

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013**

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**SENATE BILL 731  
PROPOSED COMMITTEE SUBSTITUTE S731-PCS15452-ST-107**

Short Title: Southport Occupancy Tax Modification.

(Local)

Sponsors:

Referred to:

May 15, 2014

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

The General Assembly of North Carolina enacts:

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

"(e) Distribution and use of tax revenue. – ~~The~~ Until the Southport Board of Aldermen adopts a resolution levying a room occupancy tax under subsection (a1) of this section, the City of Southport shall use at least two-thirds of the funds to promote travel and tourism in Southport and shall use the remainder for tourism-related expenditures. When the Southport Board of Aldermen adopts a resolution levying a room occupancy tax under subsection (a1) of this section, City of Southport shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Southport 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 Southport 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 city 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 city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures."

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

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



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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.