

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30242-MCxf-105A

Short Title: Indian Trail/Stallings Occupancy Tax Auth. (Local)

Sponsors: Representatives Arp and Horn (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE THE TOWN OF INDIAN TRAIL AND A PORTION OF THE  
3 TOWN OF STALLINGS TO LEVY AN OCCUPANCY TAX.  
4 The General Assembly of North Carolina enacts:

6 PART I. INDIAN TRAIL OCCUPANCY TAX

7 SECTION 1. Occupancy tax. – (a) Authorization and Scope. – The Town Council  
8 of the Town of Indian Trail may levy a room occupancy tax of up to five percent (5%) of the  
9 gross receipts derived from the rental of any room, lodging, or accommodation furnished by a  
10 hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed  
11 by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

12 SECTION 1.(b) Applicable to the Town of Indian Trail only, G.S. 160A-215(b)  
13 reads as rewritten:

14 "(b) Levy. – A room occupancy tax may be levied only by resolution, after not less than  
15 10 days' public notice and after a public hearing held pursuant thereto as provided in this  
16 subsection only if all of the following conditions are met:

17 (1) The town council directs the county board of elections to conduct an advisory  
18 referendum on the question of whether to levy the room occupancy tax  
19 authorized in this subsection.

20 (2) The election is held in accordance with the procedures of G.S. 163A-1592,  
21 and the form of the question to be presented on the ballot concerning the room  
22 occupancy tax authorized by this subsection is as follows:

23 [ ] FOR [ ] AGAINST

24 The levy of a room occupancy tax in the amount of up to five percent (5%) of  
25 the gross receipts derived from the rental of any room, lodging, or  
26 accommodation furnished by hotel, motel, or similar place."

27 (3) A majority of those voting in the referendum vote for the levy of the room  
28 occupancy tax authorized in this subsection.

29 (4) The town council, by resolution and after 10 days' public notice, levies the  
30 room occupancy tax authorized in this subsection.

31 A room occupancy tax shall become effective on the date specified in the resolution levying  
32 the tax. That date must be the first day of a calendar month, however, and may not be earlier than  
33 the first day of the second month after the date the resolution is adopted."

34 SECTION 1.(b1) Administration. – A tax levied under this section shall be  
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.



1           **SECTION 1.(c)** Distribution and Use of Tax Revenue. – The Town of Indian Trail  
2 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Indian Trail Tourism  
3 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
4 under this subsection to promote travel and tourism in the Town of Indian Trail and shall use the  
5 remainder for tourism-related expenditures.

6           The following definitions apply in this section:

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

22           **SECTION 1.(d)** Tourism Development Authority. – Appointment and Membership.  
23 – When the Town Council adopts a resolution levying a room occupancy tax under this section,  
24 it shall also adopt a resolution creating the Indian Trail Tourism Development Authority, which  
25 shall be a public authority under the Local Government Budget and Fiscal Control Act. The  
26 resolution shall provide for the membership of the Authority, including the members' terms of  
27 office, and for the filling of vacancies on the Authority. At least one-third of the members shall  
28 be individuals who are affiliated with businesses that collect the tax in the town, and at least  
29 one-half of the members shall be individuals who are currently active in the promotion of travel  
30 and tourism in the town. The Town Council shall designate one member of the Authority as chair  
31 and shall determine the compensation, if any, to be paid to members of the Authority.

32           The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
33 govern its meetings. The finance officer for the Town of Indian Trail shall be the ex officio  
34 finance officer of the Authority.

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

39           **SECTION 1.(f)** Reports. – The Authority shall report quarterly and at the close of  
40 the fiscal year to the Indian Trail Town Council on its receipts and expenditures for the preceding  
41 quarter and for the year in such detail as the Town Council may require.

