

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 945
Committee Substitute Favorable 6/2/05

Short Title: Omnibus Occ. Taxes & Durham P-P Partnerships. (Local)

Sponsors:

Referred to:

March 29, 2005

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE LEVY OF ROOM OCCUPANCY AND TOURISM
2 DEVELOPMENT TAXES IN CASWELL COUNTY, THE CITIES OF EDEN
3 AND REIDSVILLE, THE TOWNS OF BENSON, BOILING SPRINGS, KENLY,
4 AND YANCEYVILLE, AND TO AMEND OCCUPANCY TAXES IN DURHAM,
5 HALIFAX, SELMA, AND SMITHFIELD; AND TO CLARIFY THE
6 AUTHORITY OF THE COUNTY OF DURHAM TO ENTER INTO
7 PUBLIC-PRIVATE PROJECTS.
8

9 The General Assembly of North Carolina enacts:

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11 **PART I. CASWELL COUNTY OCCUPANCY TAX.**

12 **SECTION 1.1.** Occupancy Tax. – (a) Authorization and Scope. – The
13 Caswell County Board of Commissioners may levy a room occupancy tax of up to three
14 percent (3%) of the gross receipts derived from the rental of any room, lodging, or
15 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
16 the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
17 This tax is in addition to any State or local sales tax. This tax does not apply to
18 accommodations furnished by nonprofit charitable, educational, or religious
19 organizations when furnished in furtherance of their nonprofit purpose.

20 **SECTION 1.1.(b)** Administration. – A tax levied under this section shall be
21 levied, administered, collected, and repealed as provided in G.S. 153A-155. The
22 penalties provided in G.S. 153A-155 apply to a tax levied under this section.

23 **SECTION 1.1.(c)** Distribution and Use of Tax Revenue. – Caswell County
24 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Caswell
25 County Tourism Development Authority. The Authority shall use at least two-thirds of
26 the funds remitted to it under this subsection to promote travel and tourism in Caswell
27 County and shall use the remainder for tourism-related expenditures.

28 The following definitions apply in this subsection:

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

16 **SECTION 1.2.** Caswell County Tourism Development Authority. – (a)
17 Appointment and Membership. – When the Caswell County Board of Commissioners
18 adopts a resolution levying a room occupancy tax under this act, it shall also adopt a
19 resolution creating a county Tourism Development Authority, which shall be a public
20 authority under the Local Government Budget and Fiscal Control Act. The resolution
21 shall provide for the membership of the Authority, including the members' terms of
22 office, and for the filling of vacancies on the Authority. At least one-third of the
23 members must be individuals who are affiliated with businesses that collect the tax in
24 the county, and at least one-half of the members must be individuals who are currently
25 active in the promotion of travel and tourism in the county. The board of commissioners
26 shall designate one member of the Authority as chair and shall determine the
27 compensation, if any, to be paid to members of the Authority.

28 The Authority shall meet at the call of the chair and shall adopt rules of
29 procedure to govern its meetings. The Finance Officer for Caswell County shall be the
30 ex officio finance officer of the Authority.

31 **SECTION 1.2.(b)** Duties. – The Authority shall expend the net proceeds of
32 the tax levied under this act for the purposes provided in this act. The Authority shall
33 promote travel, tourism, and conventions in the county, sponsor tourist-related events
34 and activities in the county, and finance tourist-related capital projects in the county.

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

39 **PART II. EDEN OCCUPANCY TAX.**

40 **SECTION 2.1.** Occupancy Tax. – (a) Authorization and Scope. – The Eden
41 City Council may levy a room occupancy tax of up to three percent (3%) of the gross
42 receipts derived from the rental of any room, lodging, or accommodation furnished by a
43 hotel, motel, inn, tourist camp, or similar place within the city that is subject to sales tax
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1 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or
2 local sales tax. This tax does not apply to accommodations furnished by nonprofit
3 charitable, educational, or religious organizations when furnished in furtherance of their
4 nonprofit purpose.

5 **SECTION 2.1.(b)** Administration. – A tax levied under this section shall be
6 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
7 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

8 **SECTION 2.1.(c)** Distribution and Use of Tax Revenue. – The City of Eden
9 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Eden
10 Tourism Development Authority. The Authority shall use at least two-thirds of the
11 funds remitted to it under this subsection to promote travel and tourism in Eden and
12 shall use the remainder for tourism-related expenditures.

13 The following definitions apply in this subsection:

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

29 **SECTION 2.2.** Eden Tourism Development Authority. – (a) Appointment
30 and Membership. – When the Eden City Council adopts a resolution levying a room
31 occupancy tax under this act, it shall also adopt a resolution creating a city Tourism
32 Development Authority, which shall be a public authority under the Local Government
33 Budget and Fiscal Control Act. The resolution shall provide for the membership of the
34 Authority, including the members' terms of office, and for the filling of vacancies on the
35 Authority. At least one-third of the members must be individuals who are affiliated
36 with businesses that collect the tax in the city, and at least one-half of the members must
37 be individuals who are currently active in the promotion of travel and tourism in the
38 city. The city council shall designate one member of the Authority as chair and shall
39 determine the compensation, if any, to be paid to members of the Authority.

