

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 1039
Senate Finance Committee Substitute Adopted 6/23/16

Short Title: Omnibus Occupancy Tax Changes.

(Local)

Sponsors:

Referred to:

May 5, 2016

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE AUTHORIZATION FOR SAMPSON COUNTY OCCUPANCY TAX; TO MODIFY THE YADKIN COUNTY OCCUPANCY TAX; TO MODIFY THE USE OF THE PROCEEDS OF THE JACKSONVILLE CITY OCCUPANCY TAX; TO AUTHORIZE THE CITY OF SANFORD TO LEVY AN OCCUPANCY TAX; TO CREATE A SPECIAL TAXING DISTRICT IN HARNETT COUNTY AND AUTHORIZE THAT SPECIAL TAXING DISTRICT TO LEVY AN OCCUPANCY TAX; AND TO MAKE CHANGES TO THE CUMBERLAND COUNTY OCCUPANCY TAX AND PREPARED FOOD TAX.

The General Assembly of North Carolina enacts:

PART I. INCREASE THE AUTHORIZATION FOR SAMPSON COUNTY TO LEVY AN OCCUPANCY TAX

SECTION 1.1. S.L. 2007-63 reads as rewritten:

"SECTION 1. Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners of Sampson County 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 county 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.(a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Board of Commissioners of Sampson County may levy an additional room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. Sampson County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

"SECTION 1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

...

"SECTION 1.2. Tourism Development Authority. – (a) Appointment and Membership. – When the Board of Commissioners adopts a resolution levying a room occupancy tax under subsection (a) of Section 1 of this act, it shall also adopt a resolution creating the Sampson County Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority,



1 including the members' terms of office, and for the filling of vacancies on the Authority. At least
2 one-third of the members shall be individuals who are affiliated with businesses that collect the tax
3 in the county, and at least one-half of the members shall be individuals who are currently active in
4 the promotion of travel and tourism in the county. The Board of Commissioners shall designate
5 one member of the Authority as chair and shall determine the compensation, if any, to be paid to
6 members of the Authority.

7 The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its
8 meetings. The Finance Officer for Sampson County shall be the ex officio finance officer of the
9 Authority.

10"

11 12 **PART II. MODIFY THE AUTHORIZATIONS FOR OCCUPANCY TAX LEVIES INSIDE** 13 **YADKIN COUNTY**

14 **SECTION 2.1.** Section 2 of S.L. 2007-340 reads as rewritten:

15 "SECTION 2. Yadkin County District Y Created. – Yadkin County District Y is created as a
16 taxing district. Its jurisdiction consists of that part of Yadkin County that is located outside of
17 ~~incorporated areas within the county.~~ the Town of Jonesville. Yadkin County District Y is a body
18 politic and corporate and has the power to carry out the provisions of this act. The Yadkin County
19 Board of Commissioners shall serve ex officio as the governing body of the district, and the
20 officers of the county shall serve as the officers of the governing body of the district. A simple
21 majority of the governing body constitutes a quorum, and approval by a majority of those present
22 is sufficient to determine any matter before the governing body, if a quorum is present."

23 **SECTION 2.2.** The governing body of Yadkin County District Y and the Yadkin
24 County Board of Commissioners shall adopt any resolutions or modify any adopted resolutions, as
25 needed, to carry out the provisions of this act.

26 **SECTION 2.3.** Sections 7 and 8 of S.L. 2007-340 are repealed.

27 **SECTION 2.4.** G.S. 160A-215(g) reads as rewritten:

28 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an
29 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection
30 (c) supersedes that provision. The remainder of this section applies only to Beech Mountain
31 District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro,
32 Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lake Santeetlah, Lenoir,
33 Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville,
34 Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to the Towns of
35 Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone,
36 Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Fontana Dam,
37 Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mocksville,
38 Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Robbinsville,
39 Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson, Wilkesboro,
40 Wrightsville Beach, ~~Yadkinville,~~ and Yanceyville, and to the municipalities in Avery and
41 Brunswick Counties."

42 **SECTION 2.5.** This Part becomes effective July 1, 2016.

