

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 489
Finance Committee Substitute Adopted 4/19/07
House Committee Substitute Favorable 7/26/07

Short Title: Modify City of Lumberton Occupancy Tax.

(Local)

Sponsors:

Referred to:

March 6, 2007

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE OCCUPANCY TAX OF THE CITY OF LUMBERTON.

The General Assembly of North Carolina enacts:

SECTION 1. Part IX of Chapter 908 of the 1983 Session Laws, as amended by Chapter 1028 of the 1983 Session Laws, Chapter 935 of the 1987 Session Laws, and Section 2 of S.L. 1997-361, reads as rewritten:

"Section 2. Lumberton Occupancy Tax. (a) Authorization and scope. = The Lumberton City Council 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 within the city 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.

(b) [Repealed August 1, 2000.]

(c) 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 = A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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.

~~The tax collector may collect any unpaid taxes levied under this section through the use of attachment and garnishment proceedings as provided in G.S. 105-368 for collection of property taxes. The tax collector has the same enforcement powers concerning the tax imposed by this section as does the Secretary of Revenue in enforcing the State sales tax under G.S. 105-164.30.~~

(d) Distribution and use of ~~first three percent (3%)~~ tax revenue. = The City of Lumberton shall, on a quarterly basis, remit the net proceeds of the ~~first three percent (3%)~~ occupancy tax ~~authorized in subsection (a) of this section~~ to the Lumberton 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 Lumberton

1 and shall use the remainder for tourism-related expenditures. ~~Of the funds designated~~
2 ~~for tourism-related expenditures, the Authority shall remit the first one hundred fifteen~~
3 ~~thousand dollars (\$115,000) to the Carolina Civic Center Foundation, Inc., for~~
4 ~~tourism-related expenditures. The Authority may use no more than twenty-three percent~~
5 ~~(23%) of the funds remitted to it under this subsection for salaries in carrying out these~~
6 ~~purposes and may use no more than ten percent (10%) of the funds remitted to it under~~
7 ~~this subsection for other administrative costs in carrying out these purposes.~~

8 (e) [Repealed August 1, 2000.]

9 (f) The following definitions apply in this section:

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

26 **SECTION 2.** Section 3 of S.L. 1997-361 reads as rewritten:

27 "**Section 3.** Lumberton Tourism Development Authority. (a) Appointment and
28 membership. – When the Lumberton City Council adopts a resolution levying a room
29 occupancy tax under this act, it shall also adopt a resolution creating a city Tourism
30 Development Authority, which shall be a public authority under the Local Government
31 Budget and Fiscal Control Act. The resolution shall provide for the membership of the
32 Authority, including the members' terms of office, and for the filling of vacancies on the
33 Authority. At least one-third of the members shall be individuals who are affiliated with
34 businesses that collect the tax in the city, and at least one-half of the members shall be
35 individuals who are currently active in the promotion of travel and tourism in the city.
36 ~~members' terms of office and for the filling of vacancies on the Authority.~~

37 ~~The Authority shall have eight members appointed by the city council and two ex~~
38 ~~officio, nonvoting members, as follows:~~

- 39 (1) ~~Four individuals who own or operate a hotel or motel in the city.~~
40 (2) ~~Four individuals who are currently active in the promotion of travel~~
41 ~~and tourism in the city.~~
42 (3) ~~The Finance Officer for Lumberton, to serve ex officio.~~
43 (4) ~~A member of the Lumberton City Council, designated by the city~~
44 ~~council, to serve ex officio.~~

1 The Lumberton City Council shall designate one member of the Authority as chair and
2 shall determine the compensation, if any, to be paid to members of the Authority.

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

6 (b) Duties. — The Authority shall expend the net proceeds of the tax levied under
7 Section 2 of this act for the purposes provided in Section 2 of this act. The Authority
8 shall promote travel, tourism, and conventions in the city, sponsor tourist-related events
9 and activities in the city, and finance tourist-related capital projects in the city.

10 (c) Reports. — The Authority shall report quarterly and at the close of the fiscal
11 year to the Lumberton City Council on its receipts and expenditures for the preceding
12 quarter and for the year in such detail as the Lumberton City Council may require."

13 **SECTION 3.** This act is effective when it becomes law. The Lumberton
14 City Council has 30 days from the date the act becomes effective to ensure that the
15 membership of the Authority is in compliance with this act.