



**TOWN OF HOLDEN BEACH
AUDIT COMMITTEE MEETING
HOLDEN BEACH TOWN HALL – PUBLIC ASSEMBLY
FRIDAY, SEPTEMBER 19, 2025 - 1:00 P.M.**

1. Call to Order
2. Agenda Approval
3. Approval of Minutes
4. Public Comment
5. Discussion and Possible Action on Taskers from the Board
 - a. Advising the Board Regarding Potential Improvements to the Management of the BPART Fund Balance
 - b. Potential Improvements to the Collection of Occupancy Tax Revenues
6. Adjournment



**TOWN OF HOLDEN BEACH
AUDIT COMMITTEE
TUESDAY, MARCH 18, 2025-3:30PM**

The Audit Committee of the Town of Holden Beach, North Carolina met for a meeting on Tuesday, March 18, 2025 at 3:30 p.m. in the Town Hall Public Assembly. Present were Mayor Pro Tem Tom Myers (Chair), Regular Members Mary Vail Ware, Tim Thronson; Finance Officer Daniel McRainey; Fiscal Operation Clerk Penny King; Member Gracie Lam came in 42 seconds after meeting started.

AGENDA APPROVAL

Motion to approve the agenda by Tim Thronson; second by Member Mary Vail Ware; approved by unanimous vote.

APPROVAL OF MINUTES

Motion by Member Thronson to approve the minutes (November 18, 2024); second by Member Ware; approved by unanimous vote.

**REVIEW OF PROPOSED AUDIT CONTRACT BETWEEN THE TOWN AND MARTIN STARNES
FOR FISCAL YEAR 2024-2025**

Mayor Pro Tem Myers pointed out the contract would be approved/disapproved at the Commissioner's meeting on March 18, 2025, at 5:00 p.m. if anything of concern can be reported at this time. Member Thronson suggested that the limits and liabilities should be negotiated along with the mediation provisions as well for the next year's Audit. Member Thronson suggested that the Audit Committee finds the contract acceptable and would recommend the BOC's approval of the contract as drafted.

Motion to approve the review of audit contract by Member Thronson; seconded by Member Ware; approved by unanimous vote.

DISCUSS REVISED MONTHLY FINANCIAL REPORTS

Mayor Pro Tem Myers discussed the monthly reports that are attached to the agenda. The committee seemed to be good on how the funds were being used. Member Thronsdon, Member Ware, and Member Lam suggested that the descriptions for the funds be more detailed for the BPART Fund. Mayor Pro Tem Myers talked about when the CIP's were going to be in the budget meeting and he would be getting dates to Daniel McRainey, Finance Officer.

ADJOURNMENT

Motion to adjourn at 4:28 p.m. by Member Thronsdon; second by Member Ware; approved by unanimous vote.



**TOWN OF HOLDEN BEACH
AUDIT COMMITTEE
TUESDAY, APRIL 8, 2025-9:00AM**

The Audit Committee of the Town of Holden Beach, North Carolina met for a meeting on Tuesday, April 8, 2025 at 9:00 a.m. in the Town Hall Public Assembly. Present were Mayor Pro Tem Tom Myers (Chair), Regular Members Kent Steeves, Tim Thronson and Mary Vail Ware; Alternate Member Cedric Scott; Finance Officer Daniel McRaney; Fiscal Operation Clerk Penny King.

AGENDA APPROVAL

Motion to approve the agenda by Mayor Pro Tem Tom Myers; second by Member Thronson; approved by unanimous vote.

PUBLIC COMMENT

No public present at meeting.

3A. Mayor Pro Tem Tom Myers refreshed Member Steeves and Alternate Member Scott about the monthly report that shows monthly revenues in green compared to last year, monthly expenses in this year versus last year. So, you can kind of see month on month where we compare to last year and where the money's coming in. And we've got lines that that are running for cumulative. You can see when the greens above the red, we're running a surplus, you know early in the year we were not. So, I did solicit feedback from the commissioners. They would like to see that fund balance number and say okay here is the fund balance number for general fund, BPART, water and sewer.

DISCUSSION ON CAPITAL IMPROVEMENT PLAN

Mayor Pro Tem Myers along with Member Thronson suggested ways to organize the CIP to read and understand it better. They suggested if the top line was the beginning of the year fund balance and follow through with all the transactions in detail, it will provide the Commissioners more information to follow and be easier to understand where all money is being spent each year. Breaking out general fund, water, sewer, BPART, dredging, inlet or and sand was discussed with a one-page summary for each one, that describes the purpose

of that fund, the assumptions that are behind it and somehow the scope of it. The purpose of it then to know we've got enough funding revenues and expenses and then actually the assumptions would be behind you.

ADJOURNMENT

Motion to adjourn at 11:08 a.m. by Mayor Pro Tem Tom Myers (Chair); second by Member Thronson; approved by unanimous vote.



**TOWN OF HOLDEN BEACH
AUDIT COMMITTEE
THURSDAY, JUNE 26, 2025 – 4:00 P.M.**

The Audit Committee of the Town of Holden Beach, North Carolina met for a meeting on Thursday, June 26, 2025, at 4:00 p.m. in the Town Hall Public Assembly. Present were Mayor Pro Tem Tom Myers (Chair), Regular Members Grace Lam and Tim Thronson; Alternate Member Cedric Sott; Finance Officer Daniel McRaney; Tax Collector Penny King.

AGENDA APPROVAL

No one wanted to add anything to the agenda.

APPROVAL OF MINUTES

No minutes to approve currently.

REVIEW OF AUDIT TIMELINE AND SCOPE OF WORK

Elsa Swenson from Martin Starnes and Associates reviewed and answered questions from the committee.

ADJOURNMENT

Motion to adjourn at 4:24 p.m. by Member Thronson; second by Member Ware; approved by unanimous vote.

Fund Balance Policy for the Town of Holden Beach's Beach, Parks, Access, and Recreation (BPART) Special Revenue Fund

Purpose

The purpose of this Fund Balance Policy is to establish guidelines for the management and use of the fund balance within the Town of Holden Beach's Beach, Parks, Access, and Recreation (BPART) special revenue fund. The policy aims to ensure compliance with applicable legal requirements, financial stability, adequate reserves, and support for the town's recreational and environmental initiatives responsibly.

Scope

This policy applies to the BPART special revenue fund, which is designated for activities and projects related to the development, maintenance, and enhancement of Holden Beach's beaches, parks, public access, and recreational facilities, while adhering to any applicable federal, state, and local laws governing the fund's usage.

Definitions

Fund Balance

The fund balance represents the difference between the assets and liabilities of the BPART special revenue fund at the end of a fiscal year. It is categorized as follows:

- **Restricted:** Amounts constrained by external laws, regulations, or grant requirements.
- **Committed:** Amounts formally designated by ordinance for specific purposes.
- **Assigned:** Amounts intended for specific purposes but not formally committed.
- **Unassigned:** Amounts available for use at the discretion of the governing body, typically for emergencies or unforeseen circumstances.

Policy Guidelines

Target Fund Balance

The Town of Holden Beach shall maintain a minimum fund balance of **??%** to ensure adequate resources for emergencies, unexpected costs, or revenue shortfalls, in compliance with applicable legal and financial regulations.

Use of Fund Balance

- **Restricted Funds:** These funds shall be used strictly in accordance with their designated purposes as mandated by legal requirements. **Examples include:**
- **Committed and Assigned Funds:** Committed funds shall only be used for the purposes approved by the Board of Commissioners, while assigned funds may be used for projects or initiatives endorsed by the governing body, ensuring alignment with legal and regulatory standards. **Examples include:**
- **Unassigned Funds:** Unassigned funds may be utilized for emergencies, unforeseen expenses, or one-time projects that align with the objectives of the BPART fund and comply with relevant laws.

Replenishment of Fund Balance

If the unassigned fund balance falls below the stated threshold, the Town shall develop a plan to replenish the fund **within an established timeframe**, ensuring adherence to legal requirements. This may include budgetary adjustments, cost-saving initiatives, or revised revenue strategies.

Annual Review

The BPART fund's balance shall be reviewed annually during the budget process. The Board of Commissioners shall evaluate the fund's financial position and ensure compliance with this policy and any applicable laws.

Monitoring and Reporting

The Town's finance department shall monitor the BPART fund's balance and provide regular reports to the Board of Commissioners. These reports will include:

- A summary of fund balance categories and amounts.
- An analysis of compliance with the target fund balance policy and applicable legal requirements.

- Recommendations for adjustments, if necessary.

Legal Compliance

The administration and usage of the BPART special revenue fund shall comply with all applicable laws, including federal, state, and local regulations. In particular, the use of occupancy tax revenues shall adhere to the requirements of North Carolina State Statutes, which mandate that funds derived from the occupancy tax be utilized to promote tourism, beach maintenance, public access projects, and related recreational infrastructure. Any updates to legal requirements shall be incorporated into this policy to ensure ongoing compliance.

Amendments

This policy may be amended by the Board of Commissioners to reflect changes in financial conditions, goals, or regulatory requirements, including updates to applicable legal standards.

Effective Date

This Fund Balance Policy shall take effect immediately upon approval by the Board of Commissioners.

Conclusion

By adopting this Fund Balance Policy for the BPART special revenue fund, the Town of Holden Beach ensures responsible financial stewardship, compliance with legal requirements, supports beach nourishment and recreational objectives, and promotes the long-term sustainability of its resources.



Coates' Canons NC Local Government Law

Occupancy Taxes and "Tourism-Related Expenditures"

Published: 04/04/24

Author Name: Chris McLaughlin

Nearly 200 North Carolina counties and municipalities levy occupancy taxes. Almost all of them are required to use some percentage of their occupancy tax revenues for "tourism-related" expenditures. Last week our state courts issued their first appellate opinion examining exactly what types of expenditures qualify as "tourism related."

In Costanzo v. Currituck County, the county's use of occupancy tax funds was challenged by residents and businesses from Corolla, the town that generates a large majority of the county's occupancy tax revenues. The plaintiffs argued that the county's occupancy tax expenditures on public safety services and equipment, water treatment facility construction, park facilities maintenance, and historic building restoration were not related to tourism.

The trial court that originally heard the case ruled in favor of the county and rejected the plaintiffs' challenges. But the Court of Appeals disagreed. It reversed the trial court's decision and determined that at least one category of expenditures—public safety costs such as police, fire, emergency medical services and equipment—was not "tourism-related" and therefore constituted an impermissible use of occupancy tax funds.

Did the court get this case right? What does this opinion mean for the many other North Carolina local governments that are also required to spend their occupancy tax funds for "tourism-related" purposes?

To answer those questions, we need to take a closer look at Currituck County's occupancy tax authority

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<https://canons.sog.unc.edu/2026/04/occupancy-taxes-and-tourism-related-expenditures/>
and how it compares to others across the state.

