

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

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**HOUSE BILL 213  
Committee Substitute Favorable 3/14/23**

Short Title: Indian Trail/Stallings Occupancy Tax Auth. (Local)

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Sponsors:

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Referred to:

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March 1, 2023

A BILL TO BE ENTITLED  
AN ACT TO AUTHORIZE THE TOWN OF INDIAN TRAIL AND A PORTION OF THE  
TOWN OF STALLINGS TO EACH LEVY AN OCCUPANCY TAX, IF APPROVED IN  
A REFERENDUM.

The General Assembly of North Carolina enacts:

**PART I. INDIAN TRAIL OCCUPANCY TAX**

**SECTION 1.1.** Occupancy tax. – (a) Authorization and Scope. – If the majority of those voting in a referendum held pursuant to subsection (b) of this section vote for the levy of the tax, the Town Council of the Town of Indian Trail may levy a room occupancy tax of up to five percent (5%) of the gross receipts derived from the rental of an accommodation 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.

**SECTION 1.1.(b)** Referendum. – Notwithstanding G.S. 160A-215(b), a room occupancy tax authorized under subsection (a) of this section may be levied only if all of the following conditions are met:

- (1) The Town Council of the Town of Indian Trail directs the county board of elections to conduct an advisory referendum on the question of whether to levy the room occupancy tax.
- (2) The election is held in accordance with the procedures of G.S. 163-287, and the form of the question to be presented on the ballot concerning the room occupancy tax is as follows:

" [ ] FOR [ ] AGAINST

The levy of a room occupancy tax in the amount of up to five percent (5%) of the gross receipts derived from the rental of an accommodation located within the town."

- (3) A majority of those voting in the referendum vote for the levy of the room occupancy tax.
- (4) The Town Council of the Town of Indian Trail adopts a resolution levying the room occupancy tax after providing not less than 10 days' public notice of the levy. A room occupancy tax shall become effective on the date specified in the resolution levying the tax, which must be the first day of a calendar month and may not be earlier than the first day of the second month after the date the resolution is adopted.

**SECTION 1.1.(c)** Rate Increase. – The Town Council of the Town of Indian Trail may, by resolution and after not less than 10 days' public notice and a public hearing, increase



1 the rate of the tax to a rate not in excess of that approved in an election held pursuant to subsection  
2 (b) of this section. A rate increase shall become effective on the date specified in the resolution  
3 levying the increase, which must be the first day of a calendar month and may not be earlier than  
4 the first day of the second month after the date the resolution is adopted.

5 **SECTION 1.1.(d)** Administration. – A tax levied under this section shall be  
6 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
7 G.S. 160A-215 apply to a tax levied under this section.

8 **SECTION 1.1.(e)** Distribution and Use of Tax Revenue. – The Town of Indian Trail  
9 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Indian Trail Tourism  
10 Development Authority. The Authority shall use at least two-thirds of the funds remitted to it  
11 under this subsection to promote travel and tourism and shall use the remainder for  
12 tourism-related expenditures in the Town of Indian Trail.

13 The following definitions apply in this section:

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

29 **SECTION 1.2.** Tourism Development Authority. – (a) Appointment and  
30 Membership. – When the Town Council adopts a resolution levying a room occupancy tax under  
31 this Part, it shall also adopt a resolution creating the Indian Trail Tourism Development  
32 Authority, which shall be a public authority under the Local Government Budget and Fiscal  
33 Control Act. The resolution shall provide for the membership of the Authority, including the  
34 members' terms of office, and for the filling of vacancies on the Authority. At least one-third of  
35 the members shall be individuals who are affiliated with businesses that collect the tax in the  
36 town, and at least one-half of the members shall be individuals who are currently active in the  
37 promotion of travel and tourism in the town. The Town Council shall designate one member of  
38 the Authority as chair and shall determine the compensation, if any, to be paid to members of the  
39 Authority.

40 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
41 govern its meetings. The finance officer for the Town of Indian Trail shall be the ex officio  
42 finance officer of the Authority.

43 **SECTION 1.2.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
44 levied under this Part for the purposes provided in Section 1.1(e) of this Part. The Authority shall  
45 promote travel, tourism, and conventions in the town; sponsor tourist-related events and activities  
46 in the town; and finance tourist-related capital projects in the town.

47 **SECTION 1.2.(c)** Reports. – The Authority shall report quarterly and at the close of  
48 the fiscal year to the Indian Trail Town Council on its receipts and expenditures for the preceding  
49 quarter and for the year in such detail as the Town Council may require.

## 50 **PART II. STALLINGS OCCUPANCY TAX**

1 SECTION 2.1. Stallings District S Created. – Stallings District S is created as a  
2 taxing district. Its jurisdiction consists of only that part of the Town of Stallings that is located  
3 within Union County. Stallings District S is a body politic and corporate and has the power to  
4 carry out the provisions of this Part. The Stallings Town Council shall serve ex officio as the  
5 governing body of the district, and the officers of the town shall serve as the officers of the  
6 governing body of the district. A simple majority of the governing body constitutes a quorum,  
7 and approval by a majority of those present is sufficient to determine any matter before the  
8 governing body, if a quorum is present.

