

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**HOUSE BILL 213
PROPOSED COMMITTEE SUBSTITUTE H213-PCS10182-SVxf-4**

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

Sponsors:

Referred to:

March 1, 2023

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 EACH LEVY AN OCCUPANCY TAX, IF APPROVED IN
4 A REFERENDUM.

5 The General Assembly of North Carolina enacts:

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

8 **SECTION 1.1.** Occupancy tax. – (a) Authorization and Scope. – If the majority of
9 those voting in a referendum held pursuant to subsection (b) of this section vote for the levy of
10 the tax, the Town Council of the Town of Indian Trail may levy a room occupancy tax of up to
11 five percent (5%) of the gross receipts derived from the rental of an accommodation within the
12 town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in
13 addition to any State or local sales tax.

14 **SECTION 1.1.(b)** Referendum. – Notwithstanding G.S. 160A-215(b), a room
15 occupancy tax authorized under subsection (a) of this section may be levied only if all of the
16 following conditions are met:

- 17 (1) The Town Council of the Town of Indian Trail directs the county board of
18 elections to conduct an advisory referendum on the question of whether to
19 levy the room occupancy tax.
20 (2) The election is held in accordance with the procedures of G.S. 163-287, and
21 the form of the question to be presented on the ballot concerning the room
22 occupancy tax 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 an accommodation located within
26 the town."

- 27 (3) A majority of those voting in the referendum vote for the levy of the room
28 occupancy tax.
29 (4) The Town Council of the Town of Indian Trail adopts a resolution levying the
30 room occupancy tax after providing not less than 10 days' public notice of the
31 levy. A room occupancy tax shall become effective on the date specified in
32 the resolution levying the tax, which must be the first day of a calendar month
33 and may not be earlier than the first day of the second month after the date the
34 resolution is adopted.

35 **SECTION 1.1.(c)** Rate Increase. – The Town Council of the Town of Indian Trail
36 may, by resolution and after not less than 10 days' public notice and a public hearing, increase



1 the rate of the tax to a rate not in excess of that approved in an election held pursuant to subsection
2 (b) of this section. A rate increase shall become effective on the date specified in the resolution
3 levying the increase, which must be the first day of a calendar month and may not be earlier than
4 the first day of the second month after the date the resolution is adopted.

5 **SECTION 1.1.(d)** 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 1.1.(e)** 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 and shall use the remainder for
12 tourism-related expenditures in the Town of Indian Trail.

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

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

43 **SECTION 1.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
44 levied under this Part for the purposes provided in Section 1.1(e) of this Part. The Authority shall
45 promote travel, tourism, and conventions in the town; sponsor tourist-related events and activities
46 in the town; and finance tourist-related capital projects in the town.

47 **SECTION 1.2.(c)** Reports. – The Authority shall report quarterly and at the close of
48 the fiscal year to the Indian Trail Town Council on its receipts and expenditures for the preceding
49 quarter and for the year in such detail as the Town Council may require.

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51 **PART II. STALLINGS OCCUPANCY TAX**

1 Stallings District S. None of the proceeds may be used to promote travel or tourism or for
2 tourism-related expenditures in areas within the Town of Stallings that are outside of the district.

3 The following definitions apply in this section:

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

19 **SECTION 2.3.** Stallings District S Tourism Development Authority. – (a)
20 Appointment and Membership. – When the governing body of the district adopts a resolution
21 levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Stallings
22 District S Tourism Development Authority, which shall be a public authority under the Local
23 Government Budget and Fiscal Control Act. The resolution shall provide for the membership of
24 the Authority, including the members' terms of office, and for the filling of vacancies on the
25 Authority. At least one-third of the members must be individuals affiliated with businesses that
26 collect the tax in the district, and at least one-half of the members must be individuals currently
27 active in the promotion of travel and tourism in the district. The governing body of the district
28 shall designate one member of the Authority as chair and shall determine the compensation, if
29 any, to be paid to members of the Authority.

30 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
31 govern its meetings. The finance officer for the governing body of the district shall be the ex
32 officio finance officer of the Authority.

33 **SECTION 2.3.(b)** Duties. – The Authority shall expend the net proceeds of the tax
34 levied under this Part for the purposes provided in Section 2.2(e) of this Part. The Authority shall
35 promote travel, tourism, and conventions in the district; sponsor tourist-related events and
36 activities in the district; and finance tourist-related capital projects in the district.

37 **SECTION 2.3.(c)** Reports. – The Authority shall report quarterly and at the close of
38 the fiscal year to the governing body of the district on its receipts and expenditures for the
39 preceding quarter and for the year in such detail as the governing body of the district may require.
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41 **PART III. APPLICABILITY AND EFFECTIVE DATE**

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

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

1 Dobson, Elkin, Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach,
2 Leland, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke,
3 Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon,
4 West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, Yanceyville, to the municipalities
5 in Avery and Brunswick Counties, and to Saluda District ~~D~~D and Stallings District S."

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