43 44 **PART III. MODIFY THE USE OF OCCUPANCY TAX PROCEEDS FOR THE CITY OF** 45 **JACKSONVILLE**

46 **SECTION 3.(a)** Section 1.1(d) of S.L. 2009-429 reads as rewritten:

47 "SECTION 1.1.(d) Distribution and Use of Tax Revenue. – The City of Jacksonville shall, on
48 a quarterly basis, remit the net proceeds of the occupancy tax to the Jacksonville Tourism
49 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
50 under this subsection for tourism-related expenditures and shall use the remainder to promote
51 travel and tourism in Jacksonville and shall use the remainder for tourism related

1 ~~expenditures.~~Jacksonville. Of the funds that are used for tourism-related expenditures, one-half of
2 ~~those funds must be used for the construction of a sports complex by the City of Jacksonville."~~

3 **SECTION 3.(b)** Section 1.1(d) of S.L. 2009-429, as amended by subsection (a) of this
4 section, reads as rewritten:

5 "SECTION 1.1.(d) Distribution and Use of Tax Revenue. – The City of Jacksonville shall, on
6 a quarterly basis, remit the net proceeds of the occupancy tax to the Jacksonville Tourism
7 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it
8 under this subsection ~~for tourism-related expenditures and shall use the remainder~~ to promote
9 travel and tourism and shall use the remainder for tourism-related expenditures in Jacksonville. ~~Of~~
10 ~~the funds that are used for tourism-related expenditures, one-half of those funds must be used for~~
11 ~~the construction of a sports complex by the City of Jacksonville."~~

12 **SECTION 3.(c)** Subsection (a) of this section is effective when it becomes law and
13 expires on July 1, 2026. Subsection (b) of this section becomes effective on July 1, 2026. The
14 remainder of this section is effective when it becomes law.

16 **PART IV. AUTHORIZE THE CITY OF SANFORD TO LEVY AN OCCUPANCY TAX**

17 **SECTION 4.1.** Occupancy Tax. – (a) Authorization and Scope. – The Sanford City
18 Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived
19 from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist
20 camp, or similar place within the city that is subject to sales tax imposed by the State under
21 G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

22 **SECTION 4.1.(b)** Administration. – A tax levied under this section shall be levied,
23 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in
24 G.S. 160A-215 apply to a tax levied under this section.

25 **SECTION 4.1.(c)** Distribution and Use of Tax Revenue. – The City of Sanford shall,
26 on a quarterly basis, remit the net proceeds of the occupancy tax to the Sanford Tourism
27 Development Authority. The Authority shall use two-thirds of the funds remitted to it under this
28 subsection to promote travel and tourism in the City of Sanford and shall use the remainder for the
29 operation, maintenance, promotion, and renovation of the Dennis A. Wicker Civic Center. Any
30 funds dedicated under this subsection for the Dennis A. Wicker Civic Center that are not spent or
31 obligated by the close of a fiscal year may be used by the Authority for the promotion of travel
32 and tourism in the City of Sanford.

33 The following definitions apply in this subsection:

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

44 **SECTION 4.2.** Sanford Tourism Development Authority. – (a) Appointment and
45 Membership. – When the Sanford City Council adopts a resolution levying a room occupancy tax
46 under this act, it shall also adopt a resolution creating a city Tourism Development Authority,
47 which shall be a public authority under the Local Government Budget and Fiscal Control Act. The
48 resolution shall provide for the membership of the Authority, including the members' terms of
49 office, and for the filling of vacancies on the Authority. At least one-third of the members must be
50 individuals who are affiliated with businesses that collect the tax in the city, and at least one-half
51 of the members must be individuals who are currently active in the promotion of travel and

1 tourism in the city. The city council shall designate one member of the Authority as chair and shall
2 determine the compensation, if any, to be paid to members of the Authority.

3 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
4 govern its meetings. The Finance Officer for the City of Sanford shall be the ex officio finance
5 officer of the Authority.

6 **SECTION 4.2.(b) Duties.** – The Authority shall expend the net proceeds of the tax
7 levied under this act for the purposes provided in this act. The Authority shall promote travel,
8 tourism, and conventions in the city and sponsor tourism-related events and activities in the city.

9 **SECTION 4.2.(c) Reports.** – The Authority shall report quarterly and at the close of
10 the fiscal year to the Sanford City Council on its receipts and expenditures for the preceding
11 quarter and for the year in such detail as the city council may require.

