

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 731
State and Local Government Committee Substitute Adopted 6/18/14
Finance Committee Substitute Adopted 6/19/14

Short Title: Southport Occupancy Tax Modification.

(Local)

Sponsors:

Referred to:

May 15, 2014

A BILL TO BE ENTITLED

1 AN ACT TO CLARIFY THE TOURISM DEVELOPMENT AUTHORITY
2 REQUIREMENTS PERTAINING TO THE OCCUPANCY TAX AUTHORIZED FOR
3 THE TOWN OF SOUTHPORT.
4

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Section 1(e) of Chapter 639 of the 1989 Session Laws, as amended
7 by S.L. 2002-129, reads as rewritten:

8 "(e) Distribution and use of tax revenue. – ~~The~~ Until the Southport Board of Aldermen
9 adopts a resolution levying a room occupancy tax under subsection (a1) of this section, the City
10 of Southport shall use at least two-thirds of the funds to promote travel and tourism in
11 Southport and shall use the remainder for tourism-related expenditures. When the Southport
12 Board of Aldermen adopts a resolution levying a room occupancy tax under subsection (a1) of
13 this section, City of Southport shall, on a quarterly basis, remit the net proceeds of the
14 occupancy tax to the Southport Tourism Development Authority. The Authority shall use at
15 least two-thirds of the funds remitted to it under this subsection to promote travel and tourism
16 in Southport and shall use the remainder for tourism-related expenditures.

17 The following definitions apply in this subsection:

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

33 **SECTION 2.** Section 1.2 of Chapter 639 of the 1989 Session Laws, as enacted by
34 S.L. 2002-129, reads as rewritten:



1 "Sec. 1.2. Southport Tourism Development Authority. – When the Southport Board of
2 Aldermen adopts a resolution levying a room occupancy tax under subsection (a1) of Section 1
3 of this act, it shall also adopt a resolution creating a city Tourism Development Authority,
4 which shall be a public authority under the Local Government Budget and Fiscal Control Act.
5 The resolution shall provide for the membership of the Authority, including the members' terms
6 of office, and for the filling of vacancies on the Authority. At least one-third of the members
7 must be individuals who are affiliated with businesses that collect the tax in the city, and at
8 least three-fourths of the members must be individuals who are currently active in the
9 promotion of travel and tourism in the city. The Board of Aldermen shall designate one
10 member of the Authority as chair and shall determine the compensation, if any, to be paid to
11 members of the Authority.

12 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern
13 its meetings. The Finance Officer for Southport shall be the ex officio finance officer of the
14 Authority."

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