

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**HOUSE BILL 220
Committee Substitute Favorable 3/7/23**

Short Title: Lansing and Jefferson Occ. Tax Authorization.

(Local)

Sponsors:

Referred to:

March 1, 2023

A BILL TO BE ENTITLED
AN ACT TO AUTHORIZE THE TOWNS OF LANSING AND JEFFERSON TO LEVY AN
OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

PART I. TOWN OF LANSING OCCUPANCY TAX

SECTION 1. Occupancy tax. – (a) Authorization and Scope. – The Town of Lansing Board of Aldermen may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation within the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

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 – A tax levied under this Part shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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

SECTION 1.(c) Distribution and Use of Tax Revenue. – The Town of Lansing shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Lansing Tourism Development Authority. The Authority shall use at least two-thirds of the funds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the town.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the town 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 accommodations, meeting facilities, or convention facilities in the town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

SECTION 2. Tourism Development Authority. – (a) Appointment and Membership.
– When the Town of Lansing Board of Aldermen adopts a resolution levying a room occupancy



1 tax under this Part, it shall also adopt a resolution creating a town Tourism Development
2 Authority, which shall be a public authority under the Local Government Budget and Fiscal
3 Control Act. The resolution shall provide for the membership of the Authority, including the
4 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
5 the members shall be individuals who are affiliated with businesses that collect tax in the town,
6 and at least one-half of the members shall be individuals who are currently active in the
7 promotion of travel and tourism in the town. The Town of Lansing Board of Aldermen shall
8 designate one member of the Authority as chair and shall determine the compensation, if any, to
9 be paid to members of the Authority.

10 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
11 govern its meetings. The Finance Officer for the Town of Lansing shall be the ex officio finance
12 officer of the Authority.

13 **SECTION 2.(b) Duties.** – The Authority shall expend the net proceeds of the tax
14 levied under this Part for promoting travel and tourism and for tourism-related expenditures as
15 provided in this Part.

16 **SECTION 2.(c) Reports.** – The Authority shall report quarterly and at the close of
17 the fiscal year to the Town of Lansing Board of Aldermen on its receipts and expenditures for
18 the preceding quarter and for the year in such detail as the Board of Aldermen may require.

19 **SECTION 3.** Part I of this act is effective when it becomes law.
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21 **PART II. TOWN OF JEFFERSON OCCUPANCY TAX**

22 **SECTION 4. Occupancy tax.** – (a) Authorization and Scope. – The Town of
23 Jefferson Board of Aldermen may levy a room occupancy tax of up to three percent (3%) of the
24 gross receipts derived from the rental of an accommodation within the town that is subject to
25 sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or
26 local sales tax.

27 **SECTION 4.(b) Administration.** – A tax levied under this Part shall be levied,
28 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
29 G.S. 160A-215 apply to a tax levied under this Part.

30 **SECTION 4.(c) Distribution and Use of Tax Revenue.** – The Town of Jefferson
31 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Jefferson Tourism
32 Development Authority. The Authority shall use at least two-thirds of the funds to promote travel
33 and tourism and shall use the remainder for tourism-related expenditures in the town.

34 The following definitions apply in this subsection:

- 35 (1) Net proceeds. – Gross proceeds less the cost to the town of administering and
36 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
47 accommodations, meeting facilities, or convention facilities in the town or to
48 attract tourists or business travelers to the town. The term includes
49 tourism-related capital expenditures.

50 **SECTION 5. Tourism Development Authority.** – (a) Appointment and Membership.
51 – When the Town of Jefferson Board of Aldermen adopts a resolution levying a room occupancy

1 tax under this Part, it shall also adopt a resolution creating a town Tourism Development
2 Authority, which shall be a public authority under the Local Government Budget and Fiscal
3 Control Act. The resolution shall provide for the membership of the Authority, including the
4 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
5 the members shall be individuals who are affiliated with businesses that collect tax in the town,
6 and at least one-half of the members shall be individuals who are currently active in the
7 promotion of travel and tourism in the town. The Town of Jefferson Board of Aldermen shall
8 designate one member of the Authority as chair and shall determine the compensation, if any, to
9 be paid to members of the Authority.

10 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
11 govern its meetings. The Finance Officer for the Town of Jefferson shall be the ex officio finance
12 officer of the Authority.

13 **SECTION 5.(b) Duties.** – The Authority shall expend the net proceeds of the tax
14 levied under this Part for promoting travel and tourism and for tourism-related expenditures as
15 provided in this Part.

16 **SECTION 5.(c) Reports.** – The Authority shall report quarterly and at the close of
17 the fiscal year to the Town of Jefferson Board of Aldermen on its receipts and expenditures for
18 the preceding quarter and for the year in such detail as the Board of Aldermen may require.

19 **SECTION 6.** Part II of this act is effective when it becomes law.
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21 **PART III. APPLICABILITY AND EFFECTIVE DATE**

22 **SECTION 7.** G.S. 160A-215(g) reads as rewritten:

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

37 **SECTION 8.** Except as otherwise provided, this act is effective when it becomes
38 law.