

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

**S**

**3**

**SENATE BILL 154  
Finance Committee Substitute Adopted 6/20/23  
House Committee Substitute Favorable 8/16/23**

Short Title: Omnibus Occupancy Tax Changes.

(Local)

Sponsors:

Referred to:

February 27, 2023

A BILL TO BE ENTITLED  
AN ACT TO MAKE VARIOUS OCCUPANCY TAX CHANGES.  
The General Assembly of North Carolina enacts:

**PART I. AVERY COUNTY OCCUPANCY TAX**

**SECTION 1.1.(a)** Avery County District A Created. – Avery County District A is created as a taxing district. Its jurisdiction consists of that part of Avery County that is located outside of incorporated areas within the county. Avery County District A is a body politic and corporate and has the power to carry out the provisions of this Part. The Avery County Board of Commissioners shall serve ex officio as the governing body of the district, and the officers of the county shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

**SECTION 1.1.(b)** Authorization and Scope. – The governing body of Avery County District A may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived from the rental of an accommodation within the district 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 or room occupancy tax.

**SECTION 1.1.(c)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Avery County District A were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 1.1.(d)** Distribution and Use of Tax Revenue. – Avery County District A shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Avery County District A Tourism Development Authority created pursuant to this Part. The Authority shall use at least two-thirds of the proceeds distributed to it to promote travel and tourism in the district and shall use the remainder for tourism-related expenditures in the district. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Avery County District A.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the district 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 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.

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

**SECTION 1.2.(a)** Avery County District A Tourism Development Authority. – Appointment and Membership. – When the governing body of Avery County District A adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Avery County District A 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 district, and at least one-half of the members must be individuals who are currently active in the promotion of travel and tourism in the district. The board of commissioners 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 Avery County 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 promoting travel and tourism in the district and for tourism-related expenditures in the district as provided in this Part.

**SECTION 1.2.(c)** Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Avery County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

## **PART II. TOWN OF INDIAN TRAIL OCCUPANCY TAX**

**SECTION 2.1.** Occupancy tax. – (a) Authorization and Scope. – If the majority of those voting in a referendum held pursuant to subsection (b) of this section vote for the levy of the tax, the Town Council of the Town of Indian Trail may levy a room occupancy tax of up to five percent (5%) of the gross receipts derived from the rental of an accommodation 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.

**SECTION 2.1.(b)** Referendum. – Notwithstanding G.S. 160A-215(b), a room occupancy tax authorized under subsection (a) of this section may be levied only if all of the following conditions are met:

(1) The Town Council of the Town of Indian Trail directs the county board of elections to conduct an advisory referendum on the question of whether to levy the room occupancy tax.

(2) The election is held in accordance with the procedures of G.S. 163-287, and the form of the question to be presented on the ballot concerning the room occupancy tax is as follows:

"[ ] FOR [ ] AGAINST

The levy of a room occupancy tax in the amount of up to five percent (5%) of the gross receipts derived from the rental of an accommodation located within the town."

- 1 (3) A majority of those voting in the referendum vote for the levy of the room  
2 occupancy tax.
- 3 (4) The Town Council of the Town of Indian Trail adopts a resolution levying the  
4 room occupancy tax after providing not less than 10 days' public notice of the  
5 levy. A room occupancy tax shall become effective on the date specified in  
6 the resolution levying the tax, which must be the first day of a calendar month  
7 and may not be earlier than the first day of the second month after the date the  
8 resolution is adopted.

9 **SECTION 2.1.(c) Rate Increase.** – The Town Council of the Town of Indian Trail  
10 may, by resolution and after not less than 10 days' public notice and a public hearing, increase  
11 the rate of the tax to a rate not in excess of that approved in an election held pursuant to subsection  
12 (b) of this section. A rate increase shall become effective on the date specified in the resolution  
13 levying the increase, which must be the first day of a calendar month and may not be earlier than  
14 the first day of the second month after the date the resolution is adopted.

15 **SECTION 2.1.(d) Administration.** – A tax levied under this section shall be  
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 2.1.(e) Distribution and Use of Tax Revenue.** – The Town of Indian Trail  
19 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Indian Trail Tourism  
20 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
21 under this subsection to promote travel and tourism and shall use the remainder for  
22 tourism-related expenditures in the Town of Indian Trail.

23 The following definitions apply in this section:

- 24 (1) Net proceeds. – Gross proceeds less the cost to the town of administering and  
25 collecting the tax, as determined by the finance officer, not to exceed three  
26 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross  
27 proceeds collected each year and one percent (1%) of the remaining gross  
28 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 research,  
31 or engage in similar promotional activities that attract tourists or business  
32 travelers to the area. The term includes administrative expenses incurred in  
33 engaging in the listed activities.
- 34 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
35 Indian Trail Tourism Development Authority, are designed to increase the use  
36 of lodging facilities, meeting facilities, or convention facilities in the town or  
37 to attract tourists or business travelers to the town. The term includes  
38 tourism-related capital expenditures.

39 **SECTION 2.2. Tourism Development Authority.** – (a) Appointment and  
40 Membership. – When the Town Council adopts a resolution levying a room occupancy tax under  
41 this Part, it shall also adopt a resolution creating the Indian Trail Tourism Development  
42 Authority, which shall be a public authority under the Local Government Budget and Fiscal  
43 Control Act. The resolution shall provide for the membership of the Authority, including the  
44 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of  
45 the members shall be individuals who are affiliated with businesses that collect the tax in the  
46 town, and at least one-half of the members shall be individuals who are currently active in the  
47 promotion of travel and tourism in the town. The Town Council shall designate one member of  
48 the Authority as chair and shall determine the compensation, if any, to be paid to members of the  
49 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 the Town of Indian Trail shall be the ex officio finance officer of the Authority.

**SECTION 2.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism in the town and for tourism-related expenditures in the town as provided in this Part.

**SECTION 2.2.(c) Reports.** – The Authority shall report quarterly and at the close of the fiscal year to the Indian Trail Town Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the Town Council may require.

### **PART III. TOWN OF STALLINGS OCCUPANCY TAX**

**SECTION 3.1. Stallings District S Created.** – Stallings District S is created as a taxing district. Its jurisdiction consists of only that part of the Town of Stallings that is located within Union County. Stallings District S is a body politic and corporate and has the power to carry out the provisions of this Part. The Stallings Town Council shall serve ex officio as the governing body of the district, and the officers of the town shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

**SECTION 3.2. Occupancy tax.** – (a) Authorization and Scope. – If the majority of those voting in a referendum held pursuant to subsection (b) of this section vote for the levy of the tax, the governing body of Stallings District S may levy a room occupancy tax of up to five percent (5%) of the gross receipts derived from the rental of an accommodation within the district 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 3.2.(b) Referendum.** – Notwithstanding G.S. 160A-215(b), a room occupancy tax authorized under subsection (a) of this section may be levied only if all of the following conditions are met:

- (1) The governing body of Stallings District S directs the county board of elections to conduct an advisory referendum on the question of whether to levy the room occupancy tax.
- (2) The election is held in accordance with the procedures of G.S. 163-287, and the form of the question to be presented on the ballot concerning the room occupancy tax is as follows:

"[ ] FOR [ ] AGAINST

The levy of a room occupancy tax in the amount of up to five percent (5%) of the gross receipts derived from the rental of an accommodation located within the part of the Town of Stallings that is in Union County."

