority. At least one-third of the members must be individuals who are affiliated with
20 businesses that collect the tax in the town, and at least one-half of the members must be
21 individuals who are currently active in the promotion of travel and tourism in the town. The
22 town council shall designate one member of the Authority as chair and shall determine the
23 compensation, if any, to be paid to 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 Granite Quarry shall be the ex officio finance
26 officer of the Authority.

27 **SECTION 7.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax
28 levied under this act for the purposes provided in this act. The Authority shall promote travel,
29 tourism, and conventions in the town, sponsor tourist-related events and activities in the town,
30 and finance tourist-related capital projects in the town.

31 **SECTION 7.2.(c) Reports.** – The Authority shall report quarterly and at the close
32 of the fiscal year to the Granite Quarry Town Council on its receipts and expenditures for the
33 preceding quarter and for the year in such detail as the town council may require.

34 **PART VIII. KANNAPOLIS OCCUPANCY TAX**

35 **SECTION 8.1.** Occupancy Tax. – (a) Authorization and Scope. – The Kannapolis
36 City Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
37 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
38 inn, tourist camp, or similar place within the city that is subject to sales tax imposed by the
39 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

40 **SECTION 8.1.(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 8.1.(c) Distribution and Use of Tax Revenue.** – Kannapolis shall, on a
44 quarterly basis, remit the net proceeds of the occupancy tax to the Kannapolis Tourism
45 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
46 under this subsection to promote travel and tourism in Kannapolis and shall use the remainder
47 for tourism-related expenditures.

48 The following definitions apply in this subsection:

49 (1) Net proceeds. – Gross proceeds less the cost to the city of administering and
50 collecting the tax, as determined by the finance officer, not to exceed three
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1 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
2 proceeds collected each year and one percent (1%) of the remaining gross
3 receipts collected each year.

4 (2) Promote travel and tourism. – To advertise or market an area or activity,
5 publish and distribute pamphlets and other materials, conduct market
6 research, or engage in similar promotional activities that attract tourists or
7 business travelers to the area. The term includes administrative expenses
8 incurred in engaging in the listed activities.

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

14 **SECTION 8.2.** Kannapolis Tourism Development Authority. – (a) Appointment
15 and Membership. – When the Kannapolis City Council adopts a resolution levying a room
16 occupancy tax under this act, it shall also adopt a resolution creating a city Tourism
17 Development Authority, which shall be a public authority under the Local Government Budget
18 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,
19 including the members' terms of office, and for the filling of vacancies on the Authority. At
20 least one-third of the members must be individuals who are affiliated with businesses that
21 collect the tax in the city, and at least one-half of the members must be individuals who are
22 currently active in the promotion of travel and tourism in the city. The city council shall
23 designate one member of the Authority as chair and shall determine the compensation, if any,
24 to be paid to members of the Authority.

25 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
26 govern its meetings. The Finance Officer for Kannapolis shall be the ex officio finance officer
27 of the Authority.

28 **SECTION 8.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
29 levied under this act for the purposes provided in this act. The Authority shall promote travel,
30 tourism, and conventions in the city, sponsor tourist-related events and activities in the city, and
31 finance tourist-related capital projects in the city.

32 **SECTION 8.2.(c)** Reports. – The Authority shall report quarterly and at the close
33 of the fiscal year to the Kannapolis City Council on its receipts and expenditures for the
34 preceding quarter and for the year in such detail as the city council may require.

35 **PART IX. CLEVELAND OCCUPANCY TAX**

36 **SECTION 9.1.** Occupancy Tax. – (a) Authorization and Scope. – The Cleveland
37 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
38 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
39 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
40 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

41 **SECTION 9.1.(b)** Administration. – A tax levied under this section shall be levied,
42 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
43 G.S. 160A-215 apply to a tax levied under this section.

44 **SECTION 9.1.(c)** Distribution and Use of Tax Revenue. – Cleveland shall, on a
45 quarterly basis, remit the net proceeds of the occupancy tax to the Cleveland Tourism
46 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
47 under this subsection to promote travel and tourism in Cleveland and shall use the remainder
48 for tourism-related expenditures.

49 The following definitions apply in this subsection:
50

- 1 (1) Net proceeds. – Gross proceeds less the cost to the town of administering
2 and collecting the tax, as determined by the finance officer, not to exceed
3 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
4 gross proceeds collected each year and one percent (1%) of the remaining
5 gross receipts collected each year.
- 6 (2) Promote travel and tourism. – To advertise or market an area or activity,
7 publish and distribute pamphlets and other materials, conduct market
8 research, or engage in similar promotional activities that attract tourists or
9 business travelers to the area. The term includes administrative expenses
10 incurred in engaging in the listed activities.
- 11 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
12 Tourism Development Authority, are designed to increase the use of lodging
13 facilities, meeting facilities, or convention facilities in a town or to attract
14 tourists or business travelers to the town. The term includes tourism-related
15 capital expenditures.

16 **SECTION 9.2.** Cleveland Tourism Development Authority. – (a) Appointment and
17 Membership. – When the Cleveland Town Council adopts a resolution levying a room
18 occupancy tax under this act, it shall also adopt a resolution creating a town Tourism
19 Development Authority, which shall be a public authority under the Local Government Budget
20 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,
21 including the members' terms of office, and for the filling of vacancies on the Authority. At
22 least one-third of the members must be individuals who are affiliated with businesses that
23 collect the tax in the town, and at least one-half of the members must be individuals who are
24 currently active in the promotion of travel and tourism in the town. The town council shall
25 designate one member of the Authority as chair and shall determine the compensation, if any,
26 to be paid to members of the Authority.

27 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
28 govern its meetings. The Finance Officer for Cleveland shall be the ex officio finance officer of
29 the Authority.

30 **SECTION 9.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
31 levied under this act for the purposes provided in this act. The Authority shall promote travel,
32 tourism, and conventions in the town, sponsor tourist-related events and activities in the town,
33 and finance tourist-related capital projects in the town.

34 **SECTION 9.2.(c)** Reports. – The Authority shall report quarterly and at the close
35 of the fiscal year to the Cleveland Town Council on its receipts and expenditures for the
36 preceding quarter and for the year in such detail as the town council may require.

37 38 **PART X. UNIFORM PROVISIONS**

39 **SECTION 10.** G.S. 160A-215(g) reads as rewritten:

40 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an
41 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act,
42 subsection (c) supersedes that provision. The remainder of this section applies only to Beech
43 Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia,
44 Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kannapolis, Kings Mountain, Lake
45 Santeetlah, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount
46 Holly, Reidsville, Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and
47 Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing
48 Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, China Grove, Cleveland,
49 Cooleemee, Cramerton, Dallas, Dobson, East Spencer, Elkin, Faith, Fontana Dam, Franklin,
50 Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Landis, Leland, McAdenville,
51 Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain,

1 Ranlo, Robbinsville, Rock Quarry, Rockwell, Selma, Spencer, Smithfield, St. Pauls,
2 Swansboro, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville,
3 and Yanceyville, and to the municipalities in Avery and Brunswick Counties."
4

5 **PART XI. EFFECTIVE DATE**

6 **SECTION 11.** This act is effective when it becomes law.