

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**HOUSE DRH80112-LYx-39 (2/20)**

Short Title: Leland Occupancy Tax. (Local)

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Sponsors: Representative Stiller (By Request).

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF LELAND TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Town Council of Leland 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 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. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

**SECTION 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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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.(c)** Distribution and Use of Tax Revenue. – The Town of Leland shall use at least two-thirds of net proceeds of the tax levied under this section to promote travel and tourism in Leland and shall use the remainder for tourism-related expenditures.

The following definitions apply in this act:

- (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

1 market research, or engage in similar promotional activities that attract  
2 tourists or business travelers to the area; the term includes  
3 administrative expenses incurred in engaging in the listed activities.

- 4 (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
5 the Town Council, are designed to increase the use of lodging  
6 facilities, meeting facilities, or convention facilities in a town or to  
7 attract tourists or business travelers to the town. The term includes  
8 tourism-related capital expenditures. The term includes the following  
9 types of expenditures: criminal justice system, fire protection, public  
10 facilities and utilities, health facilities, solid waste and sewage  
11 treatment, and the control and repair of waterfront erosion. These  
12 funds may not be used for services normally provided by the town on  
13 behalf of its citizens unless these services promote tourism and enlarge  
14 its economic benefits by enhancing the ability of the town to attract  
15 and provide for tourists.

16 **SECTION 2.** Additional occupancy tax. – (a) Authorization and Scope. –  
17 The Town Council of Leland may levy a room occupancy tax of up to two percent (2%)  
18 of the gross receipts derived from the rental of any room, lodging, or accommodation  
19 furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is  
20 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in  
21 addition to any State or local sales tax and to the tax authorized under Section 1 of this  
22 act. This tax does not apply to accommodations furnished by nonprofit charitable,  
23 educational, or religious organizations when furnished in furtherance of their nonprofit  
24 purpose.

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

28 **SECTION 2.(c)** Use of Tax Revenue. – The Town of Leland shall use the  
29 net proceeds of the tax levied under this section for maintenance and development for  
30 eco-tourism purposes of riverine areas within the town.

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

32 "(g) This section applies only to Beech Mountain District W, to the Cities of  
33 Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington, Lincolnton,  
34 Lumberton, Monroe, Mount Airy, Shelby, Statesville, and Washington, to the Towns of  
35 Beech Mountain, Carrboro, Leland, Mooresville, North Topsail Beach, Selma,  
36 Smithfield, St. Pauls, and Wilkesboro, and to the municipalities in Avery and  
37 Brunswick Counties."

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