It's All About the Local Bill

As I discussed in [this blog post](#), North Carolina local governments may not levy occupancy taxes on the short-term rental of accommodations such as hotels and Airbnb units without first obtaining specific authorization from the General Assembly in the form of local bills.

Most local bills require local governments to create a tourism development authorities (“TDAs”) to make specific decisions about how to spend occupancy tax funds. TDAs generally must use those funds to “promote travel and tourism” and for “tourism-related expenditures,” a term usually defined as those that “in the judgment of the TDA, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.”

Beyond that definition, local governments and TDAs did not have much guidance on what exactly qualified as a tourism-related expenditure. By far the most common question I receive about occupancy taxes is, “Can we spend occupancy taxes on [. . .]?” A new bandstand in the town park? Road improvements? Increased police patrols or trash pick-ups during tourist season?

My answers have always been a bit ambiguous, because reasonable people can disagree on exactly what expenditures are related to tourism. I could make a case that almost any expenditure other than education costs might be tourism related. Tourists likely do not care about the quality of local schools

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when deciding where to spend their vacations. But they might care about whether they feel safe when walking around downtown or if public trash bins are overflowing or if there is sufficient public parking near the beach.

Absent additional guidance from the legislature or the courts, I often said, we don't really know where the line is drawn between tourism-related and non-tourism-related expenditures.

Now we have some additional guidance from the courts. Before we dive into that opinion and its potential lessons for other local governments, I offer a little legislative history from Currituck County.

Occupancy Taxes in Currituck County

When the county first obtained permission to levy a 3% occupancy tax in 1987, Currituck was required to use 75% of the proceeds "only for tourist related purposes, including construction and maintenance of public facilities and buildings, garbage, refuse, and solid waste collection and disposal, police protection, and emergency services." The remaining 25% could be used by the county for any lawful purpose. (Session Law 1987-209).

In 1999, the County was authorized to levy an additional 1% occupancy tax to be used to support the Currituck Wildlife Museum. (Session Law 1991-155).

In 2004, the General Assembly authorized the county to levy another 2% occupancy tax and amended the prior local bills to make Currituck County's occupancy tax administration more consistent with those across the state. (Session Law 2004-95)

The 2004 bill (i) eliminated the phrase "tourism-related purposes" and the specific examples used in the 1987 legislation and replaced them with "tourism-related expenditures, including beach nourishment," (ii) added the standard definition of "tourism-related expenditures" ("Expenditures that, in the judgment of the Currituck County Board of Commissioners, are designed to increase the use of lodging facilities, meeting facilities, recreational facilities, and convention facilities in a county by attracting tourists or business travelers to the county. The term includes tourism-related capital expenditures and beach

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nourishment.”), (iii) eliminated the ability of the county to use any occupancy tax funds for general public purposes, and (iv) required the county to create a tourism development authority to spend occupancy tax funds in accordance with the new requirements.

The county’s occupancy tax was amended again in 2008 to increase the size of the TDA (Session Law 2008-54) and in 2013 to eliminate non-standard exemptions (Session Law 2013-414, Sect. 60(s)). Neither of these last two amendments affected the restrictions on the county’s use of occupancy tax proceeds.

The Court’s Reasoning

The Court of Appeals relied on Currituck County’s convoluted occupancy tax legislative history to conclude that the county’s use of occupancy tax funds for public safety costs was impermissible. The court placed great weight on the fact that in 2004 the General Assembly eliminated the half-dozen examples of “tourist related purposes” in the 1987 bill (which specifically included police and EMS) and replaced it with the shorter “tourism-related expenditures, including beach nourishment.” In the eyes of the court, the intent of the 2004 bill was to “narrow the scope of how the County is permitted to use occupancy tax funds.” The court concluded that because “police protection and emergency services” were no longer offered as examples of “tourism-related expenditures” in the 2004 bill, that was evidence that the General Assembly no longer viewed police and EMS services as related to tourism.

I’m not sure I buy that logic. Let’s pretend that yesterday I said to my kids, “For dessert, you can choose something sweet, including ice cream or pie.” Today, I tell them, “You can have something sweet for dessert tonight, including a cookie or a chocolate bar.” Does this change in language mean that ice cream and pie are no longer considered acceptable options for a sweet dessert? I don’t think so. The use of the word “including” implies that the list following that word is not exclusive; my decision not to include ice cream or pie on my non-exclusive list of dessert options today does not mean I no longer intended for them to be permissible options.

I think the same could be said for the General Assembly’s decision to change from the long (non-exclusive) list of permissible uses of occupancy taxes in Currituck County’s 1987 bill (“including . . . police protection and emergency services”) to the much shorter list (“including beach nourishment”) in the 2004 bill. I don’t think that this change in language proves that the General Assembly intended to remove “police protection” from the universe of tourism-related purposes.

The Court of Appeals cited traditional statutory interpretation guidance to support its conclusion that a change in statutory language implies a change in meaning. Perhaps. But why else might have the General Assembly changed the language in Currituck County’s local bill? One reason might have been

simply to standardize the language in local occupancy tax bills across the state. In the 1990s and 2000s, dozens of local authorizing bills were amended to use the boilerplate “tourism-related expenditure” definition now used in the Currituck County bill. (For examples, see [this helpful list of all occupancy tax local bills](#) maintained by the General Assembly staff.)

Besides, not every statutory word change denotes a substantive change in the intent of the law. Case in point: the 2004 amendments to Currituck’s occupancy tax local bill also changed the phrase “tourist related purpose” to “tourism-related expenditures.” But the court agreed with the county that this word change had no substantive impact on how the county may use its occupancy tax funds.

The court also pointed out that the title of the 2004 bill—“An Act to Allow an Increase in the Currituck County Tax and to Change the Purpose for Which the Tax May Be Used”—implied a narrowing of the county’s permissible uses of the tax. I agree, but that narrowing was the 2004 bill’s elimination of the county’s (unusual) authority from the 1987 act to use excess occupancy tax funds for any legal purpose. I do not think the bill title suggests an intent to also narrow the definition of “tourism-related expenditures.”

Of course, my opinion about the court’s logic has as much value as does my bet on my beloved Duke Blue Devils to win the 2024 national championship. (Sigh.) But the county plans to appeal, and if that appeal is granted we will see whether the North Carolina Supreme Court agrees with me or the Court of Appeals.

What Does this Opinion Mean for Other Local Governments?

Assuming the Court of Appeals opinion stands, it is not entirely clear what impact it will have on other local governments who levy occupancy taxes.

One possibility is that the court’s prohibition against spending occupancy tax funds on police and EMS is relevant only for local governments with occupancy tax legislative history like that of Currituck County. In other words, the only governments that are not allowed to spend occupancy tax funds on

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police or EMS are those that had police and EMS included as permissible uses in their original authorizing bills but had that language removed by later amendments to those bills, as did Currituck County.

While I have not read all 200 original authorizing bills, an abbreviated review identified at least a handful that reflect legislative histories similar to that of Currituck County. See for example, Allegheny County, Session Law 1991-162, Caswell Beach, Session Law 1991-664, Holden Beach, Session Law 1987-963, and Sunset Beach, Session Law 1987-956. You can look up your government's local occupancy tax bills [here](#).

Another possibility is that the court's opinion should be read more broadly to mean that police and EMS costs are never "tourism-related," regardless of a local government's particular legislative history. While the opinion spends a great deal of time discussing the evolution of Currituck County's local bills, the court phrased its ultimate conclusion very broadly. "We conclude that [police and EMS costs] are not "designed to increase the use of lodging facilities, meeting facilities, recreational facilities, and convention facilities . . . by attracting tourists or business travelers to the county." This is the same definition of "tourism-related expenditures" that currently applies to nearly all of the 200 local governments that levy occupancy taxes across North Carolina. A broad interpretation of the Court of Appeals' decision would mean that none of these counties may use occupancy taxes for police or EMS. A middle ground between these two interpretations might be found in the concurring opinion issued by Judge Hampson. Spending occupancy tax funds on police and EMS costs could be acceptable, wrote Judge Hampson, if the board of county commissioners were to first determine that such spending is related to tourism. The county's current occupancy tax legislation explicitly refers to the "judgment of Currituck County's Board of Commissioners" in its definition "tourism-related expenditures." (Similar

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language deferring to the judgement of the TDA or local government governing board is found in the boilerplate definition of “tourism-related expenditures” used in nearly all current occupancy tax authorizing legislation.)

Because the Currituck County board had never expressly concluded that the police and EMS costs were tourism related, Judge Hampson concurred with the conclusion that such use of occupancy tax funds was impermissible. But, unlike the majority, Judge Hampson determined that such spending would be acceptable if the board made that necessary finding.

Given the uncertainty about how best to interpret the court’s decision, for now my occupancy tax spending advice will likely reflect the middle ground described by Judge Hampson.

Were I approached by a local government that wanted to use occupancy tax funds on police or EMS costs, I would first determine if that local government’s occupancy tax legislative history was similar to that of Currituck County. If so, then I would recommend against the use of occupancy tax funds for police and EMS costs.

But if not, I would advise that government to have the board charged with making those spending decisions (the county commissioners, the city council, or the TDA), to first make a finding that the police and EMS costs being funded with occupancy tax revenues are related to tourism. Perhaps the board could demonstrate the need to hire additional police and EMS personnel during the tourist season. Or it could show how calls for police and EMS services increased during tourist season. The details of the decision matter less than the fact that the board will have demonstrated that it judged the particular expense to be related to tourism.