40 The Authority shall meet at the call of the chair and shall adopt rules of
41 procedure to govern its meetings. The Finance Officer for Eden shall be the ex officio
42 finance officer of the Authority.

43 **SECTION 2.2.(b)** Duties. – The Authority shall expend the net proceeds of
44 the tax levied under this act for the purposes provided in this act. The Authority shall

1 promote travel, tourism, and conventions in the city, sponsor tourist-related events and
2 activities in the city, and finance tourist-related capital projects in the city.

3 **SECTION 2.2.(c) Reports.** – The Authority shall report quarterly and at the
4 close of the fiscal year to the Eden City Council on its receipts and expenditures for the
5 preceding quarter and for the year in such detail as the city council may require.
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7 **PART III. REIDSVILLE OCCUPANCY TAX.**

8 **SECTION 3.1. Occupancy Tax.** – (a) Authorization and Scope. – The
9 Reidsville City Council may levy a room occupancy tax of up to three percent (3%) of
10 the gross receipts derived from the rental of any room, lodging, or accommodation
11 furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is
12 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in
13 addition to any State or local sales tax. This tax does not apply to accommodations
14 furnished by nonprofit charitable, educational, or religious organizations when
15 furnished in furtherance of their nonprofit purpose.

16 **SECTION 3.1.(b) Administration.** – A tax levied under this section shall be
17 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
18 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

19 **SECTION 3.1.(c) Distribution and Use of Tax Revenue.** – The City of
20 Reidsville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
21 Reidsville Tourism Development Authority. The Authority shall use at least two-thirds
22 of the funds remitted to it under this subsection to promote travel and tourism in
23 Reidsville and shall use the remainder for tourism-related expenditures.

24 The following definitions apply in this subsection:

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

40 **SECTION 3.2. Reidsville Tourism Development Authority.** – (a)
41 Appointment and Membership. – When the Reidsville City Council adopts a resolution
42 levying a room occupancy tax under this act, it shall also adopt a resolution creating a
43 city Tourism Development Authority, which shall be a public authority under the Local
44 Government Budget and Fiscal Control Act. The resolution shall provide for the

1 membership of the Authority, including the members' terms of office, and for the filling
2 of vacancies on the Authority. At least one-third of the members must be individuals
3 who are affiliated with businesses that collect the tax in the city, and at least one-half of
4 the members must be individuals who are currently active in the promotion of travel and
5 tourism in the city. The city council shall designate one member of the Authority as
6 chair and shall determine the compensation, if any, to be paid to members of the
7 Authority.

8 The Authority shall meet at the call of the chair and shall adopt rules of
9 procedure to govern its meetings. The Finance Officer for Reidsville shall be the ex
10 officio finance officer of the Authority.

11 **SECTION 3.2.(b) Duties.** – The Authority shall expend the net proceeds of
12 the tax levied under this act for the purposes provided in this act. The Authority shall
13 promote travel, tourism, and conventions in the city, sponsor tourist-related events and
14 activities in the city, and finance tourist-related capital projects in the city.

15 **SECTION 3.2.(c) Reports.** – The Authority shall report quarterly and at the
16 close of the fiscal year to the Reidsville City Council on its receipts and expenditures
17 for the preceding quarter and for the year in such detail as the city council may require.
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19 **PART IV. BENSON OCCUPANCY TAX.**

20 **SECTION 4.1. Occupancy Tax.** – (a) Authorization and Scope. – The Town
21 of Benson may levy a room occupancy tax of up to two percent (2%) of the gross
22 receipts derived from the rental of any room, lodging, or accommodation furnished by a
23 hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales
24 tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State
25 or local sales tax. This tax does not apply to accommodations furnished by nonprofit
26 charitable, educational, or religious organizations when furnished in furtherance of their
27 nonprofit purpose.

28 **SECTION 4.1.(b) Administration.** – A tax levied under this section shall be
29 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
30 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

31 **SECTION 4.1.(c) Distribution and Use of Tax Revenue.** – The Town of
32 Benson shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
33 Johnston County Tourism Authority created in Chapter 647 of the 1987 Session Laws.
34 The Johnston County Tourism Authority shall use at least two-thirds of the funds
35 remitted to it under this subsection to promote travel and tourism in Benson and shall
36 use the remainder for tourism-related expenditures in Benson. The net proceeds of the
37 occupancy tax levied under this Part shall supplement rather than supplant any proceeds
38 being used in the Town of Benson derived from the occupancy tax levied by Johnston
39 County pursuant to Chapter 647 of the 1987 Session Laws.

