



HOUSE BILL 220: Lansing and Jefferson Occ. Tax Authorization.

2023-2024 General Assembly

Committee:	House Local Government. If favorable, re- refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 7, 2023
Introduced by:	Rep. Pickett	Prepared by:	Nicholas Giddings Staff Attorney
Analysis of:	PCS to First Edition H220-CSBAxf-7		

OVERVIEW: *House Bill 220 would authorize the Towns of Lansing and Jefferson to each levy a room occupancy tax of 3%. The proceeds must be remitted to their respective town tourism development authority. At least two-thirds of the proceeds must be used to promote travel and tourism and the remainder must be used for tourism-related expenditures. This bill conforms to the Guidelines for Occupancy Tax adhered to by the House Finance Committee.*

The PCS makes two technical changes to the bill: (1) to combine the listing of the Towns of Lansing and Jefferson under G.S. 160A-215(g) into one section, rather than listed separately in two separate sections, and (2) to add reference to the Town of Jefferson Board of Aldermen in one instance where it was accidentally omitted.

CURRENT LAW: The Towns of Lansing and Jefferson are located in Ashe County, which has the authority to levy a 3% room occupancy tax.¹

BILL ANALYSIS: Part I of House Bill 220 would authorize the Town of Lansing to levy a 3% room occupancy tax. When the town adopts a resolution to levy the occupancy tax, they would also be required to adopt a resolution to create the Lansing Tourism Development Authority. The proceeds of the tax must be remitted to the Lansing Tourism Development Authority. At least two-thirds of the proceeds must be used to promote travel and tourism and the remainder for tourism-related expenditures.

Part II of House Bill 220 would authorize the Town of Jefferson to levy a 3% room occupancy tax. When the town adopts a resolution to levy the occupancy tax, they would also be required to adopt a resolution to create the Jefferson Tourism Development Authority. The proceeds of the tax must be remitted to the Jefferson Tourism Development Authority. At least two-thirds of the proceeds must be used to promote travel and tourism and the remainder for tourism-related expenditures.

EFFECTIVE DATE: This act would be effective when it becomes law.

BACKGROUND: In 1997, the General Assembly enacted uniform municipal and county administrative provisions for occupancy tax,² which provide uniformity among counties and cities with respect to the levy, administration, collection, repeal, and imposition of penalties. In 1993, the House Finance Committee established the Occupancy Tax Guidelines, which address the rate of tax, the use of the tax

¹ [S.L. 1991-163](#).

² G.S. 153A-155 and G.S. 160A-215.

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578

House 220 PCS

Page 2

proceeds, the administration of the tax, and the body with authority to determine how the proceeds will be spent. A summary of these provisions is detailed in the chart below.

UNIFORM OCCUPANCY TAX PROVISIONS
Rate – The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.
Use – Two-thirds of the proceeds must be used to promote travel and tourism and the remainder must be used for tourism-related expenditures.
Definitions The term "net proceeds", "promote travel and tourism", and "tourism-related expenditures" are defined terms.
Administration – The net revenues must be administered by a local tourism development authority that has the authority to determine how the tax proceeds will be used, is created by a local ordinance, and at least 1/2 of the members must be currently active in the promotion of travel and tourism in the county and 1/3 of the members must be affiliated with organizations that collect the tax.
Costs of Collection – The taxing authority may retain from the revenues its actual costs of collection, not to exceed 3% of the first \$500,000 collected each year plus 1% of the remainder collected each year.