9 SECTION 2.2. Occupancy tax. – (a) Authorization and Scope. – If the majority of  
10 those voting in a referendum held pursuant to subsection (b) of this section vote for the levy of  
11 the tax, the governing body of Stallings District S may levy a room occupancy tax of up to five  
12 percent (5%) of the gross receipts derived from the rental of an accommodation within the district  
13 that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition  
14 to any State or local sales tax.

15 SECTION 2.2.(b) Referendum. – Notwithstanding G.S. 160A-215(b), a room  
16 occupancy tax authorized under subsection (a) of this section may be levied only if all of the  
17 following conditions are met:

- 18 (1) The governing body of Stallings District S directs the county board of  
19 elections to conduct an advisory referendum on the question of whether to  
20 levy the room occupancy tax.
- 21 (2) The election is held in accordance with the procedures of G.S. 163-287, and  
22 the form of the question to be presented on the ballot concerning the room  
23 occupancy tax is as follows:

24 "[ ] FOR [ ] AGAINST

25 The levy of a room occupancy tax in the amount of up to five percent (5%) of  
26 the gross receipts derived from the rental of an accommodation located within  
27 the part of the Town of Stallings that is in Union County."

- 28 (3) A majority of those voting in the referendum vote for the levy of the room  
29 occupancy tax.
- 30 (4) The governing body of Stallings District S adopts a resolution levying the  
31 room occupancy tax after providing not less than 10 days' public notice of the  
32 levy. A room occupancy tax shall become effective on the date specified in  
33 the resolution levying the tax, which must be the first day of a calendar month  
34 and may not be earlier than the first day of the second month after the date the  
35 resolution is adopted.

36 SECTION 2.2.(c) Rate Increase. – The governing body of Stallings District S may,  
37 by resolution and after not less than 10 days' public notice and a public hearing, increase the rate  
38 of the tax to a rate not in excess of that approved in an election held pursuant to subsection (b) of  
39 this section. A rate increase shall become effective on the date specified in the resolution levying  
40 the increase, which must be the first day of a calendar month and may not be earlier than the first  
41 day of the second month after the date the resolution is adopted.

42 SECTION 2.2.(d) Administration. – A tax levied under this section shall be  
43 administered, collected, and repealed as provided in G.S. 160A-215 as if Stallings District S were  
44 a city. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

45 SECTION 2.2.(e) Distribution and Use of Tax Revenue. – Stallings District S shall,  
46 on a quarterly basis, remit the net proceeds of the occupancy tax to the Stallings District S  
47 Tourism Development Authority. The Authority shall use at least two-thirds of the proceeds  
48 remitted to it to promote travel and tourism and shall use the remainder for tourism-related  
49 expenditures. In accordance with the North Carolina Constitution and the United States  
50 Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of

1 Stallings District S. None of the proceeds may be used to promote travel or tourism or for  
2 tourism-related expenditures in areas within the Town of Stallings that are outside of the district.

3 The following definitions apply in this section:

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

19 **SECTION 2.3.** Stallings District S Tourism Development Authority. – (a)  
20 Appointment and Membership. – When the governing body of the district adopts a resolution  
21 levying a room occupancy tax under this Part, it shall also adopt a resolution creating the Stallings  
22 District S Tourism Development Authority, which shall be a public authority under the Local  
23 Government Budget and Fiscal Control Act. The resolution shall provide for the membership of  
24 the Authority, including the members' terms of office, and for the filling of vacancies on the  
25 Authority. At least one-third of the members must be individuals affiliated with businesses that  
26 collect the tax in the district, and at least one-half of the members must be individuals currently  
27 active in the promotion of travel and tourism in the district. The governing body of the district  
28 shall designate one member of the Authority as chair and shall determine the compensation, if  
29 any, to be paid to members of the Authority.

30 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
31 govern its meetings. The finance officer for the governing body of the district shall be the ex  
32 officio finance officer of the Authority.

33 **SECTION 2.3.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
34 levied under this Part for the purposes provided in Section 2.2(e) of this Part. The Authority shall  
35 promote travel, tourism, and conventions in the district; sponsor tourist-related events and  
36 activities in the district; and finance tourist-related capital projects in the district.

37 **SECTION 2.3.(c)** Reports. – The Authority shall report quarterly and at the close of  
38 the fiscal year to the governing body of the district on its receipts and expenditures for the  
39 preceding quarter and for the year in such detail as the governing body of the district may require.

#### 40 **PART III. APPLICABILITY AND EFFECTIVE DATE**

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

42 "(g) Applicability. – Subsection (c) of this section applies to all cities that levy an  
43 occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection  
44 (c) supersedes that provision. The remainder of this section applies only to Beech Mountain  
45 District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro,  
46 Greensboro, Hickory, High Point, Indian Trail, Jacksonville, Kings Mountain, Lake Santeetlah,  
47 Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly,  
48 Reidsville, Roanoke Rapids, Salisbury, Sanford, Shelby, Statesville, Washington, and  
49 Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock,  
50 Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas,  
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1 Dobson, Elkin, Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach,  
2 Leland, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke,  
3 Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon,  
4 West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, Yanceyville, to the municipalities  
5 in Avery and Brunswick Counties, and to Saluda District ~~D~~D and Stallings District S."

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