40 The following definitions apply in this subsection:

- 41 (1) Net proceeds. – Gross proceeds less the cost to the town of
42 administering and collecting the tax, as determined by the finance
43 officer, not to exceed three percent (3%) of the first five hundred

1 thousand dollars (\$500,000) of gross proceeds collected each year and
 2 one percent (1%) of the remaining gross receipts collected each year.

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

8 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
 9 the Tourism Authority, are designed to increase the use of lodging
 10 facilities, meeting facilities, and convention facilities in a town by
 11 attracting tourists or business travelers to the town. The term includes
 12 tourism-related capital expenditures.
 13

14 **PART V. BOILING SPRINGS OCCUPANCY TAX.**

15 **SECTION 5.1.** Occupancy Tax. – (a) Authorization and Scope. – The
 16 Boiling Springs Town Council may levy a room occupancy tax of up to three percent
 17 (3%) of the gross receipts derived from the rental of any room, lodging, or
 18 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
 19 the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
 20 This tax is in addition to any State or local sales tax. This tax does not apply to
 21 accommodations furnished by nonprofit charitable, educational, or religious
 22 organizations when furnished in furtherance of their nonprofit purpose.

23 **SECTION 5.1.(b)** Administration. – A tax levied under this section shall be
 24 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
 25 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

26 **SECTION 5.1.(c)** Distribution and Use of Tax Revenue. – The Town of
 27 Boiling Springs shall, on a quarterly basis, remit the net proceeds of the occupancy tax
 28 to the Boiling Springs Tourism Development Authority. The Authority shall use at least
 29 two-thirds of the funds remitted to it under this subsection to promote travel and tourism
 30 in Boiling Springs and shall use the remainder for tourism-related expenditures.

31 The following definitions apply in this subsection:

32 (1) Net proceeds. – Gross proceeds less the cost to the town of
 33 administering and collecting the tax, as determined by the finance
 34 officer, not to exceed three percent (3%) of the first five hundred
 35 thousand dollars (\$500,000) of gross proceeds collected each year and
 36 one percent (1%) of the remaining gross receipts collected each year.

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

42 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
 43 the Tourism Development Authority, are designed to increase the use
 44 of lodging facilities, meeting facilities, or convention facilities in a

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

3 **SECTION 5.2.** Boiling Springs Tourism Development Authority. – (a)
4 Appointment and Membership. – When the Boiling Springs Town Council adopts a
5 resolution levying a room occupancy tax under this act, it shall also adopt a resolution
6 creating a town Tourism Development Authority, which shall be a public authority
7 under the Local Government Budget and Fiscal Control Act. The resolution shall
8 provide for the membership of the Authority, including the members' terms of office,
9 and for the filling of vacancies on the Authority. At least one-third of the members must
10 be individuals who are affiliated with businesses that collect the tax in the town, and at
11 least one-half of the members must be individuals who are currently active in the
12 promotion of travel and tourism in the town. The town council shall designate one
13 member of the Authority as chair and shall determine the compensation, if any, to be
14 paid to members of the Authority.

15 The Authority shall meet at the call of the chair and shall adopt rules of
16 procedure to govern its meetings. The Finance Officer for Boiling Springs shall be the
17 ex officio finance officer of the Authority.

18 **SECTION 5.2.(b)** Duties. – The Authority shall expend the net proceeds of
19 the tax levied under this act for the purposes provided in this act. The Authority shall
20 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
21 activities in the town, and finance tourist-related capital projects in the town.

22 **SECTION 5.2.(c)** Reports. – The Authority shall report quarterly and at the
23 close of the fiscal year to the Boiling Springs Town Council on its receipts and
24 expenditures for the preceding quarter and for the year in such detail as the town council
25 may require.

26 **PART VI. KENLY OCCUPANCY TAX.**

27 **SECTION 6.1.** Occupancy Tax. – (a) Authorization and Scope. – The Town
28 of Kenly may levy a room occupancy tax of up to two percent (2%) of the gross receipts
29 derived from the rental of any room, lodging, or accommodation furnished by a hotel,
30 motel, inn, tourist camp, or similar place within the town that is subject to sales tax
31 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or
32 local sales tax. This tax does not apply to accommodations furnished by nonprofit
33 charitable, educational, or religious organizations when furnished in furtherance of their
34 nonprofit purpose.

35 **SECTION 6.1.(b)** Administration. – A tax levied under this section shall be
36 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
37 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

38 **SECTION 6.1.(c)** Distribution and Use of Tax Revenue. – The Town of
39 Kenly shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
40 Johnston County Tourism Authority created in Chapter 647 of the 1987 Session Laws.
41 The Johnston County Tourism Authority shall use at least two-thirds of the funds
42 remitted to it under this subsection to promote travel and tourism in Kenly and shall use
43 the remainder for tourism-related expenditures in Kenly. The net proceeds of the
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1 occupancy tax levied under this Part shall supplement rather than supplant any proceeds
2 being used in the Town of Kenly derived from the occupancy tax levied by Johnston
3 County pursuant to Chapter 647 of the 1987 Session Laws.