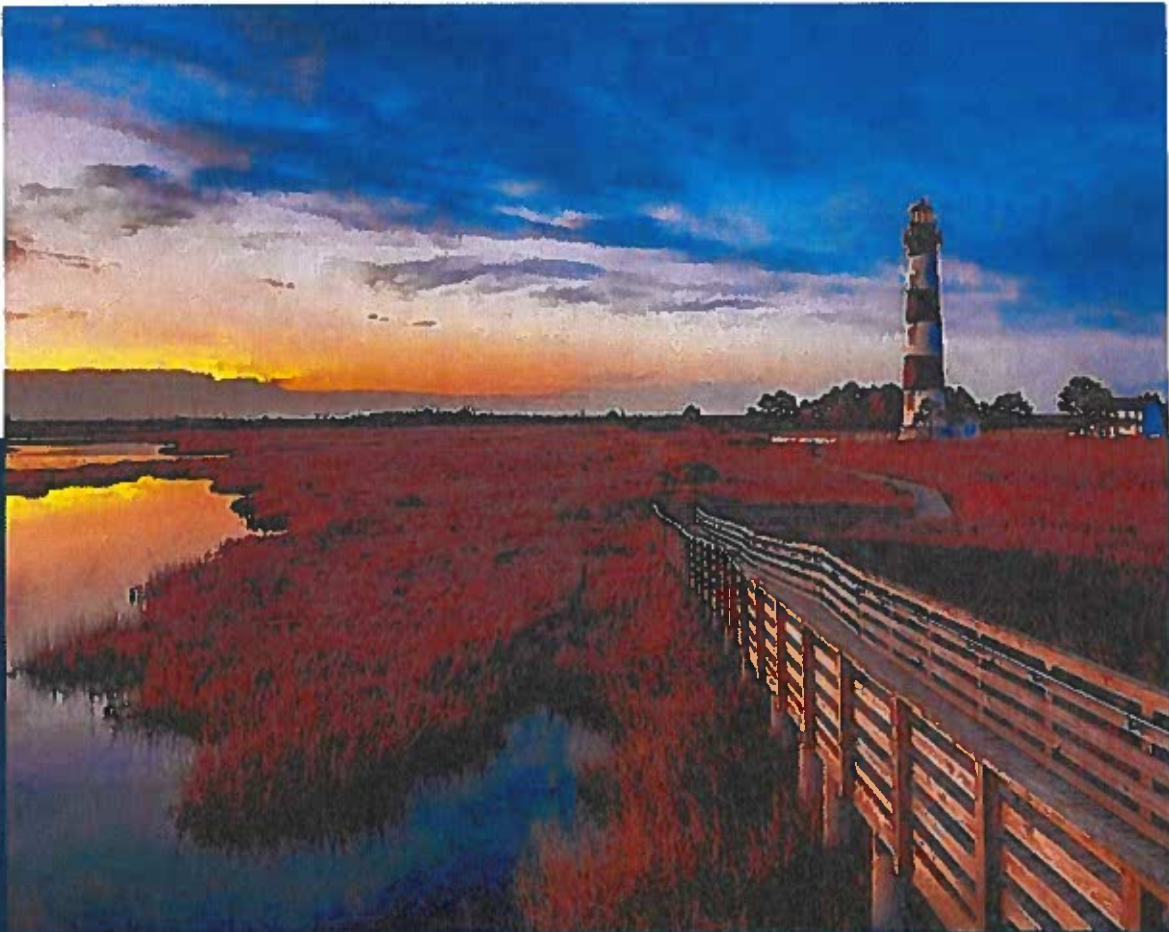
In fact, I think a TDA or government board should always make a formal finding about the connection between a particular occupancy tax spending decision and tourism. Regardless of whether the expenditure’s connection to tourism is obvious (purchasing land for a new public parking lot next to the beach) or less so (improving the lighting and streetscape in a downtown business district), formal findings about the connections between occupancy tax spending and tourism may minimize the risk of costly litigation like the Currituck County case.

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2024 Profile of North Carolina Occupancy Taxes & Their Investment

March 2024



March 2024

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The data in this report was compiled using the most recent information available at the time of publication. No guarantees are made as to the accuracy of the data. This report shall not be construed as providing legal opinion or advice. Changes or additions to legislation made during the 2023 legislative session are not reflected in this version.

Please report any errors or omissions to Chris Cavanaugh of Magellan Strategy Group at ccavanaugh@magellanstrategy.com.

The most current version of this report may be downloaded at <http://www.magellanstrategy.com/research/>.

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About Magellan Strategy Group

Located at the intersection of strategic planning, research, and marketing

Magellan Strategy Group in Asheville, NC, was founded in 2004 with the vision of providing tourism and hospitality organizations with a focus upon profitable opportunities through strategic insight. Since its founding, MSG has worked with a diverse group of "best in class" partners in several categories. MSG doesn't believe in a one-size-fits-all approach for either clients or partners. Every client has needs that are different, and every market has opportunities that are unique, so MSG works only with partners that make sense for the client. MSG's mantra is "Create a dissatisfaction with the status quo." It's at the heart of everything we do—developing solutions that generate meaningful results by identifying real benefits customers want and organizations can deliver.

Our services include:

- Strategic Planning
- Marketing Research
- Brand Strategy
- Marketing Audits
- Destination Master Planning
- Marketing Strategy and Planning
- Tourism Policy

Magellan Strategy Group is a member of the Travel and Tourism Research Association, Southeast Tourism Society, North Carolina Travel Industry Association, and Destinations International. Magellan's founder and president, Chris Cavanaugh, has 29 years of experience in the travel and tourism sector in North Carolina and elsewhere. He has been the recipient of the North Carolina Travel Industry Association Tourism Excellence Award and Southeast Tourism Society's Shining Example Award, and he was inducted into Visit North Carolina's Winners Circle in 2023. He is a former executive at The Biltmore Company in Asheville and served as interim CEO for Explore Asheville CVB in 2020.

Overview

Beginning in 1983, local lodging occupancy taxes enacted via legislation passed by the North Carolina General Assembly have been a popular means of growing the visitor economy in Tar Heel State communities. These taxes paid by lodging guests on the cost of their accommodations have generated billions of dollars in direct tax revenue, and many billions more in visitor spending, sales and property taxes, and direct and indirect economic impact. Tourism is a backbone of the economy in many North Carolina communities, employing thousands of people, supporting numerous entrepreneurs, and generating revenue for small and large businesses alike in industries as diverse as banking, construction, and professional services.

The concept of the occupancy tax is relatively straightforward: overnight guests pay a small additional amount as a percentage of their nightly accommodations rate, and that tax is then remitted monthly by the lodging owner to a local government finance office. (However, occupancy taxes generated by rentals made via online platforms Airbnb and VRBO in North Carolina are remitted by those two companies to the state Department of Revenue, which then distributes the funds to the locality where the rental occurred.) The revenue generated is usually administered at the local level in North Carolina by a state-created tourism development authority (TDA) consisting of appointed individuals who are typically stakeholders in the local tourism. In a very few instances in North Carolina, collection and use of occupancy tax revenue is administered directly by county commissioners or a town or city council. All local occupancy taxes in North Carolina must first be approved by the General Assembly, and every community is governed by its own distinct legislation (although these laws are often quite similar). Unlike sales tax, no occupancy tax revenue is directed to the state government in North Carolina—100% of the revenue remains at the local level.

Occupancy taxes are typically applied to any lodging property that also pays sales tax, including hotels, bed and breakfasts, cabins, condominiums, and rental homes for short-term stays lasting no more than 90 days. (For stays lasting longer than 90 days, the tax is not applied.) The tax is usually not applied to religious conference centers, colleges, and youth camps if a guest's stay is related to the mission of the organization, tent campgrounds and RV parks are also exempted from occupancy taxes but campgrounds with fixed structures such as cabins and treehouses typically pay taxes on the rental of those types of permanent structures.

Below are several additional observations about occupancy taxes in the state of North Carolina:

- Since the legislation is unique to each community, the investment of occupancy taxes is not necessarily the same. Every community's situation is dependent upon a variety of considerations. These may include the strength of the local tourism sector; the number and types of lodging properties in each community; the concentration of accommodations within municipal boundaries (or the lack of cities or towns in some counties); the number of cities or towns in a county with their own occupancy tax; and competitive destination considerations. With the adoption of guidelines by the state House of Representatives in 1997, however, there are now many similarities in the legislation passed in the last 25+ years.

- In North Carolina, consumers always pay sales tax on the cost of their accommodation in addition to the occupancy tax. The sales taxes generated by accommodations amount to many millions of additional dollars annually, all of which goes to state and local government. Occupancy taxes are also different from prepared meals taxes, which are levied by five communities in North Carolina and governed by their own legislation.
- In some instances, a guest may pay occupancy taxes collected and invested by two different governmental entities. A county may have an occupancy tax that covers all accommodations in the entire county, and the city or town where the lodging property is physically located may have their own individual occupancy tax in addition to the county tax.
- Only one community in North Carolina has a total occupancy tax which exceeds 6%: Mecklenburg County, which has a separate 2% tax in addition to a base 6% tax. This additional tax was used to fund the development and operation of the NASCAR Hall of Fame in Charlotte. In no other community can the total rate of taxation exceed 6%.
- While occupancy tax rates in North Carolina communities can be compared to those found in destinations in other states, the laws and mechanisms which enable the collection of taxes and govern their investment vary greatly from state to state.
- The North Carolina House of Representatives adopted uniform provisions in 1997 as guidelines for the creation of future occupancy tax legislation to establish standards for such legislation. (A current copy of these guidelines is included in this report.) However, these guidelines did not retroactively affect legislation enacted prior to 1997, and the amount of money allocated for destination promotion and other tourism-related uses at the local level is still dictated by specific local legislation.

Summary of Occupancy Taxes in North Carolina

Counties and cities or towns in North Carolina can both be enabled by the General Assembly to collect occupancy taxes. Of the 100 counties in the state, 90 are legislatively enabled to collect within their boundaries. Six counties have no occupancy tax levied at either the county or municipal level, while four counties have only a city or town that levies a tax. There are 110 cities and towns in the state which are legislatively enabled to collect an occupancy tax, sometimes in addition to a countywide tax.

According to the Local Government Division of the Department of Revenue, \$391 million in occupancy tax revenue was collected at the local level in fiscal 2022 (the most recent year for which data is available). The current data available from the Department of Revenue showing collections by county or municipality is attached to this report as an appendix. The Department of Revenue typically does not update this data until a year after the end of the fiscal year.

Total Counties in North Carolina	100
Counties in North Carolina legislatively enabled to collect occupancy taxes	90
Counties without any occupancy tax legislation in place, at either the county or municipal level	6
Counties without any countywide tax legislation, but with at least one city or town legislatively enabled to collect occupancy taxes	4
Total Cities and Towns in North Carolina	552
Cities and towns in North Carolina <i>legislatively enabled</i> to collect occupancy taxes, and which actively collect the tax	110

There are a combined 200 counties and cities or towns in North Carolina which have the legislative approval to levy an occupancy tax of at least 1%. As noted, there are some counties that have a countywide occupancy tax, but which also have towns or cities levying an additional room tax. There are currently 34 counties where the county and at least one city or town both levy separate occupancy taxes on accommodations. There are also some communities legislatively enabled to raise their taxes beyond the current levied rate or to begin collecting an occupancy tax upon resolution of a county commission or city or town council.

The occupancy tax is never the only tax revenue generated by visitors in North Carolina. As previously noted, guests in accommodations also pay applicable sales taxes on the cost of their rooms. The other businesses in which visitors spend money during their stays—restaurants, shops, attractions—pay millions of dollars in additional sales taxes. These same businesses also pay property taxes that would otherwise not be generated if they did not exist to serve residents and visitors. The local revenue impact of visitors thus goes far beyond the occupancy tax paid by overnight guests.

Where Does the Money Go?

The *investment* of occupancy tax revenue is sometimes more of a differentiating factor between communities in North Carolina than the tax rate charged to guests. That is not to say that rates are not comparable from destination to destination (and may occasionally be a factor in some destination selections for some meeting and convention planners comparing North Carolina

destinations to those in other states). But the rate is usually less of a differentiator than how tax revenue is invested at the local level. For example, a 3% occupancy tax in one community that is invested entirely in destination promotion may not be directly comparable to the same 3% tax in another community where 2% is invested in destination promotion and 1% allocated to tourism-related product development.