- (3) A majority of those voting in the referendum vote for the levy of the room occupancy tax.
- (4) The governing body of Stallings District S adopts a resolution levying the room occupancy tax after providing not less than 10 days' public notice of the levy. A room occupancy tax shall become effective on the date specified in the resolution levying the tax, which must be the first day of a calendar month and may not be earlier than the first day of the second month after the date the resolution is adopted.

**SECTION 3.2.(c) Rate Increase.** – The governing body of Stallings District S may, by resolution and after not less than 10 days' public notice and a public hearing, increase the rate of the tax to a rate not in excess of that approved in an election held pursuant to subsection (b) of this section. A rate increase shall become effective on the date specified in the resolution levying

the increase, which must be the first day of a calendar month and may not be earlier than the first day of the second month after the date the resolution is adopted.

**SECTION 3.2.(d)** Administration. – A tax levied under this section shall be administered, collected, and repealed as provided in G.S. 160A-215 as if Stallings District S were a city. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

**SECTION 3.2.(e)** Distribution and Use of Tax Revenue. – Stallings District S shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Stallings District S Tourism Development Authority. The Authority shall use at least two-thirds of the proceeds remitted to it to promote travel and tourism and shall use the remainder for tourism-related expenditures. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Stallings District S.

The following definitions apply in this section:

- (1) Net proceeds. – Gross proceeds less the cost to the district 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 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

**SECTION 3.3.** Stallings District S Tourism Development Authority. – (a) Appointment and Membership. – When the governing body of the district adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Stallings District S 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 affiliated with businesses that collect the tax in the district, and at least one-half of the members must be individuals currently active in the promotion of travel and tourism in the district. The governing body of the district 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 the governing body of the district shall be the ex officio finance officer of the Authority.

**SECTION 3.3.(b)** Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism in the district and for tourism-related expenditures in the district as provided in this Part.

**SECTION 3.3.(c)** Reports. – The Authority shall report quarterly and at the close of the fiscal year to the governing body of the district on its receipts and expenditures for the preceding quarter and for the year in such detail as the governing body of the district may require.

#### **PART IV. UNION COUNTY OCCUPANCY TAX**

**SECTION 4.1.** Occupancy tax. – (a) Authorization and Scope. – If the majority of those voting in a referendum held pursuant to subsection (b) of this section vote for the levy of the tax, the Union County Board of Commissioners may levy a room occupancy tax of one percent (1%) of the gross receipts derived from the rental of an accommodation within the county 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 4.1.(b)** Referendum. – Notwithstanding G.S. 153A-155(b), a room occupancy tax authorized under subsection (a) of this section may be levied only if all of the following conditions are met:

- (1) The Union County Board of Commissioners directs the county board of elections to conduct an advisory referendum on the question of whether to levy the room occupancy tax.
- (2) The election is held in accordance with the procedures of G.S. 163-287, and the form of the question to be presented on the ballot concerning the room occupancy tax is as follows:

"[ ] FOR        [ ] AGAINST

The levy of a room occupancy tax in the amount of one percent (1%) of the gross receipts derived from the rental of an accommodation located within the county."

- (3) A majority of those voting in the referendum vote for the levy of the room occupancy tax.
- (4) The Union County Board of Commissioners adopts a resolution levying the room occupancy tax after providing not less than 10 days' public notice of the levy. A room occupancy tax shall become effective on the date specified in the resolution levying the tax, which must be the first day of a calendar month and may not be earlier than the first day of the second month after the date the resolution is adopted.

**SECTION 4.1.(c)** Administration. – A tax levied under this section shall be administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 4.1.(d)** Distribution and Use of Tax Revenue. – Union County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Union County Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism and shall use the remainder for tourism-related expenditures in the county.

The following definitions apply in this section:

- (1) Net proceeds. – Gross proceeds less the cost to the county 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 proceeds 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Union County Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

**SECTION 4.2.** Tourism Development Authority. – (a) Appointment and Membership. – When the Union County Board of Commissioners adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Union County 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 shall be individuals who are affiliated with businesses that collect the tax in the county, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the county. The board of commissioners 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 Union County shall be the ex officio finance officer of the Authority.

**SECTION 4.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism in the county and for tourism-related expenditures in the county as provided in this Part.

**SECTION 4.2.(c)** Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Union County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

## **PART V. GRAHAM COUNTY OCCUPANCY TAX**

**SECTION 5.1.(a)** Graham County District G Created. – Graham County District G is created as a taxing district. Its jurisdiction consists of that part of Graham County that is located outside of incorporated areas within the county. Graham County District G is a body politic and corporate and has the power to carry out the provisions of this section. The Graham County Board of Commissioners shall serve ex officio as the governing body of the district, and the officers of the county shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

**SECTION 5.1.(b)** Authorization and Scope. – The governing body of Graham County District G may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation within the district 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 or room occupancy tax.

**SECTION 5.1.(c)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Graham County District G were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 5.1.(d)** Definitions. – The following definitions apply in this Part:

- (1) Net proceeds. – Gross proceeds less the cost to the district 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 proceeds 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.

- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Graham County Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

**SECTION 5.1.(e)** Distribution and Use of Tax Revenue. – Graham County District G shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part to the Graham County Tourism Development Authority. The Authority shall deposit one hundred percent (100%) of the net proceeds of the room occupancy and tourism development tax levied under this section into a special fund, the cash balance of which shall be deposited at interest or invested in accordance with G.S. 159-30. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Graham County District G and shall use the remainder for tourism-related expenditures in the district. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Graham County District G.

## **PART VI. TOWN OF LANSING OCCUPANCY TAX**

**SECTION 6.1.** Occupancy tax. – (a) Authorization and Scope. – The Town of Lansing Board of Aldermen may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation 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.

**SECTION 6.1.(b)** Administration. – A tax levied under this Part 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 Part.

**SECTION 6.1.(c)** Distribution and Use of Tax Revenue. – The Town of Lansing shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Lansing Tourism Development Authority. The Authority shall use at least two-thirds of the funds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the town.

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) 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in the town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

**SECTION 6.2.** Tourism Development Authority. – (a) Appointment and Membership. – When the Town of Lansing Board of Aldermen adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a town 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 shall be individuals who are affiliated with businesses that collect tax in the town, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the town. The Town of Lansing Board of Aldermen 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 the Town of Lansing shall be the ex officio finance officer of the Authority.

