

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

H

2

HOUSE BILL 528  
Committee Substitute Favorable 5/15/19

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

Sponsors:

Referred to:

April 1, 2019

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:

5  
6 **PART I. INDIAN TRAIL OCCUPANCY TAX**

7 **SECTION 1.(a)** Occupancy tax. – Authorization and Scope. – The Town Council of  
8 the Town of Indian Trail may levy a room occupancy tax of up to five percent (5%) of the gross  
9 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,  
10 motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by  
11 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 reads  
13 as rewritten:

14 "**§ 160A-215. Uniform provisions for room occupancy taxes.**

15 ...

16 (b) Levy. – A room occupancy tax may be levied only ~~by resolution, after not less than~~  
17 ~~10 days' public notice and after a public hearing held pursuant thereto as provided in this~~  
18 subsection only if all of the following conditions are met:

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

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

25 "[ ] FOR [ ] AGAINST

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

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

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

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



1       **(b1) Rate Increase.** – The Town Council of the Town of Indian Trail may, by resolution  
2 and after not less than 10 days' public notice and a public hearing, increase the rate of the tax to  
3 a rate not in excess of that approved in an election held pursuant to subsection (b) of this section.

4       ...."

5       **SECTION 1.(b1) Administration.** – A tax levied under this section shall be  
6 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
7 G.S. 160A-215 apply to a tax levied under this section.

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

13       The following definitions apply in this section:

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

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

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

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

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

49  
50 **PART II. STALLINGS OCCUPANCY TAX**

1           **SECTION 2.1.** Stallings District S created. – Stallings District S is created as a taxing  
2 district. Its jurisdiction consists of only that part of the Town of Stallings that is located within  
3 Union County. Stallings District S is a body politic and corporate and has the power to carry out  
4 the provisions of this Part. The Stallings Town Council shall serve ex officio as the governing  
5 body of the district and the officers of the City shall serve as the officers of the governing body  
6 of the district. A simple majority of the governing body constitutes a quorum, and approval by a  
7 majority of those present is sufficient to determine any matter before the governing body, if a  
8 quorum is present.

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

14           **SECTION 2.2.(b)** Applicable to the Stallings District S only, G.S. 160A-215 reads  
15 as rewritten:

16 **"§ 160A-215. Uniform provisions for room occupancy taxes.**

17       ...

18       (b) Levy. – A room occupancy tax may be levied ~~only by resolution, after not less than~~  
19 ~~10 days' public notice and after a public hearing held pursuant thereto as provided in this~~  
20 ~~subsection only if all of the following conditions are met:~~

21           (1) The governing body of Stallings District S directs the county board of  
22 elections to conduct an advisory referendum on the question of whether to  
23 levy the room occupancy tax authorized in this subsection.

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

27                           "[ ] FOR       [ ] AGAINST

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

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

33           (4) The governing body of Stallings District S, by resolution and after 10 days'  
34 public notice, levies the room occupancy tax authorized in this subsection.

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

38       (b1) Rate Increase. – The governing body of Stallings District S may, by resolution and  
39 after not less than 10 days' public notice and a public hearing, increase the rate of the tax to a rate  
40 not in excess of that approved in an election held pursuant to subsection (b) of this section.

41       ...."

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

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

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

- 1 (2) Promote travel and tourism. – To advertise or market an area or activity,  
2 publish and distribute pamphlets and other materials, conduct market research,  
3 or engage in similar promotional activities that attract tourists or business  
4 travelers to the area. The term includes administrative expenses incurred in  
5 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 the district or to attract  
9 tourists or business travelers to the district. The term includes tourism-related  
10 capital expenditures.

11 **SECTION 2.2.(d)** Distribution and Use of Tax Revenue. – Stallings District S shall,  
12 on a quarterly basis, remit the net proceeds of the occupancy tax to the Stallings District S  
13 Tourism Development Authority. The Authority shall use at least two-thirds of the proceeds  
14 remitted to it to promote travel and tourism in Stallings District S and shall use the remainder for  
15 tourism-related expenditures. In accordance with the North Carolina Constitution and the United  
16 States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of  
17 Stallings District S. None of the proceeds may be used to promote travel or tourism in areas  
18 within Stallings that are outside of the district or for tourism-related expenditures in the county  
19 that are outside of the district.

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

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

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

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

### 41 42 **PART III. APPLICABILITY AND EFFECTIVE DATE**

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

44 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an  
45 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection  
46 (c) supersedes that provision. The remainder of this section applies only to Beech Mountain  
47 District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro,  
48 Greensboro, Hickory, High Point, Indian Trail, Jacksonville, Kings Mountain, Lake Santeetlah,  
49 Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly,  
50 Reidsville, Roanoke Rapids, Salisbury, Sanford, Shelby, Statesville, Washington, and  
51 Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock,

1 Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas,  
2 Dobson, Elkin, Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach,  
3 Leland, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke,  
4 Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon,  
5 West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, Yanceyville, to the municipalities  
6 in Avery and Brunswick Counties, and to Saluda District ~~D-D~~ and Stallings District S."  
7           **SECTION 4.** This act is effective when it becomes law.