This analysis looks only at the legislatively enabled intended uses of occupancy taxes—the actual investment of occupancy taxes in a community may indeed vary from both the spirit and, in some cases, even the letter of the law. But generally, the investment of North Carolina occupancy tax revenue at the local level falls into one of five categories:

- Destination promotion
- "Tourism-related" expenditures, which includes everything from festivals and event expenses to capital projects ("tourism-related" is a term that usually appears in the specific legislation)
- Debt service or operating support for tourism-related capital projects such as convention centers and arenas or visitor attractions
- Beach nourishment
- General fund revenue and other specifically non-tourism uses

There are 186 counties and cities/towns enabled to collect occupancy tax of at least 1% that are mandated to dedicate some or all their tax revenue to destination promotion. There are 193 counties and cities/towns that have legislation that dedicates some of their tax revenue to various types of "tourism-related" expenditures.

Many North Carolina coastal destinations are heavily dependent upon their beaches for visitation, so beach nourishment may be a priority for investment of their tax revenue to maintain a critical tourism asset. Other communities are more dependent upon business travel, so they have invested in convention centers. Some destinations have chosen to invest their occupancy tax revenue in sports or cultural infrastructure to grow their visitor economy. Others have invested the tax revenue in support of a variety of destination enhancement projects initiated by the public or private sectors.

It should be noted that just because a city or county government unit "receives" some or all the occupancy tax revenue collected in their jurisdiction does not necessarily mean those dollars go directly into their general fund. In a few cases a local entity may be the body that formally determines how the occupancy tax revenue is spent, but that is only where the original enabling legislation pre-dates the uniform guidelines adopted by the state House of Representatives in 1997. In nearly every county and city/town in North Carolina, at least a portion of those tax dollars is invested in destination promotion and/or "tourism-related" expenditures by a TDA. The unique local legislation usually dictates how those tax dollars must be invested.

In some cases, such as designated funding for convention centers or sports facilities, the legislation may be highly specific about investment in those particular uses. In others, the language of “tourism-related” expenditures may be sufficiently ambiguous to allow for revenue to be invested in projects or initiatives that may not necessarily attract visitors. The interpretation of “tourism-related” expenditures may depend upon the specific needs of the local visitor economy, but the term can be (and has been) interpreted in different ways.

Uses of Occupancy Tax Funding

Of the 90 North Carolina counties legislatively enabled to collect an occupancy tax, 61 (68%) have legislation that mandates that at least two-thirds of revenue must be invested in destination promotion. Another 19 counties have legislation that specifies an amount to be invested in promotion that is less than two-thirds of collected revenue. Six counties have legislation that says the revenue may be invested in promotion but does not mandate a percentage to invest. Four counties have legislation that does not specifically define destination promotion as a mandated investment. A similar breakdown for cities and towns is included in the chart below. (It should be noted that counties and cities/towns which do not have occupancy tax legislation that mandates investment in destination promotion may still decide to invest those dollars in promotion.)

Mandated Legislative Investment	Number of Counties *	Number of Municipalities*
Specifies at least 2/3 of revenue invested in destination promotion	61	84
Specifies an amount to be invested in promotion that is less than 2/3 of collected revenue	19	12
Revenue may be invested in promotion, but does not mandate a percentage to invest	6	4
Does not specifically define destination promotion as a mandated investment	4	10
Total	90	110

*Legislatively enabled - may or may not be actively collecting occupancy tax.

Exceptions to the 1997 Guidelines

Most of the counties and municipalities that have legislation mandating less than two-thirds of tax revenue be invested in destination promotion are governed by laws that were passed prior to the adoption of the 1997 occupancy tax guidelines or are governed by more recent legislation that still has roots in laws passed prior to the adoption of those guidelines.

There are only seven counties in North Carolina which direct some or all of their occupancy tax revenue into the general fund to be expended on any unspecified "lawful public purpose," as mandated by their legislation: Ashe, Cleveland, Davie, Durham, Hertford, Hyde, and Lee. (This is distinct from occupancy tax revenue specifically dedicated to the construction and operation of civic centers, convention facilities, arenas, and other traditional "tourism-related" venues which may be owned and operated by a city or county government.) There are also two towns that collect occupancy tax and are legislatively enabled to direct money into their general fund for any public purpose: Claremont (Catawba County) and Columbus (Polk County).

In addition to destination promotion, Caldwell County's legislation also has language which provides for some funding via occupancy tax of initiatives to promote "economic and industrial growth in the county."

The language in Orange County and Chapel Hill's occupancy tax legislation is not specific and can be read as allowing spending on non-tourism functions:

"The Town Council of the Town of Chapel Hill shall decide on the allocation of the revenues collected from this tax annually during its budgeting process with particular consideration given to providing funding for visitor information services and support for cultural events, and not less than ten percent [10%] of the annual revenues shall be used for those purposes."

"The Orange County Board of Commissioners shall decide on the allocation of the revenues collected from this tax annually during its budgeting process. At least ten percent (10%) of the annual revenues shall be used to provide funding for visitor information services and to support cultural events."

Dare County in North Carolina's Outer Banks, which sees large increases in its transient visitor population during the summer season, has legislation predating the 1997 guidelines that specifically dictates a portion of its occupancy tax will go towards "services or programs needed due to the impact of tourism on the county."

In several incorporated beach communities in Brunswick County, their individual occupancy tax legislation requires that revenue be allocated to the criminal justice system, fire protection, public facilities and utilities, health facilities, solid waste and sewage treatment control, and repair of waterfront erosion. These communities are Caswell Beach, Holden Beach, Ocean Isle Beach, and Sunset Beach.

All the above instances of “non-tourism” occupancy tax spending in counties and cities and towns were enabled through legislation passed prior to the uniform occupancy tax guidelines in 1997. These guidelines direct that any new occupancy tax legislation should be written to mandate at least two-thirds of occupancy tax revenue must be invested in destination promotion, and no more than one-third of the revenue invested in “tourism-related expenditures.”

Many of the 29 counties that do not allocate at least two-thirds of revenue to destination promotion are in communities with major investments in arenas, sports complexes, or convention and civic centers, or where some tax revenue is used for beach nourishment. About half of those counties have legislation predating the 1997 guidelines. Of the 10 counties that do not have a mandated percentage for promotion, all have legislation predating the 1997 guidelines. Similarly, of the 26 municipalities that have legislation that does not allocate at least 2/3 of revenue to destination promotion, several are typically communities with investments in arenas, sports complexes, convention and civic centers, or beach nourishment. Much of this legislation predates the 1997 guidelines.

A total of 26 occupancy tax bills have been passed since 1997 that do not specifically mandate at least two-thirds of revenue be invested in destination promotion. In some cases, the law includes a sunset provision that reverts the allocation at a future date. The biggest difference for these laws versus the non-compliant bills passed prior to 1997 is that most of the newer legislation allocates any non-promotional revenue to one of three specific areas spelled out in the legislation: beach nourishment, civic and convention centers or similar venues, and “tourism-related expenditures.” (Note that some non-compliant bills signed into law since 1997 were updates of prior non-compliant legislation.)

2024 NORTH CAROLINA OCCUPANCY TAX STATISTICS

Counties, Cities, and Towns Currently Levying Occupancy Tax

Jurisdictions Enabled to Levy Occupancy Tax**	Occupancy Tax Rate							
	1%	2%	3%	4%	5%	6%	Over 6%	Total
Cities & Towns	1	10	59	2	11	27	0	110
Counties	3	0	26	3	9	48	1	90
Total	4	10	85	5	20	75	1	200

* Mecklenburg County levies a total 8% occupancy tax.

** This number does not count specially legislated separate taxing districts within communities like New Hanover County District U or the Wilmington Convention Center District.

Investment of Occupancy Tax Proceeds*

Jurisdictions Enabled to Levy Occupancy Tax	Occupancy Tax Investment: At Least Some Revenue To...		
	Tourism Promotion	Tourism-Related Expenditures	Non-Tourism Activities
Cities & Towns	100	109	7
Counties	86	84	10
Total	186	193	17

*Does not include administrative costs incurred by counties and cities or towns for tax collection and administration by their finance departments.

FY 2021-2022 Total Occupancy Tax Net Collections Top 10 Counties and Municipalities

	Counties*	Municipalities
1	Mecklenburg \$62,916,747	Greensboro \$6,018,300
2	Dare \$47,115,945	Wilmington \$5,804,447
3	Buncombe \$37,537,272	Oak Island \$4,659,768
4	Wake \$29,101,451	Holden Beach \$3,757,726
5	Currituck \$17,936,277	Ocean Isle Beach \$3,005,230
6	Carteret \$13,286,146	Carolina Beach \$2,724,343
7	Durham \$11,171,025	Hickory \$2,191,229
8	New Hanover \$10,943,460	Bald Head Island \$2,176,387
9	Cumberland \$8,152,751	Boone \$2,143,039
10	Forsyth \$7,162,395	Wrightsville Beach \$2,064,001

Source: Local Government Division, North Carolina Department of Revenue; Visit NC

* Does not include occupancy tax revenue collected separately by any municipalities within each county that have their own legislation or TDA

Contact Information

Chris Cavanaugh
Magellan Strategy Group
P.O. Box 5632
Asheville, NC 28813

(828) 651- 9320
ccavanaugh@magellanstrategy.com
magellanstrategy.com



Appendix A

GUIDELINES FOR OCCUPANCY TAX LEGISLATION

Since 1983, the General Assembly has authorized many units of local government to levy a room occupancy tax. In several instances, the General Assembly has authorized both a county and a city within that county to impose an occupancy tax. The rate of tax, the use of the tax proceeds, the administration of the tax, and the body with the authority to determine how the tax proceeds will be spent vary considerably.

Over the past several years, there has been a greater effort to make the occupancy taxes uniform. In 1997, the General Assembly enacted uniform municipal and county administrative provisions for occupancy tax legislation – G.S. 153A-155 and G.S. 160A-215. These provisions provide uniformity in the areas of levy, administration, collection, repeal, and penalties.