12 **SECTION 4.3.** G.S. 160A-215(g) reads as rewritten:

13 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an
14 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection
15 (c) supersedes that provision. The remainder of this section applies only to Beech Mountain
16 District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro,
17 Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lenoir, Lexington, Lincolnton,
18 Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury,
19 Sanford, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech
20 Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina
21 Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Fontana Dam, Franklin, Grover,
22 Hillsborough, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mocksville, Mooresville,
23 Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Robbinsville, Selma,
24 Smithfield, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville
25 Beach, Yadkinville, and Yanceyville, and to the municipalities in Avery and Brunswick
26 Counties."
27

28 **PART V. HARNETT COUNTY OCCUPANCY TAX**

29 **SECTION 5.1.(a) District H Created.** – Harnett County District H is created as a
30 taxing district. Its jurisdiction consists of all of Harnett County exclusive of the Averagesboro
31 Township. Harnett County District H is a body politic and corporate and has the power to carry
32 out the provisions of this section. The Harnett County Board of Commissioners shall serve ex
33 officio as the governing body of the district, and the officers of the board of commissioners shall
34 serve as the officers of the governing body of the district. A simple majority of the governing body
35 constitutes a quorum, and approval by a majority of those present is sufficient to determine any
36 matter before the governing body, if a quorum is present.

37 **SECTION 5.1.(b) Authorization and Scope.** – The governing body of Harnett County
38 District H may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived
39 from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist
40 camp, or similar place within the district that is subject to sales tax imposed by the State under
41 G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales or room occupancy tax.

42 **SECTION 5.1.(c) Administration.** – A tax levied under this section shall be levied,
43 administered, collected, and repealed as provided in G.S. 153A-155 as if Harnett County District
44 H were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

45 **SECTION 5.1.(d) Distribution and Use of Tax Revenue.** – Harnett County District H
46 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Harnett County
47 District H Tourism Development Authority. The Harnett County District H Tourism Development
48 Authority shall use at least two-thirds of the proceeds to promote travel and tourism and shall use
49 the remainder for tourism-related expenditures in the district. In accordance with the North
50 Carolina Constitution and the United States Constitution, the tax proceeds may be used only for
51 the direct benefit of the jurisdiction of Harnett County District H.

1 The following definitions apply in this subsection:

- 2 (1) Net proceeds. – Gross proceeds less the cost to the county of administering and
3 collecting the tax, as determined by the finance officer, not to exceed three
4 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross
5 proceeds collected each year and one percent (1%) of the remaining gross
6 receipts collected each year.
- 7 (2) Promote travel and tourism. – To advertise or market an area or activity,
8 publish and distribute pamphlets and other materials, conduct market research,
9 or engage in similar promotional activities that attract tourists or business
10 travelers to the area. The term includes administrative expenses incurred in
11 engaging in the listed activities.
- 12 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the
13 Tourism Development Authority, are designed to increase the use of lodging
14 facilities, meeting facilities, or convention facilities in the county or to attract
15 tourists or business travelers to the district. The term includes tourism-related
16 capital expenditures.

17 **SECTION 5.2.** Harnett County District H Tourism Development Authority. – (a)
18 Appointment and Membership. – When the governing body of Harnett County District H adopts a
19 resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating the
20 Harnett County District H Tourism Development Authority, which shall be a public authority
21 under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the
22 membership of the Authority, including the members' terms of office, and for the filling of
23 vacancies on the Authority. At least one-third of the members must be individuals who are
24 affiliated with businesses that collect the tax in the district, and at least one-half of the members
25 must be individuals who are currently active in the promotion of travel and tourism in the district.
26 The governing body shall designate one member of the Authority as chair and shall determine the
27 compensation, if any, to be paid to members of the Authority.

28 The Authority shall meet at the call of the chair and shall adopt rules of procedure to
29 govern its meetings. The Finance Officer for Harnett County shall be the ex officio finance officer
30 of the Authority.

31 **SECTION 5.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax
32 levied under this act for the purposes provided in this act. The Authority shall promote travel and
33 tourism in the district and make tourism-related expenditures in the district.

34 **SECTION 5.2.(c)** Reports. – The Authority shall report quarterly and at the close of
35 the fiscal year to the Harnett County Board of Commissioners on its receipts and expenditures for
36 the preceding quarter and for the year in such detail as the board may require.

