

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**SENATE DRS65351-LYx-163 (4/21)**

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

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Sponsors: Senator Carpenter.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF FRANKLIN 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 Aldermen of the Town of Franklin 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 – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215.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 Franklin shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Franklin 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 Franklin 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 the Franklin Tourism Development Authority, are designed to increase  
8 the use of lodging facilities, meeting facilities, or convention facilities  
9 in the town or to attract tourists or business travelers to the town. The  
10 term includes tourism-related capital expenditures.

11 **SECTION 2.** Tourism Development Authority. – (a) Appointment and  
12 Membership. – When the Board of Aldermen adopts a resolution levying a room  
13 occupancy tax under this act, it shall also adopt a resolution creating the Franklin  
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 must be individuals  
18 who are affiliated with businesses that collect the tax in the town and at least  
19 three-fourths of the members must be individuals who are currently active in the  
20 promotion of travel and tourism in the town. The Board of Aldermen shall designate  
21 one member of the Authority as chair and shall determine the compensation, if any, to  
22 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 Franklin 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 Aldermen on its receipts and expenditures for the  
33 preceding quarter and for the year in such detail as the Board of Aldermen may require.

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

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

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