The North Carolina Travel and Tourism Coalition (NCTTC) has a policy statement for legislation authorizing local occupancy taxes. Many of the principles contained in its statement are similar to the ones established by the House Finance Committee in 1993. Subsequently, the House Finance Committee established the Occupancy Tax Subcommittee, which regularly reviews occupancy tax legislation and looks for the inclusion of the following uniform provisions in the bills it considers:

- ♦ **Rate** – The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.
- ♦ **Use** – 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, which may include beach nourishment. However, local governments in coastal counties may allocate up to 50% of occupancy tax proceeds for beach nourishment, so long as all remaining proceeds are used for tourism promotion and provided that the use of occupancy tax proceeds for beach nourishment is limited by either a statutory cap or sunset provision.¹
- ♦ **Definitions** The terms "net proceeds", "promote travel and tourism", "tourism-related expenditures", and "beach nourishment" are defined terms:
 - **Net proceeds** – Gross proceeds less the costs to the city/county of administering and collecting the tax, as determined by the finance officer, not to exceed 3% of the first \$500,000 of gross proceeds collected each year and 1% of the remaining gross receipts collected each year.
 - **Promote travel and tourism** – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in these activities.
 - **Tourism-related expenditures** – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a city/county by

¹In May 2013, the North Carolina Travel and Tourism Coalition passed a resolution supporting a modification to the Occupancy Tax Guidelines to allow local governments in coastal counties to allocate up to 50% of occupancy tax proceeds for Beach Nourishment, so long as all remaining proceeds are used for tourism promotion and provided that the use of occupancy tax proceeds for Beach Nourishment is limited by either a statutory cap or sunset provision.

attracting tourists or business travelers to the city/county. The term includes tourism-related capital expenditures.

- **Beach Nourishment**² – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:
 - a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
 - b. The nonfederal share of the cost required to construct these projects;
 - c. The costs associated with providing enhanced public beach access; and
 - d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.
- ♦ **Administration** – The net revenues must be administered by a local tourism promotion agency, typically referred to as a "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 ½ of the members must be currently active in the promotion of travel and tourism in the taxing district and 1/3 of the members must be affiliated with organizations that collect the tax.³
- ♦ **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.
- ♦ **Conformity with Other Local Occupancy Taxes** – In 2008, the NCTTC formally revised its policy position with regard to occupancy taxes to include a statement that if a city seeks to impose a new occupancy tax or increase its existing tax on lodging facilities in a county that also has an existing occupancy tax, the county occupancy tax must conform to the guidelines in order for the Coalition to support the proposed municipal tax. During the 2009 Regular Session, the House Finance Chairs⁴ considered the revised policy statement of the NCTTC but declined to amend the House Finance Committee's Guidelines for Occupancy Tax accordingly.

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NC General Assembly
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²During the 2001 Regular Session, the Occupancy Tax Subcommittee of the House Finance Committee considered several bills authorizing the use occupancy tax proceeds for beach nourishment. Although "beach nourishment" was not among the uses contained in the uniform guidelines, the subcommittee nevertheless concluded that beach nourishment was an acceptable expansion of the occupancy tax use provisions. In doing so, the subcommittee drafted this uniform definition of beach nourishment for use in occupancy tax legislation.

³ In March 2005, the House Finance chairs decided to change the percentage of members that must be currently active in the promotion of travel and tourism from ¾ to ½. The House Finance chairs in 2005-06 were: Representatives Alexander, Gibson, Howard, Luebke, McComas, and Wainwright.

⁴ During the 2009-2010 Session, the House Finance chairs were: Representatives Luebke, Wainwright, Weiss, and Gibson.

§ 153A-155. Uniform provisions for room occupancy taxes.

(a) **Scope.** – This section applies only to counties the General Assembly has authorized to levy room occupancy taxes.

(b) **Levy.** – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) **Collection.** – A retailer who is required to remit to the Department of Revenue the State sales tax imposed by G.S. 105-164.4(a)(3) on accommodations is required to remit a room occupancy tax to the taxing county on and after the effective date of the levy of the room occupancy tax. The room occupancy tax applies to the same gross receipts as the State sales tax on accommodations and is calculated in the same manner as that tax. A rental agent or a facilitator, as defined in G.S. 105-164.4(a)(3), has the same responsibility and liability under the room occupancy tax as the rental agent or facilitator has under the State sales tax on accommodations.

If a taxable accommodation is furnished as part of a package, the bundled transaction provisions in G.S. 105-164.4D apply in determining the sales price of the taxable accommodation. If those provisions do not address the type of package offered, the person offering the package may determine an allocated price for each item in the package based on a reasonable allocation of revenue that is supported by the person's business records kept in the ordinary course of business and calculate tax on the allocated price of the taxable accommodation.

A retailer must separately state the room occupancy tax. Room occupancy taxes paid to a retailer are held in trust for and on account of the taxing county.

The taxing county shall design and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax. A retailer who collects a room occupancy tax may deduct from the amount remitted to the taxing county a discount equal to the discount the State allows the retailer for State sales and use tax.

(d) **Administration.** – The taxing county shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the county finance officer in monthly installments on or before the 20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 20th day of each month, prepare and render a return on a form prescribed by the taxing county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the county finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) **Penalties.** – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing county has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) **Repeal or Reduction.** – A room occupancy tax levied by a county may be repealed or reduced by a resolution adopted by the governing body of the county. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or

reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(f1) Use. – The proceeds of a room occupancy tax shall not be used for development or construction of a hotel or another transient lodging facility.

(g) Applicability. – Subsection (c) of this section applies to all counties and county districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Granville, Halifax, Haywood, Henderson, Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and Wilson Counties, to New Hanover County District U, to Surry County District S, to Watauga County District U, to Wilkes County District K, to Yadkin County District Y, and to the Township of Averagesboro in Harnett County and the Ocracoke Township Taxing District. (1997-102, s. 3; 1997-255, s. 2; 1997-342, s. 2; 1997-364, s. 3; 1997-410, s. 6; 1998-14, s. 2; 1999-155, s. 2; 1999-205, s. 2; 1999-286, s. 2; 2000-103, s. 5; 2001-162, s. 2; 2001-305, s. 2; 2001-321, s. 3; 2001-381, s. 10; 2001-434, s. 1; 2001-439, s. 18.2; 2001-468, s. 3; 2001-480, s. 14; 2001-484, s. 2; 2002-138, s. 5; 2004-106, s. 2; 2004-120, s. 3; 2004-170, ss. 36(a), 42(a); 2004-199, s. 60(a); 2005-16, s. 2; 2005-46, s. 1.2; 2005-53, s. 2; 2005-197, s. 6; 2005-233, s. 6.1; 2006-120, s. 8.1; 2006-127, s. 2; 2006-128, s. 6; 2006-129, s. 2; 2006-162, s. 20(a); 2006-167, s. 7(e); 2006-264, s. 81(a); 2007-19, s. 3; 2007-63, s. 3; 2007-223, s. 3; 2007-224, s. 5; 2007-265, s. 2; 2007-315, s. 2; 2007-318, s. 2; 2007-337, s. 3; 2007-340, s. 9; 2007-527, ss. 23, 43; 2008-33, s. 2; 2008-134, s. 12(b); 2008-187, s. 31; 2009-112, s. 4; 2009-157, s. 2; 2009-297, s. 3; 2010-31, ss. 31.6(c), (d); 2010-78, s. 10; 2010-123, s. 10.2; 2011-113, s. 4; 2011-115, s. 4; 2011-170, s. 5; 2012-100, s. 1; 2012-144, s. 4; 2012-194, s. 35; 2013-255, s. 3.)

§ 160A-215. Uniform provisions for room occupancy taxes.

(a) **Scope.** – This section applies only to municipalities the General Assembly has authorized to levy room occupancy taxes. For the purpose of this section, the term "city" means a municipality.

(b) **Levy.** – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) **Collection.** – A retailer who is required to remit to the Department of Revenue the State sales tax imposed by G.S. 105-164.4(a)(3) on accommodations is required to remit a room occupancy tax to the taxing city on and after the effective date of the levy of the room occupancy tax. The room occupancy tax applies to the same gross receipts as the State sales tax on accommodations and is calculated in the same manner as that tax. A rental agent or a facilitator, as defined in G.S. 105-164.4(a)(3), has the same responsibility and liability under the room occupancy tax as the rental agent or facilitator has under the State sales tax on accommodations.

If a taxable accommodation is furnished as part of a package, the bundled transaction provisions in G.S. 105-164.4D apply in determining the sales price of the taxable accommodation. If those provisions do not address the type of package offered, the person offering the package may determine an allocated price for each item in the package based on a reasonable allocation of revenue that is supported by the person's business records kept in the ordinary course of business and calculate tax on the allocated price of the taxable accommodation.

A retailer must separately state the room occupancy tax. Room occupancy taxes paid to a retailer are held in trust for and on account of the taxing city.

The taxing city shall design and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing city a discount equal to the discount the State allows the retailer for State sales and use tax.

(d) **Administration.** – The taxing city shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the city finance officer in monthly installments on or before the 20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 20th day of each month, prepare and render a return on a form prescribed by the taxing city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the city finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) **Penalties.** – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing city has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) **Repeal or Reduction.** – A room occupancy tax levied by a city may be repealed or reduced by a resolution adopted by the governing body of the city. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or

reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(f1) Use. – The proceeds of a room occupancy tax shall not be used for development or construction of a hotel or another transient lodging facility.

(g) Applicability. – Subsection (c) of this section applies to all cities that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Beech Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to the municipalities in Avery and Brunswick Counties. (1997-361, s. 4; 1997-364, s. 5; 1997-410, s. 3; 1997-447, s. 2; 1998-112, s. 4; 1999-258, s. 3; 1999-302, s. 2; 2000-103, s. 9; 2001-11, s. 2; 2001-365, s. 3; 2001-434, s. 9; 2001-439, s. 18.1; 2002-94, s. 4; 2002-95, s. 3; 2002-138, s. 2; 2002-139, s. 2; 2002-159, s. 62; 2003-281, s. 14; 2004-105, s. 3; 2004-170, ss. 36(b), 42(b); 2004-199, s. 60(b); 2005-16, s. 3; 2005-46, s. 2.3; 2005-49, s. 3; 2005-220, s. 5; 2005-233, s. 6.2; 2005-435, s. 45; 2006-118, s. 4; 2006-120, ss. 8.2, 10.2; 2006-148, s. 3; 2006-162, s. 20(b); 2006-164, s. 3; 2006-167, s. 3; 2006-264, ss. 19, 81(a); 2007-224, s. 6; 2007-317, s. 3; 2007-340, s. 10; 2007-484, s. 43; 2007-527, s. 42; 2008-64, s. 2; 2008-134, s. 12(c); 2009-169, s. 8; 2009-291, s. 2; 2009-428, s. 4; 2009-429, s. 8; 2010-31, s. 31.6(e), (f); 2010-78, s. 11; 2010-123, s. 10.2; 2011-69, s. 2; 2011-170, s. 6; 2012-107, s. 2; 2013-351, s. 1.3.)