**SECTION 6.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism and for tourism-related expenditures as provided in this Part.

**SECTION 6.2.(c) Reports.** – The Authority shall report quarterly and at the close of the fiscal year to the Town of Lansing Board of Aldermen on its receipts and expenditures for the preceding quarter and for the year in such detail as the Board of Aldermen may require.

## **PART VII. TOWN OF JEFFERSON OCCUPANCY TAX**

**SECTION 7.1. Occupancy tax.** – (a) Authorization and Scope. – The Town of Jefferson Board of Aldermen may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation 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.

**SECTION 7.1.(b) Administration.** – A tax levied under this Part 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 Part.

**SECTION 7.1.(c) Distribution and Use of Tax Revenue.** – The Town of Jefferson shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Jefferson Tourism Development Authority. The Authority shall use at least two-thirds of the funds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the town.

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) 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in the town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

**SECTION 7.2. Tourism Development Authority.** – (a) Appointment and Membership. – When the Town of Jefferson Board of Aldermen adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a town 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 shall be individuals who are affiliated with businesses that collect tax

1 in the town, and at least one-half of the members shall be individuals who are currently active in  
2 the promotion of travel and tourism in the town. The Town of Jefferson Board of Aldermen shall  
3 designate one member of the Authority as chair and shall determine the compensation, if any, to  
4 be paid to members of the Authority.

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

8 **SECTION 7.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax  
9 levied under this Part for promoting travel and tourism and for tourism-related expenditures as  
10 provided in this Part.

11 **SECTION 7.2.(c) Reports.** – The Authority shall report quarterly and at the close of  
12 the fiscal year to the Town of Jefferson Board of Aldermen on its receipts and expenditures for  
13 the preceding quarter and for the year in such detail as the Board of Aldermen may require.  
14

## 15 **PART VIII. STOKES COUNTY OCCUPANCY TAX**

16 **SECTION 8.1. Occupancy tax.** – (a) Authorization and Scope. – The Stokes County  
17 Board of Commissioners may levy a room occupancy tax of up to six percent (6%) of the gross  
18 receipts derived from the rental of an accommodation within the county that is subject to sales  
19 tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local  
20 sales tax.

21 **SECTION 8.1.(b) Administration.** – A tax levied under this section shall be levied,  
22 administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in  
23 G.S. 153A-155 apply to a tax levied under this section.

24 **SECTION 8.1.(c) Distribution and Use of Tax Revenue.** – Stokes County shall, on  
25 a quarterly basis, remit the net proceeds of the occupancy tax to the Stokes County Tourism  
26 Development Authority. The Authority shall use at least two-thirds of the funds to promote travel  
27 and tourism and shall use the remainder for tourism-related expenditures in the county.

28 The following definitions apply in this subsection:

- 29 (1) Net proceeds. – Gross proceeds less the cost to the county of administering  
30 and collecting the tax, as determined by the finance officer, not to exceed three  
31 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross  
32 proceeds collected each year and one percent (1%) of the remaining gross  
33 receipts collected each year.
- 34 (2) Promote travel and tourism. – To advertise or market an area or activity,  
35 publish and distribute pamphlets and other materials, conduct market research,  
36 or engage in similar promotional activities that attract tourists or business  
37 travelers to the area. The term includes administrative expenses incurred in  
38 engaging in the listed activities.
- 39 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
40 Tourism Development Authority, are designed to increase the use of  
41 accommodations, meeting facilities, or convention facilities in the county or  
42 to attract tourists or business travelers to the county. The term includes  
43 tourism-related capital expenditures.

44 **SECTION 8.2. Tourism Development Authority.** – (a) Appointment and  
45 Membership. – When the Stokes County Board of Commissioners adopts a resolution levying a  
46 room occupancy tax under this Part, it shall also adopt a resolution creating a county Tourism  
47 Development Authority, which shall be a public authority under the Local Government Budget  
48 and Fiscal Control Act. The resolution shall provide for the membership of the Authority,  
49 including the members' terms of office, and for the filling of vacancies on the Authority. At least  
50 one-third of the members shall be individuals who are affiliated with businesses that collect the  
51 tax in the county, and at least one-half of the members shall be individuals who are currently

1 active in the promotion of travel and tourism in the county. The Stokes County Board of  
2 Commissioners shall designate one member of the Authority as chair and shall determine the  
3 compensation, if any, to be paid to members of the Authority.

4 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
5 govern its meetings. The finance officer for Stokes County shall be the ex officio finance officer  
6 of the Authority.

7 **SECTION 8.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax  
8 levied under this Part for promoting travel and tourism and for tourism-related expenditures as  
9 provided in this Part.

10 **SECTION 8.2.(c) Reports.** – The Authority shall report quarterly and at the close of  
11 the fiscal year to the Stokes County Board of Commissioners on its receipts and expenditures for  
12 the preceding quarter and for the year in such detail as the Board may require.

## 13 **PART IX. WILKES COUNTY OCCUPANCY TAX**

14 **SECTION 9.1.(a)** Part IX of S.L. 2001-439 is repealed.

15 **SECTION 9.1.(b)** Any revenue collected by the Town of Wilkesboro under Part IX  
16 of S.L. 2001-439 prior to the effective date of this section may be used only for the direct benefit  
17 of the Town of Wilkesboro. The net proceeds of the occupancy tax levied under this Part shall  
18 supplement rather than supplant any proceeds being used in the Town of Wilkesboro derived  
19 from the occupancy tax levied by the Town under Part IX of S.L. 2001-439.

20 **SECTION 9.2.(a)** Sections 8 and 9 of S.L. 2010-78 are repealed.

21 **SECTION 9.2.(b)** Any revenue collected by Wilkes County District K under  
22 Sections 8 and 9 of S.L. 2010-78 prior to the effective date of this section may be used only for  
23 the direct benefit of Wilkes County District K, as it existed prior to the effective date of this  
24 section. The net proceeds of the occupancy tax levied under this Part shall supplement rather than  
25 supplant any proceeds being used in the jurisdiction of Wilkes County District K derived from  
26 the occupancy tax levied by the district under Sections 8 and 9 of S.L. 2010-78.

27 **SECTION 9.3.** Wilkes County District W Created. – Wilkes County District W is  
28 created as a taxing district. Its jurisdiction consists of only that part of Wilkes County that is  
29 located outside of the incorporated area of the Town of Elkin. Wilkes County District W is a  
30 body politic and corporate and has the power to carry out the provisions of this Part. The Wilkes  
31 County Board of Commissioners shall serve ex officio as the governing body of the district, and  
32 the officers of the County shall serve as the officers of the governing body of the district. A  
33 simple majority of the governing body constitutes a quorum, and approval by a majority of those  
34 present is sufficient to determine any matter before the governing body, if a quorum is present.