37 **SECTION 5.3.** G.S. 153A-155(g) reads as rewritten:

38 "(g) Applicability. – Subsection (c) of this section applies to all counties and county
39 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a
40 local act, subsection (c) supersedes that provision. The remainder of this section applies only to
41 Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,
42 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,
43 Durham, Edgecombe, Forsyth, Franklin, Granville, Halifax, Haywood, Henderson, Jackson,
44 Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton,
45 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford,
46 Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and Wilson
47 Counties, to Harnett County District H, New Hanover County District U, ~~to~~ Surry County District
48 S, ~~to~~ Watauga County District U, ~~to~~ Wilkes County District K, ~~to~~ Yadkin County District Y, and
49 ~~to~~ the Township of Averagesboro in Harnett County and the Ocracoke Township Taxing District."
50

51 PART VI. CUMBERLAND COUNTY OCCUPANCY TAX CHANGES

1 **SECTION 6.1.(a)** Chapter 983 of the 1983 Session Laws, as amended by Chapter 484
 2 of the 2001, reads as rewritten:

3 "Section 1. It is the purpose and intent of this act to provide Cumberland County the authority
 4 to levy a transient occupancy tax as hereinafter set forth.

5 "Sec. 2. Occupancy Tax. – (a) Authorization and Scope. – Cumberland County ~~is hereby~~
 6 ~~authorized to impose and may~~ levy a room occupancy tax not to exceed three percent (3%) of the
 7 gross receipts ~~of any person, firm, corporation or association~~ derived from the rental of any
 8 sleeping room or lodging room, lodging, or accommodation furnished ~~in any by a hotel, motel, or~~
 9 inn located in Cumberland County ~~and that is~~ subject to the sales tax imposed by the State under
 10 G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. ~~The tax shall not apply,~~
 11 ~~however, to any room or rooms, lodging or accommodations supplied to the same person for a~~
 12 ~~period of 90 continuous days or more. The tax shall also not apply to sleeping rooms or lodgings~~
 13 ~~furnished by charitable, educational, benevolent or religious institutions or organizations not~~
 14 ~~operated for profit.~~

15 (a1) Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the
 16 Cumberland County Board of Commissioners may levy a room occupancy tax of up to three
 17 percent (3%) of the gross receipts derived from the rental of accommodations taxable under that
 18 subsection. ~~The tax authorized by this subsection may not be levied earlier than January 1, 2002.~~
 19 The levy, ~~collections,~~ collection, administration, use, and repeal of the tax authorized by this
 20 subsection shall be in accordance with this act. Cumberland County may not levy a tax under this
 21 subsection unless it also levies a tax under subsection (a) of this section. ~~The rate of tax levied~~
 22 ~~under this subsection may not exceed the applicable maximum provided in the chart below based~~
 23 ~~on the period for which it is in effect:~~

Period	Maximum
After 1/1/2002	1%
After 1/1/2004	2%
After 1/1/2005	3%

28 (b) Administration. – A tax levied under this act shall be levied, administered, collected,
 29 and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a
 30 tax levied under this act.

31 "Sec. 3. Repealed.

32 "Sec. 4. ~~Distribution and use of the first three percent (3%).~~ (a) Use of Tax Revenue. – The
 33 ~~first fifty percent (50%) of the net proceeds of the occupancy tax levied under subsection (a) of~~
 34 ~~Section 2 of this act shall be retained by the county and shall be allocated for the benefit of the~~
 35 ~~Cumberland County Auditorium Commission to help finance major repairs, renovation,~~
 36 ~~rehabilitation, or other capital improvements to its existing facilities and any new additions. These~~
 37 ~~funds may also be utilized by the Commission as approved by the county board of commissioners~~
 38 ~~for financing construction of new convention oriented or multipurpose facilities. These funds will~~
 39 ~~not be used for the acquisition, construction, renovation, or operation of any sleeping room or~~
 40 ~~overnight lodging. These funds shall be budgeted, appropriated, and expended under the~~
 41 ~~auditorium budget through regular county budgeting appropriation and expenditure methods.~~
 42 used as follows:

- 43 (1) Forty-seven percent (47%) shall be invested in capital needs and improvements
 44 of facilities that enhance travel and tourism within Cumberland County.
- 45 (2) Twenty-six percent (26%) shall be disbursed through contracting with
 46 community organizations or private vendors to promote, market, and advertise
 47 festivals, athletic events and tournaments, arts venues, cultural arts, community
 48 markets, and other events that encourage tourism and travel to Cumberland
 49 County.