4 The following definitions apply in this subsection:

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

21 **PART VII. YANCEYVILLE OCCUPANCY TAX.**

22 **SECTION 7.1.** Occupancy Tax. – (a) Authorization and Scope. – The
23 Yanceyville Town Council may levy a room occupancy tax of up to three percent (3%)
24 of the gross receipts derived from the rental of any room, lodging, or accommodation
25 furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is
26 subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in
27 addition to any State or local sales tax. This tax does not apply to accommodations
28 furnished by nonprofit charitable, educational, or religious organizations when
29 furnished in furtherance of their nonprofit purpose.

30 **SECTION 7.1.(b)** Administration. – A tax levied under this section shall be
31 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
32 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

33 **SECTION 7.1.(c)** Distribution and Use of Tax Revenue. – The Town of
34 Yanceyville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to
35 the Yanceyville Tourism Development Authority. The Authority shall use at least
36 two-thirds of the funds remitted to it under this subsection to promote travel and tourism
37 in Yanceyville and shall use the remainder for tourism-related expenditures.

38 The following definitions apply in this subsection:

- 39 (1) Net proceeds. – Gross proceeds less the cost to the town of
40 administering and collecting the tax, as determined by the finance
41 officer, not to exceed three percent (3%) of the first five hundred
42 thousand dollars (\$500,000) of gross proceeds collected each year and
43 one percent (1%) of the remaining gross receipts collected each year.

- 1 (2) Promote travel and tourism. – To advertise or market an area or
2 activity, publish and distribute pamphlets and other materials, conduct
3 market research, or engage in similar promotional activities that attract
4 tourists or business travelers to the area. The term includes
5 administrative expenses incurred in engaging in the listed activities.
- 6 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
7 the Tourism Development Authority, are designed to increase the use
8 of lodging facilities, meeting facilities, or convention facilities in a
9 town or to attract tourists or business travelers to the town. The term
10 includes tourism-related capital expenditures.

11 **SECTION 7.2.** Yanceyville Tourism Development Authority. – (a)
12 Appointment and Membership. – When the Yanceyville Town Council adopts a
13 resolution levying a room occupancy tax under this act, it shall also adopt a resolution
14 creating a town Tourism Development Authority, which shall be a public authority
15 under the Local Government Budget and Fiscal Control Act. The resolution shall
16 provide for the membership of the Authority, including the members' terms of office,
17 and for the filling of vacancies on the Authority. At least one-third of the members must
18 be individuals who are affiliated with businesses that collect the tax in the town, and at
19 least one-half of the members must be individuals who are currently active in the
20 promotion of travel and tourism in the town. The town council shall designate one
21 member of the Authority as chair and shall determine the compensation, if any, to be
22 paid to members of the Authority.

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

26 **SECTION 7.2.(b)** Duties. – The Authority shall expend the net proceeds of
27 the tax levied under this act for the purposes provided in this act. The Authority shall
28 promote travel, tourism, and conventions in the town, sponsor tourist-related events and
29 activities in the town, and finance tourist-related capital projects in the town.

30 **SECTION 7.2.(c)** Reports. – The Authority shall report quarterly and at the
31 close of the fiscal year to the Yanceyville Town Council on its receipts and expenditures
32 for the preceding quarter and for the year in such detail as the town council may require.
33

34 **PART VIII. DURHAM OCCUPANCY TAX.**

35 **SECTION 8.1.** Section 7(a) of S.L. 2001-480, as amended by Section 1 of
36 S.L. 2002-36, reads as rewritten:

37 "**SECTION 7.(a)** If a plan for financing a Performing Arts Theater has not been
38 approved by the Durham City Council and has been disapproved by the Durham County
39 Commissioners within ~~42~~⁵⁴ months after the levy of the one percent (1%) tax
40 authorized under Section 6(c) of this act, the county's authority to levy the one percent
41 (1%) tax described under Section 6(c) of this act and the levy of the one percent (1%)
42 tax described in this subsection are repealed on the first day of the second month
43 following the ~~42-month~~^{54-month} period.

1 If construction on the Performing Arts Theater has not begun within ~~42~~⁵⁴ months
2 after the levy of the one percent (1%) tax authorized under Section 6(c) of this act, the
3 county's authority to levy the one percent (1%) tax described in Section 6(c) of this act
4 and the levy of the one percent (1%) tax described in Section 6(c) of this act are
5 repealed on the first day of the second month following the ~~42-month~~^{54-month} period.