35 **SECTION 9.4.** Occupancy tax. – (a) Authorization and Scope. – The governing body  
36 of Wilkes County District W may levy a room occupancy tax of up to six percent (6%) of the  
37 gross receipts derived from the rental of an accommodation within the district that is subject to  
38 sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or  
39 local sales tax.

40 **SECTION 9.4.(b)** Administration. – A tax levied under this section shall be levied,  
41 administered, collected, and repealed as provided in G.S. 153A-155 as if Wilkes County District  
42 W were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this  
43 section.

44 **SECTION 9.4.(c)** Distribution and Use of Tax Revenue. – Wilkes County District  
45 W shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Wilkes County  
46 District W Tourism Development Authority. The Authority shall use at least two-thirds of the  
47 funds to promote travel and tourism and shall use the remainder for tourism-related expenditures  
48 in the district. In accordance with the North Carolina Constitution and the United States  
49 Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Wilkes  
50

County District W. None of the proceeds may be used to promote travel or tourism or for tourism-related expenditures in areas within Wilkes County that are outside of the district.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the district 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 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in the district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

**SECTION 9.5.** Tourism Development Authority. – (a) Appointment and Membership. – When the governing body of the Wilkes County District W adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a district 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. The district Tourism Development Authority shall consist of the following members:

- (1) Two members appointed by the Wilkes County Board of Commissioners, one of whom must be an individual affiliated with a business that collects the tax in the district and another who must be an individual currently active in the promotion of travel and tourism in the district.
- (2) Two members appointed by the Wilkesboro Town Council, one of whom must be an individual affiliated with a business that collects the tax in Wilkesboro and another who must be an individual currently active in the promotion of travel and tourism in Wilkesboro.
- (3) One member appointed by the North Wilkesboro Board of Commissioners who is (i) an individual affiliated with a business that collects the tax in North Wilkesboro or (ii) an individual currently active in the promotion of travel and tourism in North Wilkesboro.
- (4) One member appointed by the Ronda Board of Commissioners who is (i) an individual affiliated with a business that collects the tax in Ronda or (ii) an individual currently active in the promotion of travel and tourism in Ronda.

The district Tourism Development Authority may, by majority vote, appoint up to two additional members to the Authority. Any additional member appointed by the Authority must be either (i) an individual affiliated with a business that collects the tax in the district or (ii) an individual currently active in the promotion of travel and tourism in the district.

Notwithstanding the options available under this section, the overall composition of the Authority, including any additional members, must in all cases consist of at least one-third of the members who are individuals affiliated with the businesses that collect the tax in the district and at least one-half of the members who are individuals currently active in the promotion of travel and tourism in the district.

The governing body of the district 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 the governing body of the district shall be the ex officio finance officer of the Authority.

**SECTION 9.5.(b) Duties.** – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism and for tourism-related expenditures as provided in this Part.

**SECTION 9.5.(c) Reports.** – The Authority shall report quarterly and at the close of the fiscal year to the governing body of the district on its receipts and expenditures for the preceding quarter and for the year in such detail as the governing body of the district may require.

**SECTION 9.6.** The governing body of Wilkes County District K, the Wilkes County Board of Commissioners, the Wilkesboro Town Council, the North Wilkesboro Board of Commissioners, and the Ronda Board of Commissioners shall adopt any resolutions or modify any adopted resolutions, as needed, to carry out the provisions of this Part.

**SECTION 9.7.** This Part does not affect the rights or liabilities of the State, a taxpayer, or another person arising under an act repealed by this Part before the effective date of its repeal, nor does it affect the right to any refund or credit of a tax that accrued under the repealed act before the effective date of its repeal.

**SECTION 9.8.** Sections 9.1 and 9.2 of this Part become effective when the governing body of Wilkes County District W adopts a resolution levying a room occupancy tax under Section 9.4 of this Part. The remainder of this Part is effective when it becomes law.

## **PART X. YANCEY COUNTY OCCUPANCY TAX**

**SECTION 10.1.** Chapter 140 of the 1987 Session Laws, as amended by Section 21(l) of S.L. 2007-527, reads as rewritten:

**"Section 1. Occupancy Tax.** (a) ~~Authorization and Scope.~~ Scope. – The Yancey County Board of Commissioners ~~may, by resolution, after not less than 10 days' public notice and a public hearing pursuant thereto, 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 similar an~~ accommodation furnished by a hotel, motel, inn, or similar place of business within the county that is subject to sales tax imposed by the State ~~or local sales tax laws. This tax does not apply to accommodations furnished by educational, religious, or summer camp organizations under G.S. 105-164.4(a)(3).~~ This tax is in addition to any State or local sales tax.

(a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection (a) of this section, the Yancey County Board of Commissioners may levy an additional room occupancy tax of up to three percent (3%) 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. Yancey County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

~~(b) Collection.~~ Every operator of a business subject to the tax levied under this act shall, on and after the effective date of the levy of the tax, collect the tax as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business as trustee for and on account of the county. The tax shall be added to the sales price and shall be passed on to the purchaser. The county shall design, print, and furnish to all appropriate businesses the necessary forms for filing returns with instructions to ensure the full and proper collection of the tax.

~~(c) Administration.~~ The county shall administer the tax levied under this act. The tax shall be due and payable to the county in monthly installments on or before the 20th day of the month following the month in which the tax is collected. Every person, firm, corporation, or association liable for the tax shall, on or before the 20th day of each month, prepare and submit a return on a form prescribed by the county. The return shall state the total gross receipts derived in the

~~preceding month from rentals subject to the tax. A return filed with the county finance officer under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law. Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.~~

~~(d) Penalties. Any person, firm, corporation, or association subject to this tax who fails or refuses to file the required return shall pay a penalty of ten dollars (\$10.00) for each day's failure to file. In case of failure or refusal to file the return or to pay the tax due for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due for each additional month or fraction thereof until the tax due has been paid.~~

~~Any person, firm, corporation, or association that willfully attempts in any manner to evade the tax imposed by this act or who willfully fails to pay the tax or make and file a proper return shall be guilty of a misdemeanor punishable by a fine not to exceed one thousand dollars (\$1,000) and/or imprisonment not to exceed six months, in addition to any other penalties provided by law. The Board of Commissioners may, however, for good cause shown, compromise or forgive the penalties imposed by this subsection.~~

~~(e) Distribution and Use of Revenue. The Tax Revenue. – Yancey County Board of Commissioners shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Yancey County Chamber of Commerce (hereinafter referred to as the Chamber), which shall administer the funds through its Tourism and Travel Development Committee. The Chamber may spend the funds remitted to it for the following purposes only: Tourism Development Authority. The Authority shall use at least two-thirds of the funds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the county.~~

The following definitions apply in this subsection:

- ~~(1) Direct advertising for visitor promotions, conventions, travel, and tourism in Yancey County, including outdoor advertising, print media, broadcast media, and brochures;~~
- ~~(2) Marketing and promotions expenses, including test market programs, consultant fees, entertainment, housing expenses, travel expenses, and registration fees; and~~
- ~~(3) Other expenses that aid and encourage visitor promotions, conventions, travel, and tourism in Yancey County.~~
- (1) Net proceeds. – Gross proceeds less the cost to the county 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 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

~~(f) Effective Date of Levy. A tax levied under this act shall become effective on the date specified in the resolution levying the tax, which date shall be the first day of the second calendar month after the date the resolution is adopted.~~

(g) ~~Repeal. A tax levied under this act may be repealed by resolution of the Yancey County Board of Commissioners. Repeal of the tax levied under this act shall become effective on the first day of any designated month after the end of the county's fiscal year during which the repeal resolution is adopted. Repeal of a tax levied under this act shall not affect liability for taxes that attached before the effective date of repeal, nor does it affect rights of refund that accrued before the effective date of the repeal or any other rights or liabilities incurred prior to the effective date of the repeal.~~

~~"Sec. 2. Tourism and Travel Development Committee of the Yancey County Chamber of Commerce. (a) Authorization. A Tourism Development Authority. – (a) Appointment and Membership. – When the Yancey County Board of Commissioners adopts a resolution levying a room occupancy tax under this act shall also authorize the Board of Directors of the Yancey County Chamber of Commerce, through its Tourism and Travel Development Committee, to act as trustee for and on account of the county as provided herein. The Chamber Board shall approve all expenditures under this act as trustee for the county. Part, it shall also adopt a resolution creating the Yancey County 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 shall be individuals who are affiliated with businesses that collect the tax in the county and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the county. The Yancey County Board of Commissioners 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 Yancey County shall be the ex officio finance officer of the Authority.~~

~~(b) Administration. The Chamber shall administer the funds on recommendation of its Tourism and Travel Development Committee as constituted under the corporate bylaws of the Chamber, and including counsel of two ex officio members of the Committee to be appointed by the Yancey County Board of Commissioners.~~

~~(c) Duties. Recommendations of this Committee and expenditures by the Chamber through its Board of Directors shall be consistent with the intent of this act to promote and encourage travel and tourism in Yancey County. The Chamber may contract with any agency, firm, or person to advise or assist in such promotion, and funds received under this act may be used for that purpose. Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism and for tourism-related expenditures as provided in this Part.~~

~~(d) Accountability. The Chamber shall report at the close of the fiscal year to the Board of County Commissioners on its receipts and expenditures for the preceding year in such detail as the board may require. Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Yancey County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the Board may require.~~

~~(e) Review of Levy. The county shall periodically conduct a review of this levy and of the disbursement of funds as provided herein.~~

~~...."~~

## **PART XI. TOWN OF CLAYTON OCCUPANCY TAX**

**SECTION 11.1.** Clayton District C Created. – Clayton District C is created as a taxing district. Its jurisdiction consists of only that part of the Town of Clayton that is located within Johnston County. Clayton District C is a body politic and corporate and has the power to carry out the provisions of this Part. The Clayton Town Council shall serve ex officio as the governing body of the district, and the officers of the town shall serve as the officers of the

governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

**SECTION 11.2.** Occupancy tax. – (a) Authorization and Scope. – The governing body of Clayton District C may levy a room occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of an accommodation within the district 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 11.2.(b)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215 as if Clayton District C were a city. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

**SECTION 11.2.(c)** Distribution and Use of Tax Revenue. – Clayton District C shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Johnston County Tourism Authority created in Chapter 647 of the 1987 Session Laws. The Johnston County Tourism Authority shall use at least two-thirds of the proceeds remitted to it to promote travel and tourism in Clayton District C and shall use the remainder for tourism-related expenditures in Clayton District C. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Clayton District C. The net proceeds of the occupancy tax levied under this Part shall supplement rather than supplant any proceeds being used in Clayton District C derived from the occupancy tax levied by Johnston County pursuant to Chapter 647 of the 1987 Session Laws.

The following definitions apply in this section:

- (1) Net proceeds. – Gross proceeds less the cost to the district 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 proceeds 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

## **PART XII. MITCHELL COUNTY OCCUPANCY TAX**

**SECTION 12.1.** Section 1 of Chapter 141 of the 1987 Session Laws, as amended by Section 21(m) of S.L. 2007-527 and Section 1.1 of S.L. 2022-40, reads as rewritten:

**"Section 1.** Occupancy tax. (a) Authorization and ~~scope.~~ Scope. – The Mitchell County Board of Commissioners may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation within the county 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.

(a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection (a) of this section, the Mitchell County Board of Commissioners may levy an additional room occupancy tax of up to three percent (3%) 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. Mitchell County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

(c) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

(e) Distribution and use of tax revenue. – Mitchell County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Mitchell County Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Mitchell County and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the county 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 proceeds 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Mitchell County Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures."

### **PART XIII. WARREN COUNTY OCCUPANCY TAX**

**SECTION 13.1.** Occupancy tax. – (a) Authorization and Scope. – The Warren County Board of Commissioners may levy a room occupancy tax of up to five percent (5%) of the gross receipts derived from the rental of an accommodation within the county 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 13.1.(b)** Administration. – A tax levied under this Part shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 13.1.(c)** Distribution and Use of Tax Revenue. – Warren County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Warren County Tourism Development Authority. The Authority shall use at least two-thirds of the funds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the county.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the county 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 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.

- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Warren County Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

**SECTION 13.2.** Tourism Development Authority. – (a) Appointment and Membership. – When the Warren County Board of Commissioners adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution adopted by the Board of Commissioners 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 shall be individuals who are affiliated with businesses that collect the tax in the county, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the county. The Warren County Board of Commissioners 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 Warren County shall be the ex officio finance officer of the Authority.

**SECTION 13.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism and for tourism-related expenditures as provided in this Part.

**SECTION 13.2.(c)** Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Warren County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the Board of Commissioners may require.

## **PART XIV. TOWN OF ST. JAMES OCCUPANCY TAX**

**SECTION 14.2.** Occupancy tax. – (a) Authorization and Scope. – The St. James Town Council may levy a room occupancy tax of up to five percent (5%) of the gross receipts derived from the rental of an accommodation 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.

**SECTION 14.2.(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 14.2.(c)** Distribution and Use of Tax Revenue. – The Town of St. James shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the St. James Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in the Town of St. James and shall use the remainder for tourism-related expenditures.

The following definitions apply in this section:

- (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 proceeds 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.

- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the St. James Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

**SECTION 14.2.(d)** Tourism Development Authority. – Appointment and Membership. – When the Town Council adopts a resolution levying a room occupancy tax under this section, it shall also adopt a resolution creating the St. James 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 shall be individuals who are affiliated with businesses that collect the tax in the town, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the town. The Town 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 the Town of St. James shall be the ex officio finance officer of the Authority.

**SECTION 14.2.(e)** Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism and for tourism-related expenditures as provided in this Part.

