

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**H**

**3**

**HOUSE BILL 580\***  
**Committee Substitute Favorable 4/19/05**  
**Senate Finance Committee Substitute Adopted 6/20/05**

Short Title: Belmont & Troutman Occupancy Tax. (Local)

---

Sponsors:

---

Referred to:

---

March 10, 2005

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE CITY OF BELMONT AND THE TOWN OF  
2 TROUTMAN TO LEVY A ROOM OCCUPANCY AND TOURISM  
3 DEVELOPMENT TAX.  
4

5 The General Assembly of North Carolina enacts:

6 **CITY OF BELMONT OCCUPANCY TAX**

7 **SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Belmont  
8 City Council may levy a room occupancy tax of up to three percent (3%) of the gross  
9 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 city that is subject to sales tax  
11 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or  
12 local sales tax. This tax does not apply to accommodations furnished by nonprofit  
13 charitable, educational, or religious organizations when furnished in furtherance of their  
14 nonprofit purpose.

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16 levied, administered, collected, and repealed as provided in G.S. 160A-215.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

18 **SECTION 1.(c)** Distribution and Use of Tax Revenue. – The City of  
19 Belmont shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the  
20 Belmont Tourism Development Authority. The Authority shall use at least two-thirds  
21 of the funds remitted to it under this subsection to promote travel and tourism in  
22 Belmont and shall use the remainder for tourism-related expenditures.

23 The following definitions apply in this subsection:

- 24 (1) Net proceeds. – Gross proceeds less the cost to the city of  
25 administering and collecting the tax, as determined by the finance  
26 officer, not to exceed three percent (3%) of the first five hundred  
27 thousand dollars (\$500,000) of gross proceeds collected each year and  
28 one percent (1%) of the remaining gross receipts collected each year.

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

6           (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
7 the Tourism Development Authority, are designed to increase the use  
8 of lodging facilities, meeting facilities, or convention facilities in a city  
9 or to attract tourists or business travelers to the city. The term includes  
10 tourism-related capital expenditures.

11           **SECTION 2.** Belmont Tourism Development Authority. – (a) Appointment  
12 and Membership. – When the Belmont City Council adopts a resolution levying a room  
13 occupancy tax under this act, it shall also adopt a resolution creating a city Tourism  
14 Development Authority, which shall be a public authority under the Local Government  
15 Budget and Fiscal Control Act. The resolution shall provide for the membership of the  
16 Authority, including the members' terms of office, and for the filling of vacancies on the  
17 Authority. At least one-third of the members must be individuals who are affiliated  
18 with businesses that collect the tax in the city, and at least three-fourths of the members  
19 must be individuals who are currently active in the promotion of travel and tourism in  
20 the city. The city council shall designate one member of the Authority as chair and  
21 shall determine the compensation, if any, to be paid to members of the Authority.

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

25           **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of  
26 the tax levied under this act for the purposes provided in this act. The Authority shall  
27 promote travel, tourism, and conventions in the city, sponsor tourist-related events and  
28 activities in the city, and finance tourist-related capital projects in the city.

29           **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the  
30 close of the fiscal year to the Belmont City Council on its receipts and expenditures for  
31 the preceding quarter and for the year in such detail as the city council may require.

## 32 **TOWN OF TROUTMAN OCCUPANCY TAX**

33           **SECTION 3.** Occupancy tax. – (a) Authorization and Scope. – The Town of  
34 Troutman Board of Aldermen may levy a room occupancy tax of up to three percent  
35 (3%) of the gross receipts derived from the rental of any room, lodging, or  
36 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within  
37 the city that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).  
38 This tax is in addition to any State or local sales tax. This tax does not apply to  
39 accommodations furnished by nonprofit charitable, educational, or religious  
40 organizations when furnished in furtherance of their nonprofit purpose.

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

1           **SECTION 3.(c)** Distribution and Use of Tax Revenue. – The Town of  
2 Troutman shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the  
3 Troutman Tourism Development Authority. The Authority shall use at least two-thirds  
4 of the funds remitted to it under this subsection to promote travel and tourism in  
5 Troutman and shall use the remainder for tourism-related expenditures.

6           The following definitions apply in this subsection:

- 7           (1) Net proceeds. – Gross proceeds less the cost to the town of  
8 administering and collecting the tax, as determined by the finance  
9 officer, not to exceed three percent (3%) of the first five hundred  
10 thousand dollars (\$500,000) of gross proceeds collected each year and  
11 one percent (1%) of the remaining gross receipts collected each year.
- 12           (2) Promote travel and tourism. – To advertise or market an area or  
13 activity, publish and distribute pamphlets and other materials, conduct  
14 market research, or engage in similar promotional activities that attract  
15 tourists or business travelers to the area. The term includes  
16 administrative expenses incurred in engaging in the listed activities.
- 17           (3) Tourism-related expenditures. – Expenditures that, in the judgment of  
18 the Tourism Development Authority, are designed to increase the use  
19 of lodging facilities, meeting facilities, or convention facilities in a  
20 town or to attract tourists or business travelers to the town. The term  
21 includes tourism-related capital expenditures.

22           **SECTION 4.** Troutman Tourism Development Authority. – (a) Appointment  
23 and Membership. – When the Town of Troutman Board of Aldermen adopts a  
24 resolution levying a room occupancy tax under this act, it shall also adopt a resolution  
25 creating a city Tourism Development Authority, which shall be a public authority under  
26 the Local Government Budget and Fiscal Control Act. The resolution shall provide for  
27 the membership of the Authority, including the members' terms of office, and for the  
28 filling of vacancies on the Authority. At least one-third of the members must be  
29 individuals who are affiliated with businesses that collect the tax in the town, and at  
30 least three-fourths of the members must be individuals who are currently active in the  
31 promotion of travel and tourism in the town. The Board of Aldermen shall designate  
32 one member of the Authority as chair and shall determine the compensation, if any, to  
33 be paid to members of the Authority.

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

37           **SECTION 4.(b)** Duties. – The Authority shall expend the net proceeds of  
38 the tax levied under this act for the purposes provided in this act. The Authority shall  
39 promote travel, tourism, and conventions in the town, sponsor tourist-related events and  
40 activities in the town, and finance tourist-related capital projects in the town.

41           **SECTION 4.(c)** Reports. – The Authority shall report quarterly and at the  
42 close of the fiscal year to the Town of Troutman Board of Aldermen on its receipts and  
43 expenditures for the preceding quarter and for the year in such detail as the Board of  
44 Aldermen may require.

**1 ADMINISTRATIVE PROVISIONS****2 SECTION 5.** G.S. 160A-215(g) reads as rewritten:

**3** "(g) This section applies only to Beech Mountain District W, to the Cities of  
**4** Belmont, Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington,  
**5** Lincolnton, Lumberton, Monroe, Mount Airy, Shelby, Statesville, Washington, and  
**6** Wilmington, to the Towns of Beech Mountain, Blowing Rock, Carolina Beach,  
**7** Carrboro, Franklin, Kure Beach, Jonesville, Mooresville, North Topsail Beach, Selma,  
**8** Smithfield, St. Pauls, Troutman, Wilkesboro, and Wrightsville Beach, and to the  
**9** municipalities in Avery and Brunswick Counties."

**10 EFFECTIVE DATE****11 SECTION 6.** This act is effective when it becomes law.