1 (3) Twenty percent (20%) shall be disbursed through contracting with community
2 organizations or private vendors to market the community by advertising and
3 promoting travel, tourism, and conventions within Cumberland County.

4 (4) Seven percent (7%) shall be used to market Cumberland County for economic
5 development purposes.

6 (b) ~~The remaining fifty percent (50%) of the net proceeds of the occupancy tax levied~~
7 ~~under subsection (a) of Section 2 of this act collected through June 30, 2002, shall, on a quarterly~~
8 ~~basis, be remitted to the Fayetteville Area Convention and Visitors Bureau specifically for~~
9 ~~advertising the auditorium and promoting travel and tourism within the County of Cumberland.~~
10 ~~Beginning on and after July 1, 2002, the remaining fifty percent (50%) of the net proceeds of the~~
11 ~~occupancy tax levied under subsection (a) of Section 2 of this act shall, on a quarterly basis, be~~
12 ~~remitted to the Cumberland Tourism Development Authority. The Authority shall use the net~~
13 ~~proceeds remitted to it under this subsection specifically for advertising the auditorium and~~
14 ~~promoting travel and tourism within the County of Cumberland.~~

15 ~~"Sec. 4.1. Distribution and use of additional tax.—Cumberland County shall, on a quarterly~~
16 ~~basis, remit the net proceeds of the occupancy tax levied under subsection (a1) of Section 2 of this~~
17 ~~act to the Cumberland Tourism Development Authority. The Authority shall use fifty percent~~
18 ~~(50%) of these net proceeds to promote travel and tourism in Cumberland County and for~~
19 ~~tourism-related expenditures in Cumberland County. The remaining fifty percent (50%) shall be~~
20 ~~distributed to the Arts Council of Fayetteville/Cumberland County for arts festivals and other arts~~
21 ~~events that will draw tourists or other business travelers to the area. The Authority and the Arts~~
22 ~~Council are encouraged to give favorable consideration to tourism-related expenditures of the~~
23 ~~Seniors Call to Action Team, Inc. (SCAT) and the Martin Luther King, Jr. Committee.~~

24 ~~"Sec. 4.2. Definitions. — The following definitions apply in this act:~~

25 (1) ~~Net Proceeds.—proceeds. — Gross proceeds less the cost to the county of~~
26 ~~administering and collecting the tax, as determined by the finance officer, not to~~
27 ~~exceed three percent (3%) of the first five hundred thousand dollars (\$500,000)~~
28 ~~of gross proceeds collected each year and one percent (1%) of the remaining~~
29 ~~gross receipts collected each year.~~

30 (2) ~~Promote Travel and Tourism.—travel and tourism. — To advertise or market an~~
31 ~~area or activity, publish and distribute pamphlets and other materials, conduct~~
32 ~~market research, or engage in similar promotional activities that attract tourists~~
33 ~~or business travelers to the area; the term includes administrative expenses~~
34 ~~incurred in engaging in these activities.~~

35 (3) ~~Tourism Related Expenditures.—Expenditures that, in the judgment of the~~
36 ~~Tourism Development Authority, are designed to increase the use of lodging~~
37 ~~facilities, meeting facilities, and convention facilities in a county by attracting~~
38 ~~tourists or business travelers to the county. The term includes tourism-related~~
39 ~~capital expenditures.~~

40 ~~"Sec. 5.(a) Appointment and Membership of Tourism Development Authority.—When the~~
41 ~~Cumberland County Board of Commissioners adopts a resolution levying a room occupancy tax~~
42 ~~under this act, it shall adopt a resolution creating a county Tourism Development Authority, which~~
43 ~~shall be a public authority under the Local Government Budget and Fiscal Control Act. The~~
44 ~~resolution shall provide for the membership of the Authority including the members' terms of~~
45 ~~office and for the filling of vacancies on the Authority. The county board of commissioners shall~~
46 ~~designate one member of the Authority as chair and shall determine the compensation, if any, to~~
47 ~~be paid to members of the Authority. All members to the Authority, whether in an appointed or ex~~
48 ~~officio capacity, shall have equal rights and privileges. The Authority shall be composed of the~~
49 ~~following members:~~

