

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1528
Committee Substitute Favorable 6/17/98
Senate Finance Committee Substitute Adopted 10/26/98

Short Title: Long Beach Room Tax/North Topsail Beach.

(Local)

Sponsors:

Referred to:

May 27, 1998

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN
2 ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH
3 RENOURISHMENT AND PROTECTION AND TO AUTHORIZE THE TOWN OF
4 NORTH TOPSAIL BEACH TO LEVY A ROOM OCCUPANCY AND TOURISM
5 DEVELOPMENT TAX.
6

7 The General Assembly of North Carolina enacts:

8 Section 1. Part IX of Chapter 908 of the 1983 Session Laws, as amended by
9 Chapter 985 of the 1983 Session Laws and Chapter 857 of the 1989 Session Laws, as it
10 relates to the Town of Long Beach only, is recodified and rewritten as Section 2 of this
11 act.

12 Section 2. Long Beach occupancy tax. (a) Authorization and scope. The Long
13 Beach Town Council may levy a room occupancy tax of up to three percent (3%) of the
14 gross receipts derived from the rental of any room, lodging, or accommodation furnished
15 by a hotel, motel, inn, tourist camp, or similar place within the town that is subject to
16 sales tax imposed by the State under G.S. 105-164.4(a)(3) and from the rental of private

1 residences and cottages, whether or not the residence or cottage is rented for less than 15
2 days. This tax is in addition to any State or local sales tax.

3 (b) Authorization of additional tax. In addition to the tax authorized by subsection
4 (a) of this section, the Long Beach Town Council may levy an additional room
5 occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of
6 accommodations taxable under subsection (a). The levy, collection, administration, and
7 repeal of the tax authorized by this subsection shall be in accordance with the provisions
8 of this section. The governing body of a town may not levy a tax under this subsection
9 unless it also levies the tax authorized under subsection (a) of this section.

10 (c) Administration. A tax levied under this section shall be levied, administered,
11 collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S.
12 160A-215 apply to a tax levied under this section.

13 The tax collector may collect any unpaid taxes levied under this act through the
14 use of attachment and garnishment proceedings as provided in G.S. 105-368 for
15 collection of property taxes. The tax collector has the same enforcement powers
16 concerning the tax imposed by this act as does the Secretary of Revenue in enforcing the
17 State sales tax under G.S. 105-164.30.

18 (d) Distribution and use of tax revenue. The Town of Long Beach may use the
19 proceeds of the tax levied pursuant to subsection (a) of this section only for tourism-
20 related expenditures. As used in this section, "tourism-related expenditures" includes any
21 of the following expenditures: criminal justice system, fire protection, public facilities
22 and utilities, health facilities, solid waste and sewage treatment, and the control and repair
23 of waterfront erosion. The term does not include, however, expenditures for services
24 normally provided by the town on behalf of its citizens unless these services promote
25 tourism and enlarge its economic benefits by enhancing the ability of the town to attract
26 and provide for tourists.

27 The Town of Long Beach may use the proceeds of the tax levied pursuant to
28 subsection (b) of this section only for beach renourishment and protection.

29 Section 3. North Topsail Beach occupancy tax. (a) Authorization and scope. The
30 Board of Aldermen of the Town of North Topsail Beach may levy a room occupancy tax
31 of up to three percent (3%) of the gross receipts derived from the rental of any room,
32 lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place
33 within the town that is subject to sales tax imposed by the State under G.S. 105-
34 164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply
35 to accommodations furnished by nonprofit charitable, educational, or religious
36 organizations when furnished in furtherance of their nonprofit purpose.

37 (b) Administration. A tax levied under this section shall be levied, administered,
38 collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S.
39 160A-215 apply to a tax levied under this section.

40 (c) Distribution and use of tax revenue. North Topsail Beach shall, on a quarterly
41 basis, remit the net proceeds of the occupancy tax to the North Topsail Beach Tourism
42 Development Authority. Of the net proceeds of the tax levied under this section for the
43 first 24 months the tax is in effect, the Authority must use at least twenty-five percent

1 (25%) to promote travel and tourism in North Topsail Beach and must use the remainder
2 for beach stabilization and maintenance, for construction of tourist-related amenities, and
3 to address health, safety, and welfare issues related to tourism. Of the net proceeds of the
4 tax levied after the first 24 months that the tax is in effect, the Authority must use at least
5 two-thirds of the net proceeds of a tax levied under this section to promote travel and
6 tourism in North Topsail Beach and must use the remainder for beach stabilization and
7 maintenance, for construction of tourist-related amenities, and to address health, safety,
8 and welfare issues related to tourism.

9 The following definitions apply in this subsection:

- 10 (1) Net proceeds. – Gross proceeds less the cost to the town of
11 administering and collecting the tax, as determined by the finance
12 officer, not to exceed three percent (3%) of the first five hundred
13 thousand dollars (\$500,000) of gross proceeds collected each year and
14 one percent (1%) of the remaining gross receipts collected each year.
- 15 (2) Promote travel and tourism. – To advertise or market an area or activity,
16 publish and distribute pamphlets and other materials, conduct market
17 research, or engage in similar promotional activities that attract tourists
18 or business travelers to the area; the term includes administrative
19 expenses incurred in engaging in the listed activities.

20 Section 4. North Topsail Beach Tourism Development Authority. (a) Appointment
21 and membership. When the Board of Aldermen of the Town of North Topsail Beach
22 adopts a resolution levying a room occupancy tax under this act, it shall also adopt a
23 resolution creating a North Topsail Beach Tourism Development Authority, which shall
24 be a public authority under the Local Government Budget and Fiscal Control Act. The
25 resolution shall provide for the membership of the Authority including the members'
26 qualifications and terms of office, and for the filling of vacancies on the Authority. The
27 Authority shall be composed of five members, three of whom must be currently active in
28 the promotion of travel and tourism in the town and two of whom must be residents of
29 the town. The board of aldermen shall designate one member of the Authority as chair
30 and shall determine the compensation, if any, to be paid to members of the Authority.

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

34 (b) Duties. The Authority shall expend the net proceeds of the tax levied under
35 this act for the purposes provided in Section 3 of this act. The Authority shall promote
36 travel, tourism, and conventions in the town, sponsor tourist-related events and activities
37 in the town, and finance tourist-related capital projects in the town.

38 (c) Reports. The Authority shall report quarterly and at the close of the fiscal year
39 to the board of aldermen on its receipts and expenditures for the preceding quarter and for
40 the year in such detail as the board may require.

41 Section 5. Town Administrative Provisions. – Section 3 of S.L. 1997-410, as
42 amended by Section 2 of S.L. 1997-447, reads as rewritten:

1 "Section 3. Municipal Administrative Provisions. G.S. 160A-215, as enacted by S.L.
2 1997-361 and S.L. 1997-364, applies to the Cities of Goldsboro, Lumberton, Mount Airy,
3 and Shelby, to the Town of North Topsail Beach, and to the municipalities in Brunswick
4 County."

5 Section 6. This act is effective when it becomes law.