

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

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**SENATE DRS65044-SVx-22A\* (05/17)**

Short Title:   Town of Pembroke Occupancy Tax. (Local)

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Sponsors:    Senator Walters.

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Referred to:

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1                                   A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE THE TOWN OF PEMBROKE TO LEVY A THREE PERCENT  
3 ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

4 The General Assembly of North Carolina enacts:

5           **SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – The Town Council  
6 of the Town of Pembroke may levy a room occupancy tax of up to three percent (3%) of the  
7 gross receipts derived from the rental of any room, lodging, or accommodation furnished by a  
8 hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax  
9 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local  
10 sales tax. This tax does not apply to accommodations furnished by nonprofit charitable,  
11 educational, or religious organizations when furnished in furtherance of their nonprofit  
12 purpose.

13           **SECTION 1.(b)** Administration. – A tax levied under this section shall be levied,  
14 administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in  
15 G.S. 160A-215 apply to a tax levied under this section.

16           **SECTION 1.(c)** Distribution and Use of Tax Revenue. – The Town of Pembroke  
17 shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Pembroke  
18 Tourism Development Authority. The Authority shall use at least two-thirds of the funds  
19 remitted to it under this subsection to promote travel and tourism in the Town of Pembroke and  
20 shall use the remainder for tourism-related expenditures.

21           The following definitions apply in this subsection:

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



1 to attract tourists or business travelers to the town. The term includes  
2 tourism-related capital expenditures.

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

14 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
15 govern its meetings. The finance officer for the Town of Pembroke shall be the ex officio  
16 finance officer of the Authority.

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

21 **SECTION 2.(c)** Reports. – The Authority shall report quarterly and at the close of  
22 the fiscal year to the Pembroke Town Council on its receipts and expenditures for the preceding  
23 quarter and for the year in such detail as the Town Council may require.

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

25 "(g) This section applies only to Beech Mountain District W, to the Cities of Belmont,  
26 Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Greensboro, Hickory, High Point,  
27 Jacksonville, Kings Mountain, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe,  
28 Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Shelby, Statesville,  
29 Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Blowing  
30 Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cramerton, Dallas, Dobson,  
31 Elkin, Franklin, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mooresville, North  
32 Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Selma, Smithfield, St. Pauls, Troutman,  
33 Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to  
34 the municipalities in Avery and Brunswick Counties."

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