

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE BILL 453  
Finance Committee Substitute Adopted 6/26/03**

Short Title: Union County Occupancy Tax.

(Local)

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Sponsors:

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Referred to:

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March 18, 2003

A BILL TO BE ENTITLED

1 AN ACT TO REPEAL THE MONROE OCCUPANCY TAX AND TO AUTHORIZE  
2 UNION COUNTY TO LEVY A ROOM OCCUPANCY TAX AND TOURISM  
3 DEVELOPMENT TAX.  
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5 The General Assembly of North Carolina enacts:

6 **PART 1. REPEAL MONROE OCCUPANCY TAX**

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8 **SECTION 1.1.** Part IV of S.L. 2001-439 is repealed.

9 **SECTION 1.2.** G.S. 160A-215(g) reads as rewritten:

10 "(g) This section applies only to Beech Mountain District W, to the Cities of  
11 Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington, Lincolnton,  
12 Lumberton, ~~Monroe~~, Mount Airy, Shelby, Statesville, Washington, and Wilmington, to  
13 the Towns of Beech Mountain, Carolina Beach, Carrboro, Kure Beach, Jonesville,  
14 Mooresville, North Topsail Beach, Selma, Smithfield, St. Pauls, Wilkesboro, and  
15 Wrightsville Beach, and to the municipalities in Avery and Brunswick Counties."  
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17 **PART 2. AUTHORIZE UNION COUNTY OCCUPANCY TAX**

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19 **SECTION 2.1.** Occupancy tax. (a) Authorization and Scope. – The Union  
20 County Board of Commissioners may levy a room occupancy tax of up to five percent  
21 (5%) of the gross receipts derived from the rental of any room, lodging, or  
22 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within  
23 the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).  
24 This tax is in addition to any State or local sales tax. This tax does not apply to  
25 accommodations furnished by nonprofit charitable, educational, or religious  
26 organizations when furnished in furtherance of their nonprofit purpose.

27 **SECTION 2.1.(b)** Administration. – A tax levied under this section  
28 shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The  
29 penalties provided in G.S. 153A-155 apply to a tax levied under this section.

1           **SECTION 2.1.(c)**       Distribution and Use of Tax Revenue. – Union  
2 County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the  
3 Union County Tourism Development Authority. The Authority shall use at least  
4 two-thirds of the funds remitted to it under this subsection to promote travel and tourism  
5 in Union County and shall use the remainder for tourism-related expenditures.

6           The following definitions apply in this subsection:

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

22           **SECTION 2.2.** Tourism Development Authority. – (a)   Appointment and  
23 Membership. – When the board of commissioners adopts a resolution levying a room  
24 occupancy tax under this act, it shall also adopt a resolution creating a county Tourism  
25 Development Authority, which shall be a public authority under the Local Government  
26 Budget and Fiscal Control Act. The resolution shall provide for the membership of the  
27 Authority including the members' terms of office and for the filling of vacancies on the  
28 Authority. At least two-thirds of the members must be individuals who are affiliated  
29 with businesses that collect the tax in the county and at least one-half of the members  
30 must be individuals who are currently active in the promotion of travel and tourism in  
31 the county. The board of commissioners shall designate one member of the Authority as  
32 chair and shall determine the compensation, if any, to be paid to members of the  
33 Authority.

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

37           **SECTION 2.2.(b)**       Duties. – The Authority shall expend the net proceeds  
38 of the tax levied under this act for the purposes provided in Section 2.1 of this act. The  
39 Authority shall promote travel, tourism, and conventions in the county, sponsor  
40 tourist-related events and activities in the county, and finance tourist-related capital  
41 projects in the county.

42           **SECTION 2.2.(c)**       Reports. – The Authority shall report quarterly and at  
43 the close of the fiscal year to the board of commissioners on its receipts and

1 expenditures for the preceding quarter and for the year in such detail as the board may  
2 require.

3           **SECTION 2.3.** County Administrative Provisions. – G.S. 153A-155(g) reads  
4 as rewritten:

5       "(g) This section applies only to Anson, Brunswick, Buncombe, Cabarrus,  
6 Carteret, Craven, Cumberland, Currituck, Dare, Davie, Durham, Granville, Madison,  
7 Montgomery, Nash, New Hanover, Pender, Person, Randolph, Richmond, Rowan,  
8 Scotland, Stanly, Transylvania, Tyrrell, Union, Vance, and Washington Counties, and to  
9 the Township of Averagesboro in Harnett County."

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11 **PART 3. EFFECTIVE DATE**

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