6 It is the goal of the General Assembly that a plan for financing the Performing Arts
7 Theater shall be adopted within ~~12~~⁵⁴ months after the levy of the one percent (1%) tax
8 authorized under Section 6(c) of this act, and construction of the Performing Arts
9 Theater shall begin within ~~24~~⁵⁴ months of the levy of the one percent (1%) tax
10 described in Section 6(c) of this act.

11 Any funds collected but not spent before the repeal date shall be redistributed to the
12 Durham Convention and Visitors Bureau to promote travel and tourism."

13 **SECTION 8.2.** Section 9(e) of S.L. 2001-480, as amended by Section 4 of
14 S.L. 2002-36, reads as rewritten:

15 "**SECTION 9.(e)** Use of Proceeds From Additional One Percent (1%) Tax After
16 First 24 Months. – The net proceeds of the tax collected under Section 6(c) of this act
17 after the first 24 months that the tax is levied shall be remitted monthly to the Durham
18 Convention and Visitors Bureau as set out in Section 10 of this act. The Bureau shall
19 use and distribute these net proceeds in the following priority order:

- 20 (1) To the City of Durham, the first one million four hundred thousand
21 dollars (\$1,400,000) collected annually to finance the debt service
22 associated with the construction of the Performing Arts
23 ~~Theater.~~Theater and for the design and engineering costs associated
24 with the construction of the Theater. But no more than two million
25 seven hundred fifty-two thousand dollars (\$2,752,000) of those
26 proceeds may be used for design and engineering costs associated with
27 the construction of the Theater. Until those funds are distributed to the
28 City of Durham for that purpose, they shall be held by the Durham
29 Convention and Visitors Bureau in a capital reserve fund as provided
30 by Part 2 of Article 3 of Chapter 159 of the General Statutes except
31 they may be expended as provided by the last sentence of Section 7(a)
32 of this act if the tax is repealed as provided by Section 7(a) of this act.
33 Any interest earned by that fund shall be credited to the fund.
- 34 (2) Thirty-two years after the levy of the tax authorized under Section 6(c)
35 of this act, instead of the allocation under subdivision (1) of this
36 subsection, the first one million four hundred thousand dollars
37 (\$1,400,000) collected annually shall be used by the Bureau to
38 promote travel and tourism or for tourism related expenditures.
- 39 (3) To Durham County, the next five hundred thousand dollars (\$500,000)
40 collected annually to be used for improvements to the Museum of Life
41 and Science. This may include the financing of debt service. Any of
42 these funds that are not needed for this purpose shall be returned to the
43 Bureau and used to promote travel and tourism.

- 1 (4) The Bureau shall use any net proceeds in excess of that provided by
2 subdivisions (1), (2), and (3) of this subsection to promote travel,
3 tourism, and conventions in Durham County.

4 As used in this subsection, "annually" means the 12-month period beginning after
5 the first 24 months that the tax authorized under Section 6(c) of this act is levied."
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7 **PART IX. HALIFAX COUNTY OCCUPANCY TAX.**

8 **SECTION 9.** Chapter 377 of the 1987 Session Laws, as amended by S.L.
9 2005-46, reads as rewritten:

10 "Section 1. Occupancy tax.~~Tax.~~ – (a) Authorization and scope.~~Scope.~~ – The Halifax
11 County Board of Commissioners may levy a room occupancy tax of three percent (3%)
12 of the gross receipts derived from the rental of any room, lodging, or similar
13 accommodation furnished by a hotel, motel, inn, or similar place within the county that
14 is subject to sales tax imposed by the State under G.S 105-164.4(a)(3). This tax is in
15 addition to any State or local sales tax. This tax does not apply to accommodations
16 furnished by nonprofit charitable, educational, or religious organizations.

17 (a1) Authorization of additional tax.~~Additional Tax.~~ – In addition to the tax
18 authorized by subsection (a) of this section, the Halifax County Board of
19 Commissioners may levy an additional room occupancy tax of up to two percent (2%)
20 of the gross receipts derived from the rental of accommodations taxable under
21 subsection (a) of this section. The levy, collection, administration, and repeal of the tax
22 authorized by this subsection ~~must~~shall be in accordance with the provisions of this
23 section. Halifax County may not levy a tax under this subsection unless it also levies the
24 tax authorized under subsection (a) of this section.

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

28 (c) Distribution and use.~~Use of tax revenue.~~Tax Revenue. – Halifax County
29 ~~must, shall,~~ on a quarterly basis, remit the net proceeds of the occupancy tax to the
30 Halifax County Tourism Development Authority. The Authority ~~must~~shall use at least
31 two-thirds of the funds remitted to it under this subsection to promote travel and tourism
32 in Halifax County and ~~must~~shall use the remainder for tourism-related expenditures.

