



**NORTH CAROLINA GENERAL ASSEMBLY
CONFERENCE REPORT
Senate Bill 552**

S552-CRSV-3 [v.1]

Page 1 of 3

[NO] Title Change

[NO] For Committee Substitute

To: The President of the Senate
 The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 552, A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS OCCUPANCY TAX CHANGES AFFECTING THE CITIES OF SANFORD, SALUDA, AND JACKSONVILLE AND AFFECTING THE COUNTIES OF HARNETT, SAMPSON, YADKIN, AND ROWAN, House Committee Substitute Favorable 6/26/17, submit the following report:

The Senate concurs in House Amendment #1, 6/27/17, and the Senate and the House agree to the following amendments to the House Committee Substitute Favorable 6/26/17, as amended:

On page 1, line 8, through page 2, line 14, by deleting the lines and substituting the following lines to read:

"SECTION 1.1. Occupancy Tax. – (a) Authorization and Scope. – The Sanford City Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the city 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 1.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 section.

SECTION 1.1.(c) Distribution and Use of Tax Revenue. – Sanford shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Sanford Tourism Development Authority. The Authority shall use two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Sanford and shall use the remaining one-third of the funds remitted to it under this subsection for the operation, maintenance, promotion, and renovation of the Dennis A. Wicker Civic Center, an activity so closely related to travel and tourism in Sanford as to be credited with helping to generate as much as eighty percent (80%) of that city's tourism-related revenues. Any funds dedicated under this subsection for the Dennis A. Wicker Civic Center that are not spent or obligated by the close of a fiscal year may be used by the Authority for the promotion of travel and tourism in Sanford.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the city of administering and collecting the tax, as determined by the finance officer, not to exceed three



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**NORTH CAROLINA GENERAL ASSEMBLY
CONFERENCE REPORT
Senate Bill 552**

S552-CRSV-3 [v.1]

Page 2 of 3

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.

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

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

SECTION 1.2.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this part for the purposes provided in this part. The Authority shall promote travel, tourism, and conventions in the city and sponsor tourist-related events and activities in the city.

SECTION 1.2.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Sanford City Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the city council may require."

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date Conferees approved report: June 29, 2017.

Conferees for the Senate

Conferees for the
House of Representatives

Harry Brown, Chair

Jason Saine, Chair

Ronald J. Rabin

William Brawley

Andy Wells

David R. Lewis

**NORTH CAROLINA GENERAL ASSEMBLY
CONFERENCE REPORT
Senate Bill 552**

S552-CRSV-3 [v.1]

Page 3 of 3

Brent Jackson

Wesley Meredith

Submitted _____

ADOPTED _____

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Message Received _____

Ordered Enrolled _____