

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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**SENATE BILL 339
Finance Committee Substitute Adopted 5/12/05**

Short Title: Town of Ahoskie Occupancy Tax.

(Local)

Sponsors:

Referred to:

March 3, 2005

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THE TOWN OF AHOSKIE 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 Ahoskie Town 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.

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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 Ahoskie shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Town of Ahoskie 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 the town 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.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract

1 tourists or business travelers to the area. The term includes
2 administrative expenses incurred in engaging in the listed activities.

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

8 **SECTION 2.** The Town of Ahoskie Tourism Development Authority. – (a)
9 Appointment and Membership. – When the Ahoskie Town Council adopts a resolution
10 levying a room occupancy tax under this act, it shall also adopt a resolution creating a
11 town Tourism Development Authority, which shall be a public authority under the
12 Local Government Budget and Fiscal Control Act. The resolution shall provide for the
13 membership of the Authority, including the members' terms of office, and for the filling
14 of vacancies on the Authority. At least one-third of the members must be individuals
15 who are affiliated with businesses that collect the tax in the town, and at least
16 three-fourths of the members must be individuals who are currently active in the
17 promotion of travel and tourism in the town. The town council shall designate one
18 member of the Authority as chair and shall determine the compensation, if any, to be
19 paid to members of the Authority.

20 The Authority shall meet at the call of the chair and shall adopt rules of
21 procedure to govern its meetings. The Finance Officer for the Town of Ahoskie shall be
22 the ex officio finance officer of the Authority.

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

27 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the
28 close of the fiscal year to the Ahoskie Town Council on its receipts and expenditures for
29 the preceding quarter and for the year in such detail as the town council may require.

30 **SECTION 3.** G.S. 160A-215(g) reads as rewritten:

31 "(g) This section applies only to Beech Mountain District W, to the Cities of
32 Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington, Lincolnton,
33 Lumberton, Monroe, Mount Airy, Shelby, Statesville, Washington, and Wilmington, to
34 the Towns of Ahoskie, Beech Mountain, Blowing Rock, Carolina Beach, Carrboro,
35 Franklin, Kure Beach, Jonesville, Mooreville, North Topsail Beach, Selma, Smithfield,
36 St. Pauls, Wilkesboro, and Wrightsville Beach, and to the municipalities in Avery and
37 Brunswick Counties."

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