33 The following definitions apply to this subsection:

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

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

6 Sec. 2. Tourism Development Authority. = (a) Appointment and
7 ~~membership.~~Membership. – When the Halifax County Board of Commissioners adopts
8 a resolution levying a room occupancy tax under this act, it ~~must~~shall also adopt a
9 resolution creating a county Tourism Development Authority, which shall be a public
10 authority under the Local Government Budget and Fiscal Control Act. The resolution
11 ~~must~~shall provide for the membership of the Authority including the members'
12 qualifications and terms of office, and for the filling of vacancies on the Authority. At
13 least one-fifth of the members must be individuals who are affiliated with businesses
14 that collect the tax in the county, and at least ~~three-fourths~~one-half of the members must
15 be individuals who are currently active in the promotion of travel and tourism in the
16 county. ~~The Authority must designate one member as chair and one member as~~
17 ~~treasurer.~~The board of commissioners shall designate one member of the Authority as
18 chair and shall determine the compensation, if any, to be paid to members of the
19 Authority.

20 The Authority ~~must~~shall meet at the call of the chair and ~~must~~shall adopt rules of
21 procedure to govern its meetings. The Finance Officer for Halifax County shall be the
22 ex officio finance officer of the Authority.

23 (b) Duties. – The Authority must expend the net proceeds of the tax levied under
24 this act for the purposes provided in Section 1 of this act. The Authority must promote
25 travel, tourism, and conventions in the county, sponsor tourist-related events and
26 activities in the county, and finance tourist-related capital projects in the county.

27 (c) Reports. – The Authority ~~must~~shall report quarterly and at the close of the
28 fiscal year to the Halifax County Board of ~~County~~ Commissioners on its receipts and
29 expenditures for the preceding quarter and for the year in such detail as the Board may
30 require.

31 Sec. 3. This act is effective upon ratification."
32

33 PART X. SELMA OCCUPANCY TAX.

34 SECTION 10. Part X of S.L. 2001-439 reads as rewritten:

35 "SECTION 10.1. Occupancy ~~tax.~~Tax. – (a) Authorization and Scope. – The Selma
36 Town Council of the Town of Selma may levy a room occupancy tax of one percent
37 (1%) of the gross receipts derived from the rental of any room, lodging, or
38 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
39 the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
40 This tax is in addition to any State or local sales tax. This tax does not apply to
41 accommodations furnished by nonprofit charitable, educational, or religious
42 organizations when furnished in furtherance of their nonprofit purpose.

43 (a1) Authorization of Additional Tax. – In addition to the tax authorized by
44 subsection (a) of this section, the Selma Town Council may levy an additional room

1 occupancy tax of up to one percent (1%) of the gross receipts derived from the rental of
2 accommodations taxable under subsection (a) of this section. The levy, collection,
3 administration, and repeal of the tax authorized by this subsection must be in
4 accordance with the provisions of this section. The Selma Town Council may not levy a
5 tax under this subsection unless it also levies the tax authorized under subsection (a) of
6 this section.

7 "SECTION 10.1.(b) Administration. – A tax levied under this section shall be
8 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
9 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

10 "SECTION 10.1.(c) Distribution and Use of Tax Revenue. – The Town of Selma
11 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Johnston
12 County Tourism Authority created in Chapter 647 of the 1987 Session Laws. The
13 Johnston County Tourism Authority shall use at least two-thirds of the funds remitted to
14 it under this subsection to promote travel and tourism in Selma and shall use the
15 remainder for tourism-related expenditures in Selma. The net proceeds of the occupancy
16 tax levied under this Part shall supplement rather than supplant any proceeds being used
17 in the Town of Selma derived from the occupancy tax levied by Johnston County
18 pursuant to Chapter 647 of the 1987 Session Laws.

19 The following definitions apply in this subsection:

- 20 (1) Net proceeds. – Gross proceeds less the cost to the town of
21 administering and collecting the tax, as determined by the finance
22 officer, not to exceed three percent (3%) of the first five hundred
23 thousand dollars (\$500,000) of gross proceeds collected each year and
24 one percent (1%) of the remaining gross receipts collected each year.
- 25 (2) Promote travel and tourism. – To advertise or market an area or
26 activity, publish and distribute pamphlets and other materials, conduct
27 market research, or engage in similar promotional activities that attract
28 tourists or business travelers to the area. The term includes
29 administrative expenses incurred in engaging in these activities.
- 30 (3) Tourism-related expenditures. – Expenditures that, in the judgment of
31 the Tourism Authority, are designed to increase the use of lodging
32 facilities, meeting facilities, and convention facilities in a town by
33 attracting tourists or business travelers to the town. The term includes
34 tourism-related capital expenditures.