## 42 43 **PART II. STALLINGS OCCUPANCY TAX**

44           **SECTION 2.1.** Stallings District S created. – Stallings District S is created as a taxing  
45 district. Its jurisdiction consists of only that part of the Town of Stallings that is located within  
46 Union County. Stallings District S is a body politic and corporate and has the power to carry out  
47 the provisions of this Part. The Stallings Town Council shall serve ex officio as the governing  
48 body of the district, and the officers of the County shall serve as the officers of the governing  
49 body of the district. A simple majority of the governing body constitutes a quorum, and approval  
50 by a majority of those present is sufficient to determine any matter before the governing body, if  
51 a quorum is present.

1           **SECTION 2.2.** Occupancy tax. – (a) Authorization and Scope. – The governing body  
2 of Stallings District S may levy a room occupancy tax of up to five percent (5%) of the gross  
3 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,  
4 motel, inn, tourist camp, or similar place within the district that is subject to sales tax imposed  
5 by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

6           **SECTION 2.2.(b)** Applicable to the Stallings District S only, G.S. 153A-155(b)  
7 reads as rewritten:

8           "(b) Levy. – A room occupancy tax may be levied ~~only by resolution, after not less than~~  
9 ~~10 days' public notice and after a public hearing held pursuant thereto as provided in this~~  
10 subsection only if all of the following conditions are met:

11           (1) The board of county commissioners directs the county board of elections to  
12 conduct an advisory referendum on the question of whether to levy the room  
13 occupancy tax authorized in this subsection.

14           (2) The election is held in accordance with the procedures of G.S. 163A-1592,  
15 and the form of the question to be presented on the ballot concerning the room  
16 occupancy tax authorized by this subsection is as follows:

17                                   " FOR            AGAINST

18                                   The levy of a room occupancy tax in the amount of up to five percent (5%) of  
19 the gross receipts derived from the rental of any room, lodging, or  
20 accommodation furnished by hotel, motel, or similar place."

21           (3) A majority of those voting in the referendum vote for the levy of the room  
22 occupancy tax authorized in this subsection.

23           (4) The board of county commissioners, by resolution and after 10 days' public  
24 notice, levies the room occupancy tax authorized in this subsection.

25           A room occupancy tax shall become effective on the date specified in the resolution levying  
26 the tax. That date must be the first day of a calendar month, however, and may not be earlier than  
27 the first day of the second month after the date the resolution is adopted."

28           **SECTION 2.2.(b1)** Administration. – A tax levied under this section shall be  
29 administered, collected, and repealed as provided in G.S. 160A-215 as if Stallings District S were  
30 a city. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

31           **SECTION 2.2.(c)** Definitions. – The following definitions apply in this section:

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

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

42           (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
43 Tourism Development Authority, are designed to increase the use of lodging  
44 facilities, meeting facilities, or convention facilities in the district or to attract  
45 tourists or business travelers to the district. The term includes tourism-related  
46 capital expenditures.

47           **SECTION 2.2.(d)** Distribution and Use of Tax Revenue. – Stallings District S shall,  
48 on a quarterly basis, remit the net proceeds of the occupancy tax to the Stallings District S  
49 Tourism Development Authority. The Authority shall use at least two-thirds of the proceeds  
50 remitted to it to promote travel and tourism in Stallings District S and shall use the remainder for  
51 tourism-related expenditures. In accordance with the North Carolina Constitution and the United

1 States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of  
2 Stallings District S. None of the proceeds may be used to promote travel or tourism in areas  
3 within Stallings that are outside of the district or for tourism-related expenditures in the county  
4 that are outside of the district.

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

16 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
17 govern its meetings. The finance officer for the Town of Stallings shall be the ex officio finance  
18 officer of the Authority.

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

23 **SECTION 2.2.(g)** Reports. – The Authority shall report quarterly and at the close of  
24 the fiscal year to the governing body of the district on its receipts and expenditures for the  
25 preceding quarter and for the year in such detail as the governing body of the district may require.  
26

### 27 **PART III. APPLICABILITY AND EFFECTIVE DATE**

28 **SECTION 3.** G.S. 160A-215(g) reads as rewritten:

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

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