**SECTION 14.2.(f)** Reports. – The Authority shall report quarterly and at the close of the fiscal year to the St. James Town Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the Town Council may require.

## **PART XV. TOWN OF FOUR OAKS OCCUPANCY TAX**

**SECTION 15.1.** Occupancy tax. – (a) Authorization and Scope. – The Four Oaks Board of Commissioners may levy a room occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of an accommodation 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.

**SECTION 15.1.(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 15.1.(c)** Distribution and Use of Tax Revenue. – The Town of Four Oaks shall, on a quarterly basis, remit the net proceeds of the occupancy tax to Johnston County Tourism Authority created in Chapter 647 of the 1987 Session Laws. The Johnston County Tourism Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in the Town of Four Oaks and shall use the remainder for tourism-related expenditures in the Town of Four Oaks. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the Town of Four Oaks. None of the proceeds may be used to promote travel or tourism in areas within Johnston County that are outside of the Town of Four Oaks or for tourism-related expenditures in the county that are outside of the Town of Four Oaks. The net proceeds of the occupancy tax levied under this Part shall supplement rather than supplant any proceeds being used in the Town of Four Oaks derived from the occupancy tax levied by Johnston County pursuant to Chapter 647 of the 1987 Session Laws.

The following definitions apply in this section:

- (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 proceeds 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.

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

## **PART XVI. BERTIE COUNTY OCCUPANCY TAX**

**SECTION 16.1.** Occupancy tax. – (a) Authorization and Scope. – The Bertie County Board of Commissioners may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived from the rental of an accommodation within the county 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 16.1.(b)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 16.1.(c)** Distribution and Use of Tax Revenue. – Bertie County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Bertie County Tourism Development Authority. The Authority shall use at least two-thirds of the funds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the county.

The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the county 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 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.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

**SECTION 16.2.** Tourism Development Authority. – (a) Appointment and Membership. – When the Bertie County Board of Commissioners adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a county 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 shall be individuals who are affiliated with businesses that collect tax in the county, and at least one-half of the members shall be individuals who are currently active

1 in the promotion of travel and tourism in the county. The Bertie County Board of Commissioners  
2 shall designate one member of the Authority as chair and shall determine the compensation, if  
3 any, to be paid to members of the Authority.

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

7 **SECTION 16.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax  
8 levied under this Part for promoting travel and tourism and for tourism-related expenditures as  
9 provided in this Part.

10 **SECTION 16.2.(c) Reports.** – The Authority shall report quarterly and at the close  
11 of the fiscal year to the Bertie County Board of Commissioners on its receipts and expenditures  
12 for the preceding quarter and for the year in such detail as the Board may require.

## 13 **PART XVII. IREDELL OCCUPANCY TAX CHANGES**

14 **SECTION 17.1.** Part IV of Chapter 570 of the 1985 Session Laws, as amended by  
15 Section 21(f) of S.L. 2007-527, is repealed.

16 **SECTION 17.2.(a) Iredell County District I Created.** – Iredell County District I is  
17 created as a taxing district. Its jurisdiction consists of that part of Iredell County that is located  
18 outside of incorporated areas within the county. Iredell County District I is a body politic and  
19 corporate and has the power to carry out the provisions of this section. The Iredell County Board  
20 of Commissioners shall serve ex officio as the governing body of the district, and the officers of  
21 the board of commissioners shall serve as the officers of the governing body of the district. A  
22 simple majority of the governing body constitutes a quorum, and approval by a majority of those  
23 present is sufficient to determine any matter before the governing body, if a quorum is present.

24 **SECTION 17.2.(b) Authorization and Scope.** – The governing body of Iredell  
25 County District I may levy a room occupancy tax of up to six percent (6%) of the gross receipts  
26 derived from the rental of an accommodation within the district that is subject to sales tax  
27 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local  
28 sales or room occupancy tax.

29 **SECTION 17.2.(c) Administration.** – A tax levied under this section shall be levied,  
30 administered, collected, and repealed as provided in G.S. 153A-155 as if Iredell County District  
31 I were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

32 **SECTION 17.2.(d) Distribution and Use of Tax Revenue.** – Iredell County District  
33 I shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Iredell County  
34 District I Tourism Development Authority. The Iredell County District I Tourism Development  
35 Authority shall use at least two-thirds of the proceeds to promote travel and tourism and shall use  
36 the remainder for tourism-related expenditures in the district. In accordance with the North  
37 Carolina Constitution and the United States Constitution, the tax proceeds may be used only for  
38 the direct benefit of the jurisdiction of Iredell County District I.

39 The following definitions apply in this subsection:

- 40 (1) Net proceeds. – Gross proceeds less the cost to the county of administering  
41 and collecting the tax, as determined by the finance officer, not to exceed three  
42 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross  
43 proceeds collected each year and one percent (1%) of the remaining gross  
44 receipts collected each year.
- 45 (2) Promote travel and tourism. – To advertise or market an area or activity,  
46 publish and distribute pamphlets and other materials, conduct market research,  
47 or engage in similar promotional activities that attract tourists or business  
48 travelers to the area. The term includes administrative expenses incurred in  
49 engaging in the listed activities.  
50

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

**SECTION 17.3.** Iredell County District I Tourism Development Authority. – (a) Appointment and Membership. – When the governing body of Iredell County District I adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Iredell County District I 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 Iredell County, and at least one-half of the members must be individuals who are currently active in the promotion of travel and tourism in Iredell County. The governing body 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 Iredell County shall be the ex officio finance officer of the Authority.

**SECTION 17.3.(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 and tourism in the district and make tourism-related expenditures in the district.

**SECTION 17.3.(c)** Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Iredell County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

**SECTION 17.4.** The governing body of Iredell County District I and the Iredell County Board of Commissioners shall adopt any resolutions or modify any adopted resolutions, as needed, to carry out the provisions of this Part.

**SECTION 17.5.** This Part does not affect the rights or liabilities of the State, a taxpayer, or another person arising under an act repealed by this Part before the effective date of its amendment, nor does it affect the right to any refund or credit of a tax that accrued under the repealed act before the effective date of its repeal.

**SECTION 17.6.** Section 17.1 of this Part becomes effective when the governing body of Iredell County District I adopts a resolution levying a room occupancy tax under Section 17.2 of this Part. The remainder of this Part is effective when it becomes law.

## **PART XVIII. SWAIN COUNTY OCCUPANCY TAX**

**SECTION 18.1.** Chapter 923 of the 1985 Session Laws, as amended by Section 1 of S.L. 2007-23, reads as rewritten:

"Section 1. Occupancy Tax. (a) Authorization and Scope. – The Swain County Board of Commissioners 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 an accommodation~~ within the county 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.~~

(a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Swain County Board of Commissioners 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. Swain County may not levy a tax under this subsection unless it also levies the ~~maximum~~ tax authorized under subsection (a) of this section.