35 ~~"SECTION 10.2. A tax levied under this Part expires five years after the effective~~
36 ~~date of its levy. The town's authority to levy a tax under this Part expires five years after~~
37 ~~the effective date of its levy of a tax under this Part. The expiration of a tax pursuant to~~
38 ~~this Part does not affect the rights or liabilities of the town, a taxpayer, or another person~~
39 ~~arising under the expired tax before the effective date of its expiration; nor does it affect~~
40 ~~the right to any refund or credit of a tax that would otherwise have been available under~~
41 ~~the expired tax before the effective date of its expiration."~~

42 43 **PART XI. SMITHFIELD OCCUPANCY TAX.**

44 **SECTION 11.** Part XI of S.L. 2001-439 reads as rewritten:

1 **"SECTION 11.1. Occupancy ~~tax~~-Tax.** – (a) Authorization and Scope. – The
2 Smithfield Town Council of the Town of Smithfield may levy a room occupancy tax of
3 one percent (1%) of the gross receipts derived from the rental of any room, lodging, or
4 accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within
5 the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).
6 This tax is in addition to any State or local sales tax. This tax does not apply to
7 accommodations furnished by nonprofit charitable, educational, or religious
8 organizations when furnished in furtherance of their nonprofit purpose.

9 (a1) Authorization of Additional Tax. – In addition to the tax authorized by
10 subsection (a) of this section, the Smithfield Town Council may levy an additional room
11 occupancy tax of up to one percent (1%) of the gross receipts derived from the rental of
12 accommodations taxable under subsection (a) of this section. The levy, collection,
13 administration, and repeal of the tax authorized by this subsection must be in
14 accordance with the provisions of this section. The Smithfield Town Council may not
15 levy a tax under this subsection unless it also levies the tax authorized under subsection
16 (a) of this section.

17 **"SECTION 11.1.(b) Administration.** – A tax levied under this section shall be
18 levied, administered, collected, and repealed as provided in G.S. 160A-215. The
19 penalties provided in G.S. 160A-215 apply to a tax levied under this section.

20 **"SECTION 11.1.(c) Distribution and Use of Tax Revenue.** – The Town of
21 Smithfield shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the
22 Johnston County Tourism Authority created in Chapter 647 of the 1987 Session Laws.
23 The Johnston County Tourism Authority shall use at least two-thirds of the funds
24 remitted to it under this subsection to promote travel and tourism in Smithfield and shall
25 use the remainder for tourism-related expenditures in Smithfield. The net proceeds of
26 the occupancy tax levied under this Part shall supplement rather than supplant any
27 proceeds being used in the Town of Smithfield derived from the occupancy tax levied
28 by Johnston County pursuant to Chapter 647 of the 1987 Session Laws.

29 The following definitions apply in this subsection:

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

1 ~~"SECTION 11.2. A tax levied under this Part expires five years after the effective~~
2 ~~date of its levy. The town's authority to levy a tax under this Part expires five years after~~
3 ~~the effective date of its levy of a tax under this Part. The expiration of a tax pursuant to~~
4 ~~this Part does not affect the rights or liabilities of the town, a taxpayer, or another person~~
5 ~~arising under the expired tax before the effective date of its expiration; nor does it affect~~
6 ~~the right to any refund or credit of a tax that would otherwise have been available under~~
7 ~~the expired tax before the effective date of its expiration."~~

9 **PART XII. UNIFORM PROVISIONS.**

10 **SECTION 12.1.** G.S. 153A-155(g) reads as rewritten:

11 "(g) This section applies only to Alleghany, Anson, Brunswick, Buncombe,
12 Cabarrus, Camden, Carteret, Caswell, Craven, Cumberland, Currituck, Dare, Davie,
13 Duplin, Durham, Granville, Halifax, Madison, Montgomery, Nash, New Hanover,
14 Pasquotank, Pender, Person, Randolph, Richmond, Rowan, Scotland, Stanly,
15 Transylvania, Tyrrell, Vance, and Washington Counties, and to the Township of
16 Averasboro in Harnett County."

17 **SECTION 12.2.** G.S. 160A-215 reads as rewritten:

18 "(g) This section applies only to Beech Mountain District W, to the Cities of
19 Elizabeth City, Eden, Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain,
20 Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Reidsville, Roanoke Rapids,
21 Shelby, Statesville, Washington, and Wilmington, to the Towns of Beech Mountain,
22 Benson, Blowing Rock, Boiling Springs, Carolina Beach, Carrboro, Franklin, Kenly,
23 Kure Beach, Jonesville, Mooresville, North Topsail Beach, Selma, Smithfield, St. Pauls,
24 West Jefferson, Wilkesboro, ~~and Wrightsville Beach~~, Wrightsville Beach, and
25 Yanceyville, and to the municipalities in Avery and Brunswick Counties."

