

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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**SENATE BILL 40
Finance Committee Substitute Adopted 4/2/09**

Short Title: Murfreesboro Occupancy Tax. (Local)

Sponsors:

Referred to:

February 4, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE TOWN OF MURFREESBORO TO LEVY A ROOM
3 OCCUPANCY TAX AND TO MAINTAIN THE CURRENT DISTRIBUTION AND USE
4 OF THE ROOM AND OCCUPANCY TAX LEVIED BY THE TOWN OF BANNER
5 ELK.

6 The General Assembly of North Carolina enacts:

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

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16 administered, collected, and repealed as provided in G.S. 160A-215.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

18 **SECTION 1.(c)** Distribution and Use of Tax Revenue. – The Town of
19 Murfreesboro shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
20 Murfreesboro Tourism Development Authority. The Authority shall use at least two-thirds of
21 the funds remitted to it under this subsection to promote travel and tourism in the Town of
22 Murfreesboro 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 town of administering
25 and collecting the tax, as determined by the finance officer, not to exceed
26 three percent (3%) of the first five hundred thousand dollars (\$500,000) of
27 gross proceeds collected each year and one percent (1%) of the remaining
28 gross proceeds collected each year.
- 29 (2) Promote travel and tourism. – To advertise or market an area or activity,
30 publish and distribute pamphlets and other materials, conduct market
31 research, or engage in similar promotional activities that attract tourists or
32 business travelers to the area; the term includes administrative expenses
33 incurred in engaging in the listed activities.
- 34 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
35 Murfreesboro Tourism Development Authority, are designed to increase the
36 use of lodging facilities, meeting facilities, or convention facilities in the



1 town or to attract tourists or business travelers to the town. The term
2 includes tourism-related capital expenditures.

3 **SECTION 2.** Tourism Development Authority. – (a) Appointment and
4 Membership. – When the Town Council adopts a resolution levying a room occupancy tax
5 under this act, it shall also adopt a resolution creating the Murfreesboro Tourism Development
6 Authority, which shall be a public authority under the Local Government Budget and Fiscal
7 Control Act. The resolution shall provide for the membership of the Authority, including the
8 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of
9 the members shall be individuals who are affiliated with businesses that collect the tax in the
10 town, and at least one-half of the members shall be individuals who are currently active in the
11 promotion of travel and tourism in the town. The Town Council shall designate one member of
12 the Authority as chair and shall determine the compensation, if any, to be paid to members of
13 the Authority.

14 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
15 govern its meetings. The finance officer for the Town of Murfreesboro shall be the ex officio
16 finance officer of the Authority.

17 **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
18 levied under this act for the purposes provided in Section 1 of this act. The Authority shall
19 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
20 activities in the town, and finance tourist-related capital projects in the town.

21 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the close of
22 the fiscal year to the Murfreesboro Town Council on its receipts and expenditures for the
23 preceding quarter and for the year in such detail as the Town Council may require.

24 **SECTION 3.** Section 8 of S.L. 2000-103 is repealed.

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