(c) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

(e) Distribution and Use of Tax ~~Revenue.~~ Revenue Under Swain County Tourism Development Authority. – Until the establishment of a Joint County-City Tourism Development Authority under subsection (e1) of this section, Swain County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Swain Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism ~~in Swain County in the county~~ and shall use the remainder for tourism-related ~~expenditures.~~ expenditures in the county.

(e1) Distribution and Use of Tax Under Joint County-City Tourism Development Authority. – Once the board of commissioners establishes a Joint County-City Tourism Development Authority as provided in Section 2 of this act, Swain County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Swain County-Bryson City Tourism Development Authority. The Swain County-Bryson City Tourism Development Authority, hereinafter the Authority, shall segregate the funds received under this subsection into two separate accounts based on the jurisdiction from which the proceeds were collected. Net proceeds collected under this act from accommodations located in Bryson City shall be credited to a Bryson City Proceeds Account, and net proceeds collected under this act from accommodations located in Swain County shall be credited to a Swain County Proceeds Account. The Authority shall use at least two-thirds of the funds in the Bryson City Proceeds Account to promote travel and tourism in Bryson City and shall use the remainder for tourism-related expenditures in Bryson City. The Authority shall use at least two-thirds of the funds in the Swain County Proceeds Account to promote travel and tourism in Swain County and shall use the remainder for tourism-related expenditures in Swain County. Any projects that are jointly undertaken by Bryson City and Swain County shall require the unanimous vote of the Authority.

The Authority may use funds remitted to it under this subsection and held in either or both of the Accounts to establish a grant program to provide financial assistance for tourism projects that will promote travel and tourism in the city or county or that will increase the use of accommodations, meeting facilities, or convention facilities in the county or city.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the county 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 proceeds 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 area.~~ The term includes administrative expenses incurred in engaging in the listed activities. For purposes of this subdivision, the term "administrative expenses" means the cost of telephone service, utilities, dues, office maintenance, office equipment, office supplies, printing, postage, website establishment and maintenance, accounting services, and hiring part-time help for setup or cleanup at events. It does not include salaries, meals, or cellular phones or cellular phone service for members of the Authority.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of Swain County Tourism Development Authority, or the Swain County-Bryson City

Tourism Development Authority, once established, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities accommodations, meeting facilities, or convention facilities in the county or city or to attract tourists or business travelers to the county, county or city. The term includes tourism-related capital expenditures.

"Sec. 2. Joint County-City Tourism Development Authority. – (a) Appointment and Membership. – When the board of commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a county Tourism Development Authority. Within 60 days after the effective date of this act, the Swain County Board of Commissioners and the Bryson City Board of Aldermen shall adopt a joint resolution converting the Swain County Tourism Development Authority to the Swain County-Bryson City Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The county shall, upon its creation, transfer to the Swain County-Bryson City Tourism Development Authority all of the assets of the Swain County Tourism Development Authority. 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. The Swain County-Bryson City Tourism Development Authority shall consist of the following seven members, all of whom must be residents of Swain County while serving on the Authority:

- (1) Two members appointed by the Swain County Board of Commissioners, one of whom must be an individual affiliated with a business that collects taxes in the county and another who must be an individual currently active in the promotion of travel and tourism in the county.
- (2) Two members appointed by the Bryson City Board of Aldermen, one of whom must be an individual affiliated with a business that collects taxes in Bryson City and another who must be an individual currently active in the promotion of travel and tourism in the county.
- (3) The director of the Swain County Chamber of Commerce shall be a member of the Authority.
- (4) One nonvoting advisory member appointed by the Swain County Board of Commissioners.
- (5) One nonvoting advisory member appointed by the Bryson City Board of Aldermen.

At least one third of the members shall be individuals who are affiliated with businesses that collect the tax in the county, and at least one half of the members shall be individuals who are currently active in the promotion of travel and tourism in the county. The board of commissioners 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 chair of the Authority shall be elected by the members of the Authority. Members of the Authority shall not receive any compensation for serving on 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 of Swain County shall be the ex officio finance officer of the Authority. The finance officer of Bryson City shall serve as the deputy finance officer of the Authority and shall have responsibility for the Bryson City Proceeds Account.

(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in Section 1 of this act. The Authority shall promote travel, tourism, and conventions in Swain County, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county promoting travel and tourism and for tourism-related expenditures as provided in this act.

(c) Reports.—Reporting and Website Requirements. – The Authority shall do all of the following:

(1) ~~report~~ Report quarterly and at the close of the fiscal year to the ~~board of county commissioners~~ Swain County Board of Commissioners and to the Bryson City Board of Aldermen on its receipts and expenditures for the preceding quarter and for the year in such detail as the ~~board~~ boards may require.

(2) Establish a website containing the following information:

- a. The quarterly reports required to be submitted under subdivision (1) of this subsection.
- b. The names, email addresses, and telephone numbers of the members of the Authority.
- c. The Authority's policy for providing grants of occupancy tax funds for use by applicants in accordance with Section 1(e) of this act, that being to promote travel and tourism and for tourism-related expenditures, as those terms are defined in this act.

...."

**SECTION 18.2.** The Office of the State Auditor shall conduct an audit of the Swain County Tourism Development Authority for fiscal years 2020-2021, 2021-2022, and 2022-2023. The audit shall address the following: (1) whether the Authority spends occupancy tax funds remitted to it in accordance with its enabling legislation and the county procurement policy, (2) whether the Auditor identifies any concerns, discrepancies, or redundancies in the expenditure of funds, specifically with regard to any unnecessary, excessive, or inappropriate administrative expenses, and (3) any other such issues as deemed necessary or desirable by the State Auditor. The Office of the State Auditor shall report its findings to the House Finance Committee and the Fiscal Research Division of the General Assembly on or before the convening of the Regular Session of the 2025 General Assembly.

**SECTION 18.3.** This Part is effective when it becomes law. Within 60 days of this Part becoming law, the Swain County Board of Commissioners shall adopt a resolution to convert the Swain County Tourism Development Authority to the Swain County-Bryson City Tourism Development Authority in accordance with Section 2 of Chapter 923 of the 1985 Session Laws, as amended by Section 1 of S.L. 2007-23 and Section 18.1 of this Part.

## **PART XXII. CARTERET COUNTY OCCUPANCY TAX**

**SECTION 22.1.** Section 2(i) of S.L. 2013-223 reads as rewritten:

"**SECTION 2.(i)** Use and Distribution of Tax Revenue. – The net proceeds of the occupancy taxes levied under Section 2 of this act are distributed as follows:

- (1) Travel and tourism promotion. – Carteret County must, on a quarterly basis, remit fifty percent (50%) to the Carteret County Tourism Development Authority to be used to promote travel and tourism.
- (2) Beach nourishment. – Carteret County must use the remaining fifty percent (50%) only for beach nourishment on Bogue Banks. The county may not accumulate a balance of tax proceeds for beach nourishment in excess of ~~thirty~~ sixty million dollars (\$30,000,000)-(\$60,000,000)."