Appendix B

**TABLE 3. STATE SALES AND USE TAX: GROSS COLLECTIONS AND TAXABLE SALES
BY COUNTY SUMMARY FOR FISCAL YEAR 2022-2023**

County	Gross Collections*	Taxable Sales and Purchases*	County	Gross Collections*	Taxable Sales and Purchases*
Alamance	\$ 169,831,793	\$ 3,568,867,246	Macon	\$ 45,573,759	\$ 957,089,699
Alexander	16,631,116	349,814,407	Madison	11,759,442	246,284,029
Alleghany	7,169,035	150,161,128	Martin	13,358,315	280,527,864
Anson	10,539,993	221,209,610	McDowell	27,378,530	573,664,320
Ashe	21,311,883	447,045,631	Mecklenburg	1,623,300,370	34,108,420,190
Avery	25,023,776	525,997,394	Mitchell	10,155,901	212,850,111
Beaufort	35,904,811	756,601,326	Montgomery	14,565,365	305,515,279
Bertie	6,589,458	138,248,000	Moore	108,712,668	2,280,940,600
Bladen	15,118,216	317,172,397	Nash	81,390,292	1,711,088,776
Brunswick	162,473,142	3,419,807,026	New Hanover	341,357,324	7,179,532,403
Buncombe	367,086,040	7,703,980,426	Northampton	7,700,680	161,960,239
Burke	54,546,058	1,146,309,903	Onslow	163,715,088	3,438,628,210
Cabarrus	258,325,199	5,435,301,203	Orange	132,731,445	2,788,217,449
Caldwell	45,950,610	966,716,440	Pamlico	7,255,731	152,237,662
Camden	4,966,422	104,174,491	Pasquotank	36,962,266	775,510,340
Carteret	90,845,302	1,913,936,498	Pender	45,570,444	958,583,497
Caswell	6,071,760	127,268,582	Perquimans	5,231,893	110,760,245
Catawba	166,518,274	3,508,242,241	Person	24,554,890	516,845,324
Chatham	61,511,407	1,290,817,742	Pitt	164,235,444	3,447,179,236
Cherokee	25,142,645	527,753,720	Polk	12,523,552	262,615,737
Chowan	9,625,563	201,989,916	Randolph	97,277,265	2,041,735,380
Clay	7,253,251	152,469,625	Richmond	26,880,679	563,704,088
Cleveland	70,948,120	1,489,278,275	Robeson	73,107,066	1,535,184,239
Columbus	28,245,573	592,915,939	Rockingham	60,064,517	1,261,863,855
Craven	82,371,814	1,730,011,099	Rowan	105,931,959	2,224,934,402
Cumberland	291,346,869	6,118,176,646	Rutherford	44,930,610	943,019,864
Currituck	43,146,280	905,164,595	Sampson	35,281,918	738,408,738
Dare	113,722,770	2,392,569,068	Scotland	20,703,977	435,075,971
Davidson	108,104,288	2,272,671,926	Stanly	51,184,571	1,078,921,899
Davie	27,851,665	584,792,994	Stokes	19,904,910	416,842,186
Duplin	28,961,082	608,399,084	Surry	65,294,220	1,373,069,281
Durham	507,283,064	10,661,429,553	Swain	12,330,626	258,753,890
Edgecombe	27,462,320	576,480,176	Transylvania	28,842,475	605,529,611
Forsyth	396,149,547	8,328,159,602	Tyrrell	1,608,276	33,728,767
Franklin	40,085,160	841,277,530	Union	173,834,366	3,652,424,218
Gaston	189,615,670	3,985,427,207	Vance	29,964,802	634,775,462
Gates	2,878,658	60,406,868	Wake	1,403,119,929	29,468,896,469
Graham	5,631,097	118,333,718	Warren	7,285,296	153,411,576
Granville	27,449,076	575,101,767	Washington	5,118,127	107,201,579
Greene	5,805,266	121,873,961	Watauga	68,066,694	1,428,322,072
Guilford	517,538,767	10,871,340,236	Wayne	83,532,789	1,755,660,674
Halifax	33,683,437	707,338,231	Wilkes	49,327,270	1,037,859,743
Harnett	77,124,580	1,616,709,626	Wilson	68,715,488	1,442,029,753
Haywood	57,811,439	1,213,036,815	Yadkin	16,434,853	344,982,933
Henderson	100,917,256	2,115,104,086	Yancey	10,534,495	221,195,283
Hertford	13,837,605	290,804,345	Foreign	505,971,437	10,655,342,632
Hoke	18,226,647	382,596,626	Combined General Rate	1,417,628,502	-
Hyde	4,468,116	93,595,528	Motor Vehicle Lease		-
Iredell	192,077,804	4,042,889,754	(Short-Term)		-
Jackson	45,437,442	953,379,078	and Subscription	106,455,673	-
Johnston	147,056,752	3,090,963,039			
Jones	3,444,666	72,129,846			
Lee	59,876,573	1,275,732,641			
Lenoir	36,997,099	775,574,666			
Lincoln	72,005,185	1,515,026,672	TOTALS	\$ 12,413,363,629	\$ 228,833,901,929

* Amounts shown are gross collections of sales and use tax (including collections of penalties and interest) processed by the Department of Revenue for the months of July through June. Data reflect sales (including purchases for use) primarily for the months of June through May, but may include sales for prior periods.

Note: Data include sales and purchases for use of aircraft, boats, and manufactured and modular homes to the extent taxable; such transactions are exempt from county sales and use taxes.

— Sales not tabulated. Gross receipts derived from piped natural gas, electricity, telecommunications service and ancillary service, video programming service (direct-to-home satellite and other), spirituous liquor, aviation gasoline and jet fuel transactions are taxed at the combined general rate of 7%. Gross receipts derived from the short-term lease or rental of a motor vehicle are taxed at the rate of 8%; those from vehicle subscriptions are taxed at the rate of 5%.

Note: Detail may not add to totals due to rounding.

Appendix C

NC Occupancy Tax Collections Fiscal Year 2021-2022

Counties	Rate	Total net collections	Municipalities	Rate	Total net collections
	%	\$		%	\$
ALAMANCE COUNTY	3%	1,305,069			
ALLEGHANY COUNTY	6%	67,874			
ANSON COUNTY	6%	48,849			
ASHE COUNTY	3%	599,334	TOWN OF WEST JEFFERSON	3%	137,077
AVERY COUNTY			TOWN OF BANNER ELK	6%	469,594
			TOWN OF SUGAR MOUNTAIN	6%	1,060,688
BEAUFORT COUNTY			TOWN OF WASHINGTON	6%	430,354
BRUNSWICK COUNTY	1%	2,795,875	CITY OF SOUTHPORT	3%	232,603
			TOWN OF CASWELL BEACH	5%	692,940
			TOWN OF HOLDEN BEACH	5%	3,757,726
			TOWN OF LELAND	3%	210,707
			TOWN OF OAK ISLAND	5%	4,659,768
			TOWN OF OCEAN ISLE BEACH	5%	3,005,230
			TOWN OF SHALLOTTE	3%	141,287
			TOWN OF SUNSET BEACH	5%	1,447,366
			VILLAGE OF BALD HEAD ISLAND	6% a	2,176,387
BUNCOMBE COUNTY	6%	37,537,272			
BURKE COUNTY	6%	881,604			
CABARRUS COUNTY	6%	6,128,093			
CALDWELL COUNTY	3%	258,620	CITY OF LENOIR	3%	186,960
CAMDEN COUNTY	6%	24,528			
CARTERET COUNTY	6%	13,286,146			
CASWELL COUNTY	3%	23,512			
CATAWBA COUNTY			CITY OF CLAREMONT	4%	12,586
			CITY OF HICKORY	6%	2,191,229
CHATHAM COUNTY	3%	185,639			
CHEROKEE COUNTY	4%	810,741			

CHOWAN COUNTY	5%	258,949			
CLAY COUNTY	3%	131,095			
CLEVELAND COUNTY	3%	976,114	CITY OF KINGS MOUNTAIN	3%	207,480
			CITY OF SHELBY	3%	218,554
			TOWN OF BOILING SPRINGS	3%	22,160
			TOWN OF GROVER	3%	*not submitted to NCDOR
COLUMBUS COUNTY	3%	192,264			
CRAVEN COUNTY	6%	2,358,928			
CUMBERLAND COUNTY	6%	8,152,751			
CURRITUCK COUNTY	6%	17,936,277			
DARE COUNTY	6%	47,115,945			
DAVIDSON COUNTY			CITY OF LEXINGTON	6%	475,411
			CITY OF THOMASVILLE	6%	199,683
DAVIE COUNTY	3%	160,030	TOWN OF BERMUDA RUN	3%	71,976
			TOWN OF MOCKSVILLE	3%	73,805
DUPLIN COUNTY	6%	260,323			
DURHAM COUNTY	6%	11,171,025			
EDGECOMBE COUNTY	6%	114,627			
FORSYTH COUNTY	6%	7,162,395			
FRANKLIN COUNTY	6%	83,915			
GASTON COUNTY	3%	1,782,947	CITY OF BELMONT	3%	222,869
			CITY OF GASTONIA	3%	857,543
			CITY OF MOUNT HOLLY	3%	158,090
GRAHAM COUNTY	3%	459,698	TOWN OF FONTANA DAM	3%	77,216
			TOWN OF ROBBINSVILLE	3%	80,260
			LAKE SANTEE LAH	3%	*not submitted to NCDOR
GRANVILLE COUNTY	6%	288,383			
GUILFORD COUNTY	3%	6,471,534	CITY OF GREENSBORO	3%	6,018,300
			CITY OF HIGH POINT	3%	472,047
			TOWN OF KERNERSVILLE	3%	202,209
HALIFAX COUNTY	5%	1,187,204	CITY OF ROANOKE RAPIDS	1%	184,924
HARNETT COUNTY	3%	765,872	CITY OF DUNN	6%	688,119

HAYWOOD COUNTY	4%	2,928,066			
HENDERSON COUNTY	5%	3,703,832			
HERTFORD COUNTY	3%	56,989	TOWN OF AHOSKIE	3%	51,742
			TOWN OF MURFREESBORO	3%	*not submitted to NCDOR
HYDE COUNTY	5%	1,188,029	TOWN OF OCRACOKE	5%	454,836
IREDELL COUNTY			CITY OF STATESVILLE	5%	1,235,054
			TOWN OF MOORESVILLE	4%	1,044,772
			TOWN OF TROUTMAN	3%	2,580
JACKSON COUNTY	4%	2,633,003			
JOHNSTON COUNTY	3%	1,157,466	TOWN OF BENSON	2%	79,457
			TOWN OF KENLY	2%	31,259
			TOWN OF SELMA	2%	90,654
			TOWN OF SMITHFIELD	2%	362,905
LEE COUNTY	3%	334,635	CITY OF SANFORD	3%	333,515
LENOIR COUNTY	3%	319,851	CITY OF KINSTON	3%	245,023
LINCOLN COUNTY	3%	282,849	CITY OF LINCOLNTON	3%	132,270
MACON COUNTY	3%	2,367,722	TOWN OF FRANKLIN	3%	181,306
MADISON COUNTY	5%	939,727			
MARTIN COUNTY	6%	329,776			
MCDOWELL COUNTY	5%	1,134,689			
MECKLENBURG COUNTY	8%				
Occupancy Tax	6%	47,281,676			
NASCAR Tax	2%	15,635,071			
MITCHELL COUNTY	3%	145,885			
MONTGOMERY COUNTY	3%	181,014			
MOORE COUNTY	3%	3,052,636			
NASH COUNTY	5%	2,125,890			
NEW HANOVER COUNTY	3%	10,943,460	CITY OF WILMINGTON	3%	5,804,447
			TOWN OF CAROLINA BEACH	3%	2,724,343