- 1 (1) ~~Two representatives nominated by hotels and motels within the county which~~
 2 ~~have in excess of 100 rooms subject to this occupancy tax and appointed by the~~
 3 ~~county board of commissioners.~~
 4 (2) ~~Two representatives nominated by hotels and motels within the county which~~
 5 ~~have fewer than 100 rooms subject to this occupancy tax and appointed by the~~
 6 ~~county board of commissioners.~~
 7 (3) ~~The President of the Fayetteville Area Chamber of Commerce, in an ex officio~~
 8 ~~capacity.~~
 9 (4) ~~The County Manager of Cumberland County, in an ex officio capacity.~~
 10 (5) ~~One member of the public who is not affiliated with travel and tourism and who~~
 11 ~~reflects the cultural diversity of the county.~~

12 (b) ~~Duties.—The Authority shall expend the net proceeds of the tax levied under this act~~
 13 ~~for the purposes provided in this act. The Authority shall promote travel, tourism, and conventions~~
 14 ~~in the county, sponsor tourist related events and activities in the county, and finance tourist related~~
 15 ~~capital projects in the county.~~

16 (c) ~~Reports.—The Authority shall report quarterly and at the close of the fiscal year to the~~
 17 ~~county board of commissioners on its receipts and expenditures for the preceding quarter and for~~
 18 ~~the year in such detail as the board may require.~~

19 "Sec. 6. Chapter 360 of the 1965 Session Laws is amended as follows:

- 20 (1) by deleting the word "Treasurer" in the third sentence of Section 1(b)(3) of that
 21 act and substituting the words "County Manager"; and
 22 (2) by adding a new sentence at the end of Section 3 of that act to read:
 23 "Occupancy tax revenues as authorized in AN ACT TO AUTHORIZE AND
 24 IMPLEMENT AN OCCUPANCY TAX IN CUMBERLAND COUNTY may
 25 be utilized by the Auditorium Commission, as approved by the board of county
 26 commissioners, in aiding and encouraging convention and visitor promotion in
 27 Cumberland County.

28 "Sec. 7. This act is effective upon ratification."

29 **SECTION 6.1.(b)** Within 60 days of the effective date of this act, the Cumberland
 30 County Board of Commissioners shall adopt a resolution dissolving the Cumberland County
 31 Tourism Development Authority.

32 **SECTION 6.2.(a)** Section 7 of Chapter 413 of the 1993 Session Laws is repealed.

33 **SECTION 6.2.(b)** Section 8 of Chapter 413 of the 1993 Session Laws reads as
 34 rewritten:

35 "Sec. 8. Use of Proceeds. – The county shall ~~transfer the proceeds of the prepared food and~~
 36 ~~beverage tax to the Cumberland County Civic Center Commission, an agency of Cumberland~~
 37 ~~County. The proceeds transferred to the Cumberland County Civic Center Commission retain the~~
 38 ~~proceeds of the prepared food and beverage tax and shall be used use the proceeds as follows:~~

- 39 (1) ~~(i) to~~ To provide for, when due, payments for the current fiscal year with
 40 respect to any financing for new arena facilities or for the expansion of the
 41 existing arena facilities, which may include off-street parking for use in
 42 conjunction with the ~~facilities and (ii) to~~ facilities.
 43 (2) To pay other costs of acquiring, constructing, maintaining, operating,
 44 marketing, and promoting the new arena or expanded arena facilities.
 45 (3) For any purpose that promotes or enhances tourism, travel, arts, entertainment,
 46 and sports venues and activities within Cumberland County.

47 The Commission may contract with any person, agency, association, or nonprofit corporation
 48 to carry out the activities and programs for which the tax proceeds may be expended. All contracts
 49 entered into pursuant to this subsection shall require an annual financial audit of any funds
 50 expended and a performance audit of contractual obligations."

1 **SECTION 6.2.(c)** Section 11 of Chapter 413 of the 1993 Session Laws reads as
2 rewritten:

3 "Sec. 11. Repeal. – A tax levied under this act may be repealed by a resolution adopted by the
4 Cumberland County Board of Commissioners. ~~The Cumberland County Board of Commissioners~~
5 ~~shall repeal the tax when the new or expanded arena facilities for which the tax was imposed are~~
6 ~~constructed and any debt for those facilities has been paid.~~ Repeal of a tax levied under this act
7 shall become effective on the first day of a month and may not become effective until the end of
8 the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied under this act
9 does not affect a liability for a tax that has attached before the effective date of the repeal, nor does
10 it affect a right to a refund of a tax that accrued before the effective date of the repeal."

11
12 **PART VII. EFFECTIVE DATE**

13 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes law.