

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 489

Short Title: Modify City of Lumberton Occupancy Tax.

(Local)

Sponsors: Senator Weinstein.

Referred to: Finance.

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 and Chapter 935 of the 1987 Session Laws, as it relates to the City of Lumberton only, and Section 2 of Chapter 361 of the 1997 Session Laws, as it relates to the City of Lumberton only, 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(b) [Repealed August 1, 2000.]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 A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 sixty percent (60%) of the net proceeds of the ~~first three percent (3%)~~ occupancy tax ~~authorized in subsection (a) of this section to the Lumberton Tourism Development Authority.~~ Authority and forty percent (40%) of the net proceeds to the Carolina Civic Center Foundation, Inc. The Authority shall use

1 at least two-thirds of the funds remitted to it under this subsection to promote travel and
2 tourism in Lumberton and shall use the remainder for tourism-related expenditures. ~~Of~~
3 ~~the funds designated for tourism-related expenditures, the Authority shall remit the first~~
4 ~~one hundred fifteen thousand dollars (\$115,000) to the Carolina Civic Center~~
5 ~~Foundation, Inc., for tourism-related expenditures. The Authority may use no more than~~
6 ~~twenty three percent (23%) of the funds remitted to it under this subsection for salaries~~
7 ~~in carrying out these purposes and may use no more than ten percent (10%) of the funds~~
8 ~~remitted to it under this subsection for other administrative costs in carrying out these~~
9 ~~purposes.~~ Of the forty percent (40%) remitted to it under this subsection, the Foundation
10 shall use eighty-three percent (83%) for the general operations of the Carolina Civic
11 Center and shall place the remaining funds into a capital reserve for the maintenance,
12 repair, and capital needs of the Carolina Civic Center property and equipment.

13 (e) [Repealed August 1, 2000.]

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

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

31 **SECTION 2.** Part IX of Chapter 908 of the 1983 Session Laws, as amended
32 by Chapter 1028 of the 1983 Session laws and Chapter 935 of the 1987 Session Laws,
33 as it relates to the City of Lumberton only, and Section 3 of Chapter 361 of the 1997
34 Session Laws, as it relates to the City of Lumberton only, and Section 1 of this act,
35 reads as rewritten:

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

44 (b) [Repealed August 1, 2000.]

1 (c) Administration. A tax levied under this section shall be levied, administered,
2 collected, and repealed as provided in G.S. 160A-215. The penalties provided in
3 G.S. 160A-215 apply to a tax levied under this section.

4 (d) Distribution and use of tax revenue. The City of Lumberton shall, on a
5 quarterly basis, remit ~~sixty percent (60%)~~ of the net proceeds of the occupancy tax to
6 the Lumberton Tourism Development Authority ~~and forty percent (40%) of the net~~
7 ~~proceeds to the Carolina Civic Center Foundation, Inc.~~ Authority. The Authority shall
8 use at least two-thirds of the funds remitted to it under this subsection to promote travel
9 and tourism in Lumberton and shall use the remainder for tourism-related expenditures.
10 ~~Of the forty percent (40%) remitted to it under this subsection, the Foundation shall use~~
11 ~~eighty-three percent (83%) for the general operations of the Carolina Civic Center and~~
12 ~~shall place the remaining funds into a capital reserve for the maintenance, repair, and~~
13 ~~capital needs of the Carolina Civic Center property and equipment.~~

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

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

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

32 **SECTION 3.** Part IX of Chapter 908 of the 1983 Session Laws, as amended
33 by Chapter 1028 of the 1983 Session laws and Chapter 935 of the 1987 Session Laws,
34 as it relates to the City of Lumberton only, and Section 3 of Chapter 361 of the 1997
35 Session Laws, as it relates to the City of Lumberton only, reads as rewritten:

36 "**Section 3.** Lumberton Tourism Development Authority. (a) Appointment and
37 membership. When the Lumberton City Council adopts a resolution levying a room
38 occupancy tax under this act, it shall also adopt a resolution creating a city Tourism
39 Development Authority, which shall be a public authority under the Local Government
40 Budget and Fiscal Control Act. The resolution shall provide for the ~~members' terms of~~
41 ~~office and for the filling of vacancies on the Authority.~~

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

- 44 (1) ~~Four individuals who own or operate a hotel or motel in the city.~~

- 1 (2) ~~Four individuals who are currently active in the promotion of travel~~
2 ~~and tourism in the city.~~
- 3 (3) ~~The Finance Officer for Lumberton, to serve ex officio.~~
- 4 (4) ~~A member of the Lumberton City Council, designated by the city~~
5 ~~council, to serve ex officio.~~membership of the Authority, including the
6 members' terms of office, and for the filling of vacancies on the
7 Authority. At least one-third of the members shall be individuals who
8 are affiliated with businesses that collect the tax in the city, and at least
9 one-half of the members shall be individuals who are currently active
10 in the promotion of travel and tourism in the city.

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

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

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

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

23 **SECTION 4.** Section 1 of this act is effective the first day of the first month
24 following enactment of this act. Section 2 of this act becomes effective October 1,
25 2014. The remainder of this act is effective when it becomes law. The Board of
26 Commissioners has 30 days from the date the act becomes effective to ensure that the
27 membership of the Authority is in compliance with this act.