

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 528

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

Sponsors: Representatives Arp and Horn (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

April 1, 2019

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 LEVY AN OCCUPANCY TAX.

4 The General Assembly of North Carolina enacts:

5
6 **PART I. INDIAN TRAIL OCCUPANCY TAX**

7 **SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Town Council
8 of the Town of Indian Trail may levy a room occupancy tax of up to five percent (5%) of the
9 gross receipts derived from the rental of any room, lodging, or accommodation furnished by a
10 hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed
11 by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

12 **SECTION 1.(b)** Applicable to the Town of Indian Trail only, G.S. 160A-215(b)
13 reads as rewritten:

14 "(b) Levy. – A room occupancy tax may be levied only ~~by resolution, after not less than~~
15 ~~10 days' public notice and after a public hearing held pursuant thereto as provided in this~~
16 subsection only if all of the following conditions are met:

17 (1) The town council directs the county board of elections to conduct an advisory
18 referendum on the question of whether to levy the room occupancy tax
19 authorized in this subsection.

20 (2) The election is held in accordance with the procedures of G.S. 163A-1592,
21 and the form of the question to be presented on the ballot concerning the room
22 occupancy tax authorized by this subsection 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 any room, lodging, or
26 accommodation furnished by hotel, motel, or similar place."

27 (3) A majority of those voting in the referendum vote for the levy of the room
28 occupancy tax authorized in this subsection.

29 (4) The town council, by resolution and after 10 days' public notice, levies the
30 room occupancy tax authorized in this subsection.

31 A room occupancy tax shall become effective on the date specified in the resolution levying
32 the tax. That date must be the first day of a calendar month, however, and may not be earlier than
33 the first day of the second month after the date the resolution is adopted."



1 **SECTION 1.(b1)** Administration. – A tax levied under this section shall be
2 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
3 G.S. 160A-215 apply to a tax levied under this section.

4 **SECTION 1.(c)** Distribution and Use of Tax Revenue. – The Town of Indian Trail
5 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Indian Trail Tourism
6 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
7 under this subsection to promote travel and tourism in the Town of Indian Trail and shall use the
8 remainder for tourism-related expenditures.

9 The following definitions apply in this section:

- 10 (1) Net proceeds. – Gross proceeds less the cost to the town of administering and
11 collecting the tax, as determined by the finance officer, not to exceed three
12 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
13 proceeds collected each year and one percent (1%) of the remaining gross
14 proceeds 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 research,
17 or engage in similar promotional activities that attract tourists or business
18 travelers to the area; the term includes administrative expenses incurred in
19 engaging in the listed activities.
- 20 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
21 Indian Trail Tourism Development Authority, are designed to increase the use
22 of lodging facilities, meeting facilities, or convention facilities in the town or
23 to attract tourists or business travelers to the town. The term includes
24 tourism-related capital expenditures.

25 **SECTION 1.(d)** Tourism Development Authority. – Appointment and Membership.
26 – When the Town Council adopts a resolution levying a room occupancy tax under this section,
27 it shall also adopt a resolution creating the Indian Trail Tourism Development Authority, which
28 shall be a public authority under the Local Government Budget and Fiscal Control Act. The
29 resolution shall provide for the membership of the Authority, including the members' terms of
30 office, and for the filling of vacancies on the Authority. At least one-third of the members shall
31 be individuals who are affiliated with businesses that collect the tax in the town, and at least
32 one-half of the members shall be individuals who are currently active in the promotion of travel
33 and tourism in the town. The Town Council shall designate one member of the Authority as chair
34 and shall determine the compensation, if any, to be paid to members of the Authority.

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

38 **SECTION 1.(e)** Duties. – The Authority shall expend the net proceeds of the tax
39 levied under this section for the purposes provided in subsection (c) of this section. The Authority
40 shall promote travel, tourism, and conventions in the town, sponsor tourist-related events and
41 activities in the town, and finance tourist-related capital projects in the town.

42 **SECTION 1.(f)** Reports. – The Authority shall report quarterly and at the close of
43 the fiscal year to the Indian Trail Town Council on its receipts and expenditures for the preceding
44 quarter and for the year in such detail as the Town Council may require.

45 **PART II. STALLINGS OCCUPANCY TAX**

46 **SECTION 2.1.** Stallings District S created. – Stallings District S is created as a taxing
47 district. Its jurisdiction consists of only that part of the Town of Stallings that is located within
48 Union County. Stallings District S is a body politic and corporate and has the power to carry out
49 the provisions of this Part. The Stallings Town Council shall serve ex officio as the governing
50 body of the district, and the officers of the County shall serve as the officers of the governing
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1 body of the district. A simple majority of the governing body constitutes a quorum, and approval
2 by a majority of those present is sufficient to determine any matter before the governing body, if
3 a quorum is present.

