

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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SENATE BILL 339

Short Title: Stallings Occupancy Tax. (Local)

Sponsors: Senator Goodall.

Referred to: Finance.

March 2, 2009

A BILL TO BE ENTITLED

1 AN ACT TO CREATE A SPECIAL TAXING DISTRICT MADE UP OF THE PORTION OF
2 THE TOWN OF STALLINGS LOCATED IN UNION COUNTY AND TO AUTHORIZE
3 THE DISTRICT TO LEVY UP TO A FIVE PERCENT ROOM OCCUPANCY TAX
4 WITHIN THE DISTRICT TO BE USED FOR TOURISM DEVELOPMENT WITHIN
5 THE DISTRICT.
6

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Stallings District U Created. – Stallings District U is created as a
9 taxing district. Its jurisdiction consists of that part of the Town of Stallings that is located
10 within Union County. Stallings District U is a body politic and corporate and has the power to
11 carry out the provisions of this act. The Stallings Town Council shall serve ex officio as the
12 governing body of the district, and the officers of the town shall serve as the officers of the
13 district. A simple majority of the governing body constitutes a quorum, and approval by a
14 majority of those present is sufficient to determine any matter before the governing body, if a
15 quorum is present.

16 **SECTION 2.** Occupancy tax. – (a) Authorization and Scope. – The governing body
17 of Stallings District U may levy a room occupancy tax of up to five percent (5%) of the gross
18 receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel,
19 motel, inn, tourist camp, or similar place within the district that is subject to sales tax imposed
20 by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.
21 This tax does not apply to accommodations furnished by nonprofit charitable, educational, or
22 religious organizations when furnished in furtherance of their nonprofit purpose.

23 **SECTION 2.(b)** Administration. – A tax levied under this act shall be levied,
24 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
25 G.S. 160A-215 apply to a tax levied under this act.

26 **SECTION 2.(c)** Definitions. – The following definitions apply in this act:

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



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

6 **SECTION 2.(d)** Distribution and Use of Tax Revenue. – Stallings District U shall,
7 on a quarterly basis, remit the net proceeds of the occupancy tax to the Stallings District U
8 Tourism Development Authority. The Authority shall use at least two-thirds of the funds
9 remitted to it to promote travel and tourism in Stallings District U and shall use the remainder
10 for tourism-related expenditures. In accordance with the North Carolina Constitution and the
11 United States Constitution, the tax proceeds may be used only for the direct benefit of the
12 jurisdiction of Stallings District U. None of the proceeds may be used to promote travel or
13 tourism in areas within the Town of Stallings that are outside of the district or for
14 tourism-related expenditures in the town that are outside of the district.

15 **SECTION 3.** Stallings District U Tourism Development Authority. – (a)
16 Appointment and Membership. – When the governing body of the district adopts a resolution
17 levying a room occupancy tax under this act, it shall also adopt a resolution creating the
18 Stallings District U Tourism Development Authority, which shall be a public authority under
19 the Local Government Budget and Fiscal Control Act. The resolution shall provide for the
20 membership of the Authority, including the members' terms of office, and for the filling of
21 vacancies on the Authority. At least one-third of the members must be individuals who are
22 affiliated with businesses that collect the tax in the district, and at least one-half of the members
23 must be individuals who are currently active in the promotion of travel and tourism in the
24 district. The governing body of the district shall designate one member of the Authority as chair
25 and shall determine the compensation, if any, to be paid to members of the Authority.

26 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
27 govern its meetings. The Finance Officer for the Town of Stallings shall be the ex officio
28 finance officer of the Authority.

29 **SECTION 3.(b)** Duties. – The Authority shall expend the net proceeds of the tax
30 levied under this act for the purposes provided in this act. The Authority shall promote travel,
31 tourism, and conventions in the district, sponsor tourist-related events and activities in the
32 district, and finance tourist-related capital projects in the district.

33 **SECTION 3.(c)** Reports. – The Authority shall report quarterly and at the close of
34 the fiscal year to the governing body of the district on its receipts and expenditures for the
35 preceding quarter and for the year in such detail as the governing body may require.

36 **SECTION 4.** G.S. 160A-215(g) reads as rewritten:

37 "**§ 160A-215. Uniform provisions for room occupancy taxes.**

38 (g) This section applies only to Beech Mountain District ~~W~~,W and Stallings District U,
39 to the Cities of Belmont, Elizabeth City, Eden, Gastonia, Goldsboro, Greensboro, High Point,
40 Kings Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Reidsville,
41 Roanoke Rapids, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie,
42 Beech Mountain, Benson, Blowing Rock, Boiling Springs, Burgaw, Carolina Beach, Carrboro,
43 Dallas, Dobson, Elkin, Franklin, Jonesville, Kenly, Kure Beach, Mooresville, North Topsail
44 Beach, Pilot Mountain, Selma, Smithfield, St. Pauls, Troutman, Tryon, West Jefferson,
45 Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to the municipalities in
46 Avery and Brunswick Counties."

47 **SECTION 5.** This act is effective when it becomes law.