			TOWN OF KURE BEACH	3%	1,043,819
			TOWN OF WRIGHTSVILLE BEACH	3%	2,064,001
NORTHAMPTON COUNTY	6%	156,495			
ONSLOW COUNTY	3%	3,841,019	CITY OF JACKSONVILLE	3%	1,326,782
			TOWN OF NORTH TOPSAIL BEACH	3%	1,941,229
			TOWN OF SWANSBORO	3%	102,689
ORANGE COUNTY	3%	1,661,844	TOWN OF CARRBORO	3%	184,519
			TOWN OF CHAPEL HILL	3%	1,297,316
			TOWN OF HILLSBOROUGH	3%	105,814
PAMLICO COUNTY			TOWN OF ORIENTAL	3%	48,432
PASQUOTANK COUNTY	6%	893,365			
PENDER COUNTY	3%	46,371	TOWN OF BURGAW	3%	11,394
			TOWN OF SURF CITY	3%	1,481,440
			TOWN OF TOPSAIL BEACH	3%	580,656
PERQUIMANS COUNTY	6%	22,920			
PERSON COUNTY	6%	580,656			
PITT COUNTY	6%	2,590,137			
POLK COUNTY	3%	464,045	TOWN OF COLUMBUS	3%	31,455
			TOWN OF TRYON	3%	47,821
			TOWN OF SALUDA	3%	44,531
RANDOLPH COUNTY	5%	1,325,899			
RICHMOND COUNTY	3%	519,718			
ROBESON COUNTY			CITY OF LUMBERTON	6%	1,632,578
			TOWN OF PEMBROKE	3%	86,089
			TOWN OF ROWLAND	2%	11,637
			TOWN OF ST PAULS	6%	47,165
ROCKINGHAM COUNTY	3%	495,922	CITY OF EDEN	2%	107,741
			CITY OF REIDSVILLE	2%	79,579
ROWAN COUNTY	6%	1,287,115			
RUTHERFORD COUNTY	6%	2,889,038			

SAMPSON COUNTY	6%	202,135			
SCOTLAND COUNTY	6%	557,867			
STANLY COUNTY	6%	456,883			
SURRY COUNTY	6%	189,324	CITY OF MOUNT AIRY	6%	652,568
			TOWN OF DOBSON	6%	205,909
			TOWN OF ELKIN	6%	97,125
			TOWN OF PILOT MOUNTAIN	6%	37,824
SWAIN COUNTY	4%	2,006,700			
TRANSYLVANIA COUNTY	5%	2,077,107			
TYRRELL COUNTY	6%	16,868			
UNION COUNTY			CITY OF MONROE	5%	740,932
VANCE COUNTY	6%	479,086			
WAKE COUNTY	6%	29,101,451			
WASHINGTON COUNTY	6%	162,693			
WATAUGA COUNTY	6% c	4,302,768	TOWN OF BEECH MOUNTAIN	6%	1,374,744
			TOWN OF BLOWING ROCK	6%	1,788,396
			TOWN OF BOONE	6%	2,143,039
			TOWN OF SEVEN DEVILS	6%	419,077
WAYNE COUNTY	1%	215,382	CITY OF GOLDSBORO	5%	937,143
WILKES COUNTY			TOWN OF WILKESBORO	3%	205,029
WILSON COUNTY	6%	1,356,868			
YADKIN COUNTY	6% c	40,244	TOWN OF JONESVILLE	6%	446,988
			TOWN OF YADKINVILLE	6%	35,678
YANCEY COUNTY	3%	316,699			
TOTAL		\$ 325,982,318		\$	65,178,450

NOTES

Data compiled from reports furnished by counties and municipalities to the Local Government Division, North Carolina Department of Revenue

a The Village of Bald Head Island is exempt from the 1% Brunswick County tax

b New Hanover Occupancy Tax is 3% countywide, with an additional 3% in unincorporated areas.

c Watauga County and Yadkin County Occupancy Taxes only apply in unincorporated areas.

Appendix D

North Carolina County/ Municipality	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Alamance	3%	2/3 to the Tourism Development Authority - Used to further the development of travel, tourism, and conventions through advertising and promotion 1/3 to Alamance County - Used for acquiring, constructing, financing (including debt service), maintaining, and operating civic centers, arts centers, libraries, parks, museums, and recreational facilities, and for visitor-related programs and activities including, but not limited to, museums and other art or cultural programs, events, and festivals.	2%	1%	
Burlington	3%	Municipal Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Elon	3%	Municipal Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Graham	3%	Municipal Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Mebane	3%	Municipal Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Alexander	-				
Alleghany	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Anson	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Ashe	3%	1/3 to the Ashe County Chamber of Commerce - Used to promote travel & tourism. 2/3 to Ashe County - Used for any public purpose.	1%		2%
Jefferson	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Lansing	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
West Jefferson	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Avery (unincorporated areas only)	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Banner Elk	6%	Tourism Development Authority of the taxing city - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Crossnore	6%	Tourism Development Authority of the taxing city - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Elk Park	6%	Tourism Development Authority of the taxing city - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	

North Carolina County/ Municipality	2024 Occupancy Tax Rate	County Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Grandfather Village	6%	Tourism Development Authority of the taxing city - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	4%	2%	
Linville	6%	Tourism Development Authority of the taxing city - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	4%	2%	
Newland	6%	Tourism Development Authority of the taxing city - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	4%	2%	
Sugar Mountain	6%	Tourism Development Authority of the taxing city - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	4%	2%	
Beaufort	-				
Washington	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Bertie	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Bladen	-				
Brunswick	1%	Tourism Development Authority - Used to promote travel & tourism.	1%		
Bald Head Island	6%*	Village Council - Used to promote tourism and for tourism-related expenditures. *County tax does not apply to this municipality.	0% - 6%	0% - 6%	
Caswell Beach	5%	Town Council - First 3% used for tourism-related expenditures which include the criminal justice system, fire protection, health facilities, waste & sewage treatment, control/repair of waterfront erosion, and remaining 2% used only for beach nourishment and protection.		2%	3%
Holden Beach	5%	Town Council - First 3% used for tourism-related expenditures which include the criminal justice system, fire protection, health facilities, waste & sewage treatment, control/repair of waterfront erosion, and remaining 2% used only for beach nourishment and protection.		2%	3%
Leland	3%	Tourism Development Authority - At least 2/3 used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Oak Island	5%	Town Board of Commissioners - First 3% used for tourism-related expenditures; remaining 2% used only for beach nourishment and protection.		5%	
Ocean Isle Beach	5%	City officials - First 3% used for tourism-related expenditures which include the criminal justice system, fire protection, health facilities, waste & sewage treatment, control/repair of waterfront erosion, and remaining 2% used only for beach nourishment and protection.		2%	3%
Shallotte	3%	Tourism Development Authority - At least 1/2 used to promote travel & tourism; remainder used for tourism-related expenditures.	1.5%	1.5%	
Southport	3%	Tourism Development Authority - At least 2/3 used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
St. James	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	3.33%	1.66%	

North Carolina County/ Municipality	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Sunset Beach	5%	City officials - First 3% used for tourism-related expenditures which include the criminal justice system, fire protection, health facilities, waste & sewage treatment, control/repair of waterfront erosion, and remaining 2% used only for beach nourishment.		2%	3%
Buncombe	6%	Tourism Development Authority - 2/3 shall be used only to further the development of travel, tourism, meetings and events in the county through marketing, advertising, sales & promotion and for the administrative expenses (includes salaries, benefits, operations and facilities) of the Authority, not to exceed 20% of the net proceeds for the applicable fiscal year; the remainder shall be split evenly between a Tourism Product Development Fund to provide financial assistance for major tourism projects in order to significantly increase patronage of lodging facilities in, and further economic development in, Buncombe County; and The Legacy Investment from Tourism Fund to provide financial assistance for tourism-related projects that are designed to increase patronage of lodging facilities, meeting facilities, and convention facilities by attracting tourists, business travelers, or both and benefits the community at large in Buncombe County.	4%	2%	
Burke	6%	Tourism Development Authority - Of the first 3%, at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Remaining 3% of the tax is distributed to a Morganton account (45%), a Burke County account (30%), and a Valdese account (25%), and used in the same way as the first 3%.	4%	2%	
Cabarrus	6%	County Tourism Authority - Used to develop or promote tourism, tourist-related support services and facilities, tourist-related events, tourist-related activities, or tourist attractions.	0% - 6%	0% - 6%	
Caldwell	3%	Caldwell County Chamber of Commerce - After 15% of funds for admin, 1/2 used to promote travel & tourism and sponsor tourist-oriented events/activities, and 1/2 used to promote industrial and economic growth.	1.5%	1.5%	1.5%
Lenoir	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Camden	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Carteret	6%	50% to the Carteret County Tourism Development Authority to promote travel and tourism; 50% to Carteret County for beach nourishment.	3%	3%	
Caswell	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Yanceyville	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Catawba	4%	City of Claremont - Proceeds deposited in the general fund.			4%

North Carolina County Municipality		2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Conover		6%	City of Conover - Remits its tax to the Hickory-Conover TDA. Hickory-Conover Tourism Development Authority - Prior to and through December 31, 2039, 2/3 to be used for improving, leasing, constructing, financing, operating or acquiring facilities and properties needed to provide for a convention center facility, including parking facilities for the convention center; remainder must be used to promote travel and tourism. After December 31, 2039, at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	4%	
	Hickory	6%	City of Hickory - Remits its tax to the Hickory-Conover Tourism Development Authority - Prior to and through December 31, 2039, 2/3 to be used for improving, leasing, constructing, financing, operating or acquiring facilities and properties needed to provide for a convention center facility, including parking facilities for the convention center; remainder must be used to promote travel and tourism. After December 31, 2039, at least 2/3 must be used to promote travel & tourism, remainder used for tourism-related expenditures.	2%	4%	
Chatham		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Cherokee		4%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2.66%	1.33%	
Chowan		5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Clay		3%	Clay County Commissioners (until net proceeds exceed \$150,000, then a TDA will be formed) - At least 2/3 to promote travel and tourism; remainder for tourism-related expenditures.	3%		
Cleveland		3%	County Commissioners - Used for any public purpose.			3%
	Boiling Springs	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
	Grover	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
	Kings Mountain	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
	Shelby	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Columbus		3%	County Tourism Board - Used to promote travel & tourism and for tourism-related expenditures.	0% - 3%	0% - 3%	