## **PART XXIII. DAVIDSON COUNTY OCCUPANCY TAX**

**SECTION 23.1.(a)** Davidson County District D Created. – Davidson County District D is created as a taxing district. Its jurisdiction consists of that part of Davidson County that is located outside of incorporated areas within the county. Davidson County District D is a body politic and corporate and has the power to carry out the provisions of this Part. The Davidson County Board of Commissioners shall serve ex officio as the governing body of the district, and the officers of the county shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

**SECTION 23.1.(b)** Authorization and Scope. – The governing body of Davidson County District D may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived from the rental of an accommodation within the district 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 or room occupancy tax.

**SECTION 23.1.(c)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Davidson County District D were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 23.1.(d)** Distribution and Use of Tax Revenue. – Davidson County District D shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Davidson County District D Tourism Development Authority created pursuant to this Part. The Authority shall use at least two-thirds of the proceeds distributed to it to promote travel and tourism in the district and shall use the remainder for tourism-related expenditures in the district. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Davidson County District D.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the district 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 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in a district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

**SECTION 23.2.** Davidson County District D Tourism Development Authority. – (a) Appointment and Membership. – When the governing body of Davidson County District D adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Davidson County District D 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 district, and at least one-half of the members must be individuals who are currently active in the promotion of travel and tourism in the district. The governing body of Davidson County District D 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 Davidson County shall be the ex officio finance officer of the Authority.

**SECTION 23.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism in the district and for tourism-related expenditures in the district as provided in this Part.

**SECTION 23.2.(c)** Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Davidson County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

#### **PART XXIV. DAVIE COUNTY OCCUPANCY TAX**

**SECTION 24.1.(a)** Davie County District E Created. – Davie County District E is created as a taxing district. Its jurisdiction consists of that part of Davie County that is located outside of the incorporated areas of Mocksville, Bermuda Run, and Cooleemee. Davie County District E is a body politic and corporate and has the power to carry out the provisions of this Part. The Davie County Board of Commissioners shall serve ex officio as the governing body of the district, and the officers of the county shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

**SECTION 24.1.(b)** Authorization and Scope. – The governing body of Davie County District E may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation within the district 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 or room occupancy tax.

**SECTION 24.1.(c)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Davie County District E were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 24.1.(d)** Distribution and Use of Tax Revenue. – Davie County District E shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Davie County District E Tourism Development Authority created pursuant to this Part. The Authority shall use at least two-thirds of the proceeds distributed to it to promote travel and tourism in the district and shall use the remainder for tourism-related expenditures in the district. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Davie County District E.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the district 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 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.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in a district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

**SECTION 24.2.** Davie County District E Tourism Development Authority. – (a) Appointment and Membership. – When the governing body of Davie County District E adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Davie County District E 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 district, and at least one-half of the members must be individuals who are currently active in the promotion of travel and tourism in the district. The governing body of the Davie County District E 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 Davie County shall be the ex officio finance officer of the Authority.

**SECTION 24.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism in the district and for tourism-related expenditures in the district as provided in this Part.

**SECTION 24.2.(c) Reports.** – The Authority shall report quarterly and at the close of the fiscal year to the Davie County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

## **PART XXV. MECKLENBURG MEALS TAX SUNSET EXTENSION**

**SECTION 25.1.** Section 9.1 of Chapter 908 of the 1983 Session Laws, as amended by Chapters 821 and 922 of the 1989 Session Laws and S.L. 2001-402, reads as rewritten:

"Sec. 9.1. Sunset of Certain Provisions. – ~~Effective on the latest of the three dates listed below,~~ Section 7 of this act and Section 9(a)(4)b. of this act are ~~repealed~~; repealed effective July 1, 2060.

(1) ~~July 1 following the date of final satisfaction, by payment or other irrevocable defeasance, of any debt instruments or obligations that meet both of the following conditions:~~

a. ~~They were issued by the City of Charlotte or by a related special purpose entity in connection with the financing of the Charlotte Convention Center or of any hotel or parking facility constructed or participated in by the city to support or serve the convention center.~~

b. ~~They were issued and outstanding on or before July 1, 2001.~~

(2) ~~July 1 following the date of final satisfaction, by payment or other irrevocable defeasance, of any debt instruments or obligations that were issued by the City of Charlotte or by a related special purpose entity in connection with a construction contract for expansion of the existing convention center that meets both of the following conditions:~~

a. ~~The expansion contracted for will encompass at least 100,000 square feet of additional exhibit and meeting space and related support facilities.~~

b. ~~The design contract for the expansion contracted for was awarded by January 1, 2011.~~

(3) ~~July 1, 2031."~~

## **PART XXVI. APPLICABILITY AND EFFECTIVE DATE**

**SECTION 26.1.** G.S. 153A-155(g) reads as rewritten:

"(g) Applicability. – Subsection (c) of this section applies to all counties and county districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Alleghany, Anson, Bertie, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson, Jackson, Madison, Martin, McDowell, Mitchell, Montgomery, Moore, Nash, New

1 Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond,  
2 Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Stokes, Swain, Transylvania,  
3 Tyrrell, Union, Vance, Warren, Washington, Wayne, ~~and Wilson~~ Wilson, and Yancey Counties,  
4 to Avery County District A, Graham County District G, Harnett County District H, Iredell  
5 County District I, New Hanover County District U, Surry County District S, Watauga County  
6 District U, Wilkes County District K, ~~W~~, Yadkin County District Y, and the Township of  
7 Averbosboro in Harnett County and the Ocracoke Township Taxing District."

8 **SECTION 26.2.** G.S. 160A-215(g) reads as rewritten:

9 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an  
10 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection  
11 (c) supersedes that provision. The remainder of this section applies only to Beech Mountain  
12 District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro,  
13 Greensboro, Hickory, High Point, Indian Trail, Jacksonville, Kings Mountain, Lake Santeetlah,  
14 Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly,  
15 Reidsville, Roanoke Rapids, Salisbury, Sanford, Shelby, Statesville, Washington, and  
16 Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock,  
17 Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas,  
18 Dobson, Elkin, Fontana Dam, Four Oaks, Franklin, Grover, Hillsborough, Jefferson, Jonesville,  
19 Kenly, Kure Beach, Lansing, Leland, McAdenville, Mocksville, Mooresville, Murfreesboro,  
20 North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St.  
21 James, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson, ~~Wilkesboro~~, Wrightsville Beach,  
22 Yadkinville, Yanceyville, to the municipalities in Avery and Brunswick Counties, ~~and to Clayton~~  
23 District C, Saluda District D, ~~D~~, and Stallings District S."

24 **SECTION 26.3.** Except as otherwise provided, this act is effective when it becomes  
25 law.