4 **SECTION 2.2.** Occupancy tax. – (a) Authorization and Scope. – The governing body
5 of Stallings District S may levy a room occupancy tax of up to five percent (5%) of the gross
6 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,
7 motel, inn, tourist camp, or similar place within the district that is subject to sales tax imposed
8 by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

9 **SECTION 2.2.(b)** Applicable to the Stallings District S only, G.S. 153A-155(b)
10 reads as rewritten:

11 "(b) Levy. – A room occupancy tax may be levied ~~only by resolution, after not less than~~
12 ~~10 days' public notice and after a public hearing held pursuant thereto as provided in this~~
13 subsection only if all of the following conditions are met:

14 (1) The board of county commissioners directs the county board of elections to
15 conduct an advisory referendum on the question of whether to levy the room
16 occupancy tax authorized in this subsection.

17 (2) The election is held in accordance with the procedures of G.S. 163A-1592,
18 and the form of the question to be presented on the ballot concerning the room
19 occupancy tax authorized by this subsection is as follows:

20 "[] FOR [] AGAINST

21 The levy of a room occupancy tax in the amount of up to five percent (5%) of
22 the gross receipts derived from the rental of any room, lodging, or
23 accommodation furnished by hotel, motel, or similar place."

24 (3) A majority of those voting in the referendum vote for the levy of the room
25 occupancy tax authorized in this subsection.

26 (4) The board of county commissioners, by resolution and after 10 days' public
27 notice, levies the room occupancy tax authorized in this subsection.

28 A room occupancy tax shall become effective on the date specified in the resolution levying
29 the tax. That date must be the first day of a calendar month, however, and may not be earlier than
30 the first day of the second month after the date the resolution is adopted."

31 **SECTION 2.2.(b1)** Administration. – A tax levied under this section shall be
32 administered, collected, and repealed as provided in G.S. 160A-215 as if Stallings District S were
33 a city. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

34 **SECTION 2.2.(c)** Definitions. – The following definitions apply in this section:

35 (1) Net proceeds. – Gross proceeds less the cost to the district of administering
36 and collecting the tax, as determined by the finance officer, not to exceed three
37 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
38 proceeds collected each year and one percent (1%) of the remaining gross
39 receipts collected each year.

40 (2) Promote travel and tourism. – To advertise or market an area or activity,
41 publish and distribute pamphlets and other materials, conduct market research,
42 or engage in similar promotional activities that attract tourists or business
43 travelers to the area. The term includes administrative expenses incurred in
44 engaging in the listed activities.

45 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
46 Tourism Development Authority, are designed to increase the use of lodging
47 facilities, meeting facilities, or convention facilities in the district or to attract
48 tourists or business travelers to the district. The term includes tourism-related
49 capital expenditures.

50 **SECTION 2.2.(d)** Distribution and Use of Tax Revenue. – Stallings District S shall,
51 on a quarterly basis, remit the net proceeds of the occupancy tax to the Stallings District S

1 Tourism Development Authority. The Authority shall use at least two-thirds of the proceeds
2 remitted to it to promote travel and tourism in Stallings District S and shall use the remainder for
3 tourism-related expenditures. In accordance with the North Carolina Constitution and the United
4 States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of
5 Stallings District S. None of the proceeds may be used to promote travel or tourism in areas
6 within Stallings that are outside of the district or for tourism-related expenditures in the county
7 that are outside of the district.

8 **SECTION 2.2.** Stallings District S Tourism Development Authority. – (e)
9 Appointment and Membership. – When the governing body of the district adopts a resolution
10 levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Stallings
11 District S Tourism Development Authority, which shall be a public authority under the Local
12 Government Budget and Fiscal Control Act. The resolution shall provide for the membership of
13 the Authority, including the members' terms of office, and for the filling of vacancies on the
14 Authority. At least one-third of the members must be individuals affiliated with businesses that
15 collect the tax in the district, and at least one-half of the members must be individuals currently
16 active in the promotion of travel and tourism in the district. The board of commissioners shall
17 designate one member of the Authority as chair and shall determine the compensation, if any, to
18 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 the Town of Stallings shall be the ex officio finance
21 officer of the Authority.

22 **SECTION 2.2.(f)** Duties. – The Authority shall expend the net proceeds of the tax
23 levied under this section for the purposes provided in subsection (d) of this section. The Authority
24 shall promote travel, tourism, and conventions in the district, sponsor tourist-related events and
25 activities in the district, and finance tourist-related capital projects in the district.

26 **SECTION 2.2.(g)** Reports. – The Authority shall report quarterly and at the close of
27 the fiscal year to the governing body of the district on its receipts and expenditures for the
28 preceding quarter and for the year in such detail as the governing body of the district may require.
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30 **PART III. APPLICABILITY AND EFFECTIVE DATE**

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

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

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