North Carolina County/ Municipality	2014 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Craven	6%	<p><i>First 3% to the Tourism Development Authority - Used for: 1) Direct advertising costs for visitor promotions, conventions, or tourism; 2) Marketing and promotions expenses; 3) Operating expenses for the Visitor Information Center; 4) Salaries, benefits, and expenses for Visitor Information Center personnel; and 5) Other expenses that aid and encourage visitor promotions, conventions, or tourism. (35% of net proceeds in excess of \$100,000 of the first 3% collected is remitted to the Room Tax Trust Fund.)</i></p> <p><i>Remaining 3% to the Room Tax Trust Fund - Used to construct, maintain, operate, or market a convention or meeting facility in New Bern and a tourist center in Havelock.</i></p> <p><i>Of the first 3%:</i></p> <p><i>1) 1/2 to Cumberland County - Used for the benefit of the Cumberland County Auditorium Commission to help finance major repairs, renovation, rehabilitation, or other capital improvements to its existing facilities and any new additions. May also be utilized by the Commission for financing construction of new convention-oriented or multipurpose facilities.</i></p> <p><i>2) Remaining 1/2 - Used specifically for advertising the auditorium and promoting travel & tourism.</i></p> <p><i>Remaining 3% to the Tourism Development Authority - 1/2 used to promote travel & tourism and for tourism-related expenditures, and 1/2 distributed to the Arts Council of Fayetteville/Cumberland County for arts festivals and other arts events that will draw tourists or other business travelers to the area.</i></p> <p><i>Tourism Development Authority (County Commissioners) - First 3% used only for tourism-related expenditures including beach nourishment. Of the remaining 3%, at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.</i></p> <p><i>Of the first 3% - Used only for tourism-related purposes, including construction and maintenance of public facilities and buildings, garbage, refuse, solid waste collection and disposal, police protection and emergency services:</i></p> <p><i>1) 2/3 to the six towns (Duck, Southern Shores, Kitty Hawk, Kill Devil Hills, Manteo) distributed in proportion to the amount of ad valorem tax levied by each town for the preceding fiscal year.</i></p> <p><i>2) 1/3 to Dare County - Tourism-impacted municipal services: 25% for garbage, refuse, and solid waste collection and disposal; 25% for police protection; and 50% for emergency services.</i></p> <p><i>Additional 1% to the Dare County Tourism Board: 3/4 must be used for the cost of administration and to promote tourism, and 1/4 used for services and programs needed due to the impact of tourism on the county.</i></p> <p><i>Remaining 2% to Dare County- Used for beach nourishment.</i></p>	2% - 6%	0% - 4%	
Cumberland	6%		3%	3%	
Currituck	6%		2%	4%	
Dare	6%		0.75%	1.25%	4%
Davidson (unincorporated areas only)	6%		4%	2%	
Lexington	6%		2%	1%	

North Carolina County/ Municipality		2022 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Davie	Thomasville	6%	<i>Tourism Commission</i> - If the rate is 3%, then at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. If the rate exceeds 3%, then the proceeds- equivalent of a 3% tax- shall be used as stated above and the excess proceeds shall be used only to construct or maintain a visitors' center.	2%	4%	
	Bermuda Run	3%	<i>County officials</i> - At least 1/2 must be deposited in a special account and used to promote travel & tourism and finance capital projects related to tourism (any tax proceeds in the special account not appropriated after 3 years are remitted to the general fund of Davie County and may be used for any lawful purpose); remainder used for any lawful purpose.	0% - 1.5%	0% - 1.5%	1.5%
	Cooleemee	3%	<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	2%	1%	
	Mocksville	3%	<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	2%	1%	
			<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	2%	1%	
Duplin		6%	<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	4%	2%	
Durham			<i>First 3% distributed to Durham County (57.5%) and to the City of Durham (42.5%)</i> - May be used for any public purpose.	2%	1%	3%
		6%	<i>Remaining 3% to the Convention and Visitors Bureau</i> - First 2% used to promote travel, tourism, & conventions. Of the remaining 1%, first \$1.4 million to the City of Durham to finance debt service associated with the construction of the Performing Arts Theater; after 32 years the first \$1.4 million shall be used by the Bureau to promote travel & tourism. Next \$500,000 to Durham County for improvements to the Museum of Life and Science, which may include the financing of debt service. Any additional net proceeds will be used to promote travel, tourism, and conventions in Durham County.			
Edgecombe		6%	<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	4%	2%	

North Carolina County/ Municipality	2024 Disbursement Tax Rate	Allocation for Allocation	Allocation to Tourism Promotion	Allocation to Tourism- Related Expenditures	Allocation to Generally Non- Tourism Activities
Forsyth	6%	<p><i>Of the first 3%:</i></p> <p>1) 5% divided among the municipalities other than Winston-Salem on a pro rata basis - Used only for economic development and cultural & recreational purposes.</p> <p>2) Remainder to the Tourism Development Authority - Used to further the development of travel, tourism, and conventions.</p> <p><i>Of the remaining 3%:</i></p> <p>1) 5% divided among the municipalities other than Winston-Salem on a pro rata basis - Used only for economic development and cultural & recreational purposes.</p> <p>2) 1/3 of the remaining proceeds to the Tourism Development Authority - Used to further the development of travel, tourism, and conventions.</p> <p>3) 10% of the remaining proceeds divided among municipalities other than Winston-Salem, in which taxable establishments are located, in proportion to the amount of tax proceeds collected in each municipality - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.</p> <p>4) Remainder divided between Winston-Salem and Forsyth County on a pro rata basis - Used only for economic development and cultural & recreational purposes.</p>	3.92%	2.08%	
Franklin	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Gaston	3%	Board of Commissioners - Used for economic development to promote travel & tourism, including administrative expenses of the county's Travel and Tourism Office.	3%		
Belmont	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Cramerton	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Dallas	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Gastonia	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Lowell	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
McAdenville	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Mount Holly	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Ramlo	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	

North Carolina County / Municipality		2024 Occupancy Tax Rate	Occupancy Tax Allocation		Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Gates		-					
Graham		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures		2%	1%	
Graham County District G (unincorporated areas only)		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures		2%	1%	
Fontana Dam		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures		2%	1%	
Lake Santeetlah		3%	Town Council - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures		2%	1%	
Robbinsville		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures		2%	1%	
Granville		6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures		4%	2%	
Greene		-					
Guilford		3%	70% to the Greensboro/Guilford County Tourism Development Authority - 4/5 used to promote travel & tourism activities/programs, and up to \$170,000 of the remaining 1/5 may be used for tourist-related events including grant programs; remainder used for tourism, conventions, and capital improvements. 30% to the City of High Point - 85% used to promote travel & tourism activities/programs, and 15% used for specific tourist-related events. 1) 1/5 to Greensboro/Guilford County Tourism Development Authority - Used for activities and programs promoting and encouraging travel & tourism. 2) 4/5 to the City of Greensboro - Used to finance the renovation and expansion of the Greensboro War Memorial Coliseum arena, the renovation and expansion of the remainder of the Greensboro War Memorial Complex and acquisition of property in the vicinity, and for the maintenance of the complex. City of High Point - Used for furniture market promotion and visitor assistance. (furniture market promotion and visitor assistance is defined as: activities and expenditures to promote the International Home Furnishings Market in the city and to assist visitors who attend it. The term may include advertising and other promotional activities, transportation and parking, housing/facilitation, buyer registration, and administration of these activities.)		2.45%	0.55%	
Greensboro		3%			0.6%	2.4%	
High Point		3%			0% - 3%	0% - 3%	
Halifax		5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.		3.33%	1.66%	
Roanoke Rapids		1%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Net proceeds are remitted to the Halifax County TODA requiring it to hold funds in a separate account and administer separately		0.66%	0.33%	

North Carolina County/ Municipality	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Harnett Averasboro Township (Dunn) (The tax is levied by Harnett County Board of Commissioners, but only within Averasboro Township)	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Haywood	4%	Tourism Development Authority - Of the first 3%, at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. The remaining 1% is segregated into five separate accounts (Canton area, Clyde area, Lake Junaluska area, Maggie Valley area, and Waynesville area) based on the ZIP code of accommodations yielding the tax proceeds, and at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures in each of the collection areas.	2.66%	1.33%	
Henderson	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Hertford Ahoskie	3%	County Commissioners - Used for any lawful purpose.	2%	1%	3%
	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Hoke Murfreesboro	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Hyde	3%	County Commissioners - Used for any public purpose. (The county shall spend 90% of the proceeds collected on the mainland only for the direct benefit of the mainland. The county shall spend 90% of the proceeds collected on Ocracoke only for the direct benefit of the island.)			3%
	2%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	1.33%	0.66%	
Iredell Iredell County District I (unincorporated areas only)	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	4%	2%	
Mooresville	4%	Travel and Tourism Authority - At least 3/4 used to promote travel & tourism; remainder used for tourism-related expenditures.	3%	1%	

North Carolina County/ Municipality	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Statesville	5%	First 3% to the City of Statesville - Used for construction, operation, and maintenance of a civic center, for payment of interest or retiring principal on debt related to a civic center, or for promotion of travel & tourism. Of the remaining 2%: 1) 1/2 to Tourism Development Authority - Used to promote travel & tourism. 2) 1/2 to the City of Statesville - Used for operation and maintenance of a civic center and for payment of interest or retiring principal on debt related to a civic center.	1% - 4%	1% - 4%	
Troutman	3%	Tourism Development Authority - At least 2/3 used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Jackson	4%	Tourism Development Authority - At least 2/3 used to promote travel & tourism; remainder used for tourism-related expenditures.	3%	1%	
Johnston	3%	County Tourism Authority - Revenue is remitted to listed organizations in towns from which tax is collected. The revenue shall be used for: 1) direct advertising costs for visitor promotions, conventions, or tourism; 2) marketing & promotions expenses; 3) operating expenses for tourist-oriented events; 4) administrative expenses; 5) tourist-related capital projects; 6) other expenses that aid and encourage visitor promotions, conventions, or tourism; and 7) any additional administrative costs incurred by the county.	0% - 3%	0% - 3%	
Benson	2%	County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Clayton District C (only that part of the Town of Clayton that is located within Johnston County)	2%	County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Four Oaks	2%	County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Kenly	2%	County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Selma	2%	County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Smithfield	2%	County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Jones	-				
Lee	3%	Lee County - Proceeds held in a capital reserve fund until a sufficient amount has accumulated to construct a Community Resource Center; proceeds shall then be used to construct and maintain the Center. Any excess over the amount needed for maintenance of the Center may be used by for any lawful purpose.			3%
Sanford	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder to be used for the operation, maintenance, promotion and renovation of the Dennis A. Wicker Civic Center. Any funds not spent or obligated to the Civic Center may be used by the authority for the promotion of travel and tourism.	2%	1%	

North Carolina County/ Municipality	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Lenoir	3%	Tourism Development Authority - Used only to further the development of travel, tourism, and conventions through advertising and promotion, to sponsor tