

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE DRS65449-MCx-14 (5/9)**

Short Title: Burgaw Occupancy Tax. (Local)

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Sponsors: Senator Soles.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF BURGAW TO LEVY A ROOM  
OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners of the Town of Burgaw 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 town 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.

**SECTION 1.(b)** 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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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.

**SECTION 1.(c)** Distribution and Use of Tax Revenue. – The Town of Burgaw shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Burgaw 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 Burgaw and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and 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 Burgaw Tourism Development Authority, are designed to increase the  
8 use 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 2.** Tourism Development Authority. – (a) Appointment and  
12 Membership. – When the Board of Commissioners adopts a resolution levying a room  
13 occupancy tax under this act, it shall also adopt a resolution creating the Burgaw  
14 Tourism Development Authority, which shall be a public authority under the Local  
15 Government Budget and Fiscal Control Act. The resolution shall provide for the  
16 membership of the Authority, including the members' terms of office, and for the filling  
17 of vacancies on the Authority. At least one-third of the members shall be individuals  
18 who are affiliated with businesses that collect the tax in the town and at least  
19 three-fourths of the members shall be individuals who are currently active in the  
20 promotion of travel and tourism in the town. The Board of Commissioners shall  
21 designate one member of the Authority as chair and shall determine the compensation,  
22 if any, to be 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 the Town of Burgaw shall be  
25 the ex officio finance officer of the Authority.

26           **SECTION 2.(b)** Duties. – The Authority shall expend the net proceeds of  
27 the tax levied under this act for the purposes provided in Section 1 of this act. The  
28 Authority shall promote travel, tourism, and conventions in the town, sponsor  
29 tourist-related events and activities in the town, and finance tourist-related capital  
30 projects in the town.

31           **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the  
32 close of the fiscal year to the Board of Commissioners on its receipts and expenditures  
33 for the preceding quarter and for the year in such detail as the Board of Commissioners  
34 may require.

35           **SECTION 3.** Administrative provisions. – G.S. 160A-215(g) reads as  
36 rewritten:

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

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**SECTION 4.** This act is effective when it becomes law.