

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021**

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**HOUSE BILL 239**

Short Title: Additional North Topsail Occupancy Tax. (Local)

Sponsors: Representative Shepard.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Local Government, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

March 9, 2021

A BILL TO BE ENTITLED  
AN ACT TO AUTHORIZE AN ADDITIONAL ONE PERCENT OCCUPANCY TAX FOR  
THE TOWN OF NORTH TOPSAIL BEACH FOR BEACH NOURISHMENT PURPOSES.

The General Assembly of North Carolina enacts:

**SECTION 1.** Section 5.1 of Part V of S.L. 2001-439 is amended by adding a new subsection to read:

**"SECTION 5.1.(a1)** Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the North Topsail Beach Board of Aldermen may levy an additional room occupancy tax of up to one percent (1%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. The governing body of a town may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section. The authority to levy a tax under this subsection is repealed when the nonfederal partner match requirement for a beach renourishment qualifying project ceases."

**SECTION 2.** Section 5.1(c) of Part V of S.L. 2001-439 reads as rewritten:

**"SECTION 5.1.(c)** Distribution and Use of Tax Revenue. – North Topsail Beach shall spend the net proceeds of the occupancy tax levied under subsection (a) of this section for beach nourishment. North Topsail Beach shall spend the proceeds of the tax levied pursuant to subsection (b) of this section for the nonfederal partner match requirement for a beach renourishment qualifying project.

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) Beach nourishment. – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:



- a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
- b. The nonfederal share of the cost required to construct these projects;
- c. The costs associated with providing enhanced public beach access; and
- d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.

(3) Qualifying project. – A beach renourishment project with the U.S. Army Corps of Engineers (i) estimated to have a total cost of approximately nine hundred million dollars (\$900,000,000), (ii) consisting of an estimated six renourishment cycles over a span of approximately 50 years, and (iii) requiring a nonfederal partner match for a portion of which the town will be responsible."

**SECTION 3.** This act is effective when it becomes law.