

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

SESSION LAW 2026-15
SENATE BILL 484

AN ACT TO CLARIFY THE APPROPRIATE USE OF PROCEEDS OF A ROOM OCCUPANCY TAX THAT MAY BE USED FOR TOURISM-RELATED EXPENDITURES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-215 reads as rewritten:

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

...

(f1) Use. – The proceeds of a room occupancy tax shall not be used as follows:

- (1) ~~for~~ For development or construction of a hotel or another transient lodging facility.
- (2) For the proceeds of a room occupancy tax that may be used for tourism-related expenditures, for services ordinarily provided by a city for its residents, or for purposes that are designed for or primarily benefit residents of the city unless explicitly authorized by local act, including all of the following:
 - a. Solid waste collection or disposal.
 - b. Water supply, distribution, or treatment.
 - c. Fire protection.
 - d. Law enforcement, public safety services, or emergency services.
 - e. Affordable housing.
 - f. Education.

(g) Applicability. – Subsection (c) of this section applies to all cities that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. Subdivision (2) of subsection (f1) of this section applies to all cities that levy an occupancy tax. The remainder of this section applies only to Beech Mountain District W, to the Cities of Belmont, Burlington, Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Graham, Greensboro, Hickory, High Point, Indian Trail, Jacksonville, Kings Mountain, Lake Santeetlah, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Mebane, Monroe, Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Sanford, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Elon, Fontana Dam, Four Oaks, Franklin, Grover, Hillsborough, Jefferson, Jonesville, Kenly, Kure Beach, Lansing, Leland, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. James, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson, Wrightsville Beach, Yadkinville, Yanceyville, to the municipalities in Avery and Brunswick Counties, to Clayton District C, Saluda District D, and Stallings District S."

SECTION 2. G.S. 153A-155 reads as rewritten:

"§ 153A-155. Uniform provisions for room occupancy taxes.

...

(f1) Use. – The proceeds of a room occupancy tax shall not be used as follows:



- (1) ~~for~~ For development or construction of a hotel or another transient lodging facility.
- (2) For the proceeds of a room occupancy tax that may be used for tourism-related expenditures, for services ordinarily provided by a county for its residents, or for purposes that are designed for or primarily benefit residents of the county unless explicitly authorized by local act, including all of the following:
 - a. Solid waste collection or disposal.
 - b. Water supply, distribution, or treatment.
 - c. Fire protection.
 - d. Law enforcement, public safety services, or emergency services.
 - e. Affordable housing.
 - f. Education.

(g) Applicability. – Subsection (c) of this section applies to all counties and county districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. Subdivision (2) of subsection (f1) of this section applies to all counties that levy an occupancy tax. The remainder of this section applies only to Alleghany, Anson, Bertie, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson, Jackson, Madison, Martin, McDowell, Mitchell, Montgomery, Moore, Nash, New Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Stokes, Swain, Transylvania, Tyrrell, Union, Vance, Warren, Washington, Wayne, Wilson, and Yancey Counties, to Avery County District A, Graham County District G, Harnett County District H, Iredell County District I, New Hanover County District U, Pender County District P, Surry County District S, Watauga County District U, Wilkes County District W, Yadkin County District Y, and the Township of Averasboro in Harnett County and the Ocracoke Township Taxing District."

SECTION 3. This act is effective when it becomes law and applies to the expenditure of occupancy tax proceeds collected on or after that date.

In the General Assembly read three times and ratified this the 18th day of June, 2026.

s/ Rachel Hunt
President of the Senate

s/ Donna McDowell White
Presiding Officer of the House of Representatives

s/ Josh Stein
Governor

Approved 3:27 p.m. this 22nd day of June, 2026