27 **PART XIII. DURHAM COUNTY PUBLIC-PRIVATE PARTNERSHIPS.**

28 **SECTION 13.** Section 1 of Chapter 908 of the 1986 Session Laws, as
29 amended by Section 2 of Chapter 789 of the 1987 Session Laws, reads as rewritten:

30 "Section 1. (a) Definition. For the purpose of this act, ~~an "urban development~~
31 ~~project"~~ a "public-private project" is defined as a capital project which is comprised of
32 one or more buildings or other improvements and includes both public and private
33 facilities. ~~By way of illustration and not limitation, such a project might include a single~~
34 ~~building comprising a publicly owned parking structure and publicly owned convention~~
35 ~~center, and a privately owned hotel or office building.~~ The public-private project may be
36 located anywhere within Durham County, including those portions of Durham County
37 within municipal limits.

38 (b) Authorization. If the Board of Commissioners of Durham County determines
39 that the County will significantly benefit from the County's participation in the
40 development of ~~an urban development~~ a public-private project, as defined, then the
41 County may acquire, construct, own, and operate or participate in the acquisition,
42 construction, ownership, and operation of ~~an urban development~~ a public-private
43 project, or of specific facilities within such a project, including the making of loans and
44 grants from moneys lawfully available therefore. The County may enter into binding

1 contracts with the City of Durham or one or more private developers, or both, with
2 respect to acquiring, constructing, owning, or operating such a project. ~~Such a~~ The
3 contract shall among other provisions, specify the following:

4 (1) The property interest of the County and all other participants in the
5 development of the project.

6 (2) The responsibilities of the County and all other participants in the
7 development of the project.

8 (3) The responsibilities of the County and all other participants with respect to
9 financing of the project.

10 ~~Such a~~ The contract may be entered into before or after the acquisition of any real
11 property necessary to the project.

12 (c) Property acquisition. ~~An urban development~~ A public-private project may be
13 constructed on property acquired by the developer or developers, on property acquired
14 by the County, on property acquired by the City, or on property acquired by the County,
15 City, and developers.

16 (d) Property disposition. The County may lease or convey its interest in ~~urban~~
17 ~~development~~ public-private projects property or other property owned by it, including
18 air rights over public facilities, through any of the methods authorized in G.S. 153A-
19 176 and G.S. 160A-266 including private negotiation and sale without limitation as to
20 value of the interest conveyed. Notwithstanding the provisions of G.S. 160A-272,
21 property owned by the County may be leased for a period of 10 years or longer without
22 being treated as a sale of the property.

23 (e) Construction of the project. The contract between the county and the
24 developer or developers may provide that the developer or developers shall be
25 responsible for: (i) construction of the entire ~~urban development~~ public-private project,
26 (ii) reconstruction and/or repair of the ~~urban development~~ public-private project or any
27 part thereof subsequent to construction of said project, (iii) construction of any addition
28 to the ~~urban development~~ public-private project, (iv) renovation of the ~~urban~~
29 ~~development~~ public-private project or any part thereof, and/or (v) purchase of apparatus,
30 supplies, materials, or equipment for the ~~urban development~~ public-private project
31 (whether during the initial equipping of the said project or subsequent thereto).
32 Additionally, the contract between the county and the developer or developers may
33 provide that the county and the developer or developers shall use the same contractor or
34 contractors in constructing a portion of or the entire public-private project. If so, the
35 contract shall include such provisions as the board of county commissioners deems
36 sufficient to assure that the public facility or facilities included in the project or added
37 thereto are constructed, reconstructed, repaired and/or renovated, and the apparatus,
38 supplies, materials and equipment purchased for the public facility or facilities included
39 in the project, are purchased at a reasonable price and the provisions of Article 8 of
40 Chapter 143 and Article 3 of Chapter 44A of the General Statutes shall not apply to
41 ~~such urban development~~ the public-private project.

42 (f) Operation. The County may contract for the operation of any public facility
43 or facilities included in ~~an urban development~~ a public-private project by any person,
44 firm, or corporation, public or private.

1 (g) Financing. To assist in the financing of its share of ~~an urban development~~
2 public-private project, the County may apply for, accept, and expend funds from the
3 federal or State government or any other lawful source.

4 (h) Other authority. The authority granted by this section is in addition to and not
5 in derogation of any other lawful authority granted to the County by law. The County
6 may exercise any authority granted to it by local act or general statute or law in
7 furtherance of ~~an urban development~~ a public-private project. By way of illustration but
8 not of limitation, the County may exercise the following authority in furtherance of ~~an~~
9 ~~urban development~~ a public-private project:

- 10 (1) The authority granted in G.S. 153A-176 and Article 12 of Chapter
11 160A with respect to the public or private sale, lease, rent, exchange,
12 or other conveyance of property.
13 (2) The authority of G.S. 153A-13 and G.S. 153A-449 with respect to
14 contracts with, and appropriation of money to, persons, associations or
15 corporations for the accomplishment of public purposes."
16

17 **PART XIV. EFFECTIVE DATES.**

18 **SECTION 14.** This act is effective when it becomes law.