

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40263-MCx-133 (03/17)

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

Sponsors: Representative Ford.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE LEVY OF AN OCCUPANCY TAX FOR THE
3 MUNICIPALITIES IN ROWAN COUNTY NOT CURRENTLY LEVYING AN
4 OCCUPANCY TAX.

5 The General Assembly of North Carolina enacts:

6
7 **PART I. LANDIS OCCUPANCY TAX**

8 **SECTION 1.1.** Occupancy Tax. – (a) Authorization and Scope. – The Landis
9 Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts
10 derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel,
11 inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the
12 State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

13 **SECTION 1.1.(b)** Administration. – A tax levied under this section shall be levied,
14 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
15 G.S. 160A-215 apply to a tax levied under this section.

16 **SECTION 1.1.(c)** Distribution and Use of Tax Revenue. – Landis shall, on a
17 quarterly basis, remit the net proceeds of the occupancy tax to the Landis Tourism
18 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
19 under this subsection to promote travel and tourism in Landis and shall use the remainder for
20 tourism-related expenditures.

21 The following definitions apply in this subsection:

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



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1 **SECTION 1.2.** Landis Tourism Development Authority. – (a) Appointment and
2 Membership. – When the Landis Town Council adopts a resolution levying a room occupancy
3 tax under this act, it shall also adopt a resolution creating a town Tourism Development
4 Authority, which shall be a public authority under the Local Government Budget and Fiscal
5 Control Act. The resolution shall provide for the membership of the Authority, including the
6 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
7 the members must be individuals who are affiliated with businesses that collect the tax in the
8 town, and at least one-half of the members must be individuals who are currently active in the
9 promotion of travel and tourism in the town. The town council shall designate one member of
10 the Authority as chair and shall determine the compensation, if any, to be paid to members of
11 the Authority.

12 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
13 govern its meetings. The Finance Officer for Landis shall be the ex officio finance officer of
14 the Authority.

15 **SECTION 1.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax
16 levied under this act for the purposes provided in this act. The Authority shall promote travel,
17 tourism, and conventions in the town, sponsor tourist-related events and activities in the town,
18 and finance tourist-related capital projects in the town.

19 **SECTION 1.2.(c) Reports.** – The Authority shall report quarterly and at the close
20 of the fiscal year to the Landis Town Council on its receipts and expenditures for the preceding
21 quarter and for the year in such detail as the town council may require.

22 23 **PART II. FAITH OCCUPANCY TAX**

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

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

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

37 The following definitions apply in this subsection:

- 38 (1) Net proceeds. – Gross proceeds less the cost to the town of administering
39 and collecting the tax, as determined by the finance officer, not to exceed
40 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
41 gross proceeds collected each year and one percent (1%) of the remaining
42 gross receipts collected each year.
- 43 (2) Promote travel and tourism. – To advertise or market an area or activity,
44 publish and distribute pamphlets and other materials, conduct market
45 research, or engage in similar promotional activities that attract tourists or
46 business travelers to the area. The term includes administrative expenses
47 incurred in engaging in the listed activities.
- 48 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
49 Tourism Development Authority, are designed to increase the use of lodging
50 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 2.2.** Faith Tourism Development Authority. – (a) Appointment and
4 Membership. – When the Faith 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 Faith shall be the ex officio finance officer of the
16 Authority.

17 **SECTION 2.2.(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 2.2.(c)** Reports. – The Authority shall report quarterly and at the close
22 of the fiscal year to the Faith 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 **PART III. SPENCER OCCUPANCY TAX**

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

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

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

38 The following definitions apply in this subsection:

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

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

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

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

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

40 The following definitions apply in this subsection:

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

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

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

29 **SECTION 5.1.** Occupancy Tax. – (a) Authorization and Scope. – The China Grove
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 5.1.(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 5.1.(c)** Distribution and Use of Tax Revenue. – China Grove shall, on a
38 quarterly basis, remit the net proceeds of the occupancy tax to the China Grove 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 China Grove 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 5.2.** China Grove Tourism Development Authority. – (a) Appointment
9 and Membership. – When the China Grove 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 China Grove shall be the ex officio finance officer
21 of the Authority.

22 **SECTION 5.2.(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 5.2.(c)** Reports. – The Authority shall report quarterly and at the close
27 of the fiscal year to the China Grove 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.
29

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.
- 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 6.2.** Rockwell Tourism Development Authority. – (a) Appointment and
10 Membership. – When the Rockwell 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 Rockwell shall be the ex officio finance officer of
22 the Authority.

23 **SECTION 6.2.(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 6.2.(c)** Reports. – The Authority shall report quarterly and at the close
28 of the fiscal year to the Rockwell 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 VII. GRANITE QUARRY OCCUPANCY TAX**

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

36 **SECTION 7.1.(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 7.1.(c)** Distribution and Use of Tax Revenue. – Granite Quarry shall, on
40 a quarterly basis, remit the net proceeds of the occupancy tax to the Granite Quarry 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 Granite Quarry and shall use the
43 remainder 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.
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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 7.2.** Granite Quarry Tourism Development Authority. – (a)
12 Appointment and Membership. – When the Granite Quarry Town Council adopts a resolution
13 levying a room occupancy tax under this act, it shall also adopt a resolution creating a town
14 Tourism Development Authority, which shall be a public authority under the Local
15 Government Budget and Fiscal Control Act. The resolution shall provide for the membership of
16 the Authority, including the members' terms of office, and for the filling of vacancies on the
17 Authority. At least one-third of the members must be individuals who are affiliated with
18 businesses that collect the tax in the town, and at least one-half of the members must be
19 individuals who are currently active in the promotion of travel and tourism in the town. The
20 town council shall designate one member of the Authority as chair and shall determine the
21 compensation, if any, 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 Granite Quarry shall be the ex officio finance
24 officer of the Authority.

25 **SECTION 7.2.(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 7.2.(c)** Reports. – The Authority shall report quarterly and at the close
30 of the fiscal year to the Granite Quarry 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.
32

33 **PART VIII. KANNAPOLIS OCCUPANCY TAX**

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

39 **SECTION 8.1.(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 8.1.(c)** Distribution and Use of Tax Revenue. – Kannapolis shall, on a
43 quarterly basis, remit the net proceeds of the occupancy tax to the Kannapolis 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 Kannapolis and shall use the remainder
46 for tourism-related expenditures.

47 The following definitions apply in this subsection:

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

1 proceeds collected each year and one percent (1%) of the remaining gross
2 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 city or to attract
11 tourists or business travelers to the city. The term includes tourism-related
12 capital expenditures.

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

27 **SECTION 8.2.(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 city, sponsor tourist-related events and activities in the city, and
30 finance tourist-related capital projects in the city.

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

34 **PART IX. CLEVELAND OCCUPANCY TAX**

35 **SECTION 9.1.** Occupancy Tax. – (a) Authorization and Scope. – The Cleveland
36 Town 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 town 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 9.1.(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 9.1.(c) Distribution and Use of Tax Revenue.** – Cleveland shall, on a
44 quarterly basis, remit the net proceeds of the occupancy tax to the Cleveland 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 Cleveland 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 town of administering
50 and collecting the tax, as determined by the finance officer, not to exceed
51

1 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
 2 gross proceeds collected each year and one percent (1%) of the remaining
 3 gross 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 town or to attract
 12 tourists or business travelers to the town. The term includes tourism-related
 13 capital expenditures.

14 **SECTION 9.2.** Cleveland Tourism Development Authority. – (a) Appointment and
 15 Membership. – When the Cleveland Town Council adopts a resolution levying a room
 16 occupancy tax under this act, it shall also adopt a resolution creating a town 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 town, 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 town. The town 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 Cleveland shall be the ex officio finance officer of
 27 the Authority.

28 **SECTION 9.2.(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 town, sponsor tourist-related events and activities in the town,
 31 and finance tourist-related capital projects in the town.

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

36 **PART X. UNIFORM PROVISIONS**

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

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

1 Swansboro, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville,
2 and Yanceyville, and to the municipalities in Avery and Brunswick Counties."
3

4 **PART XI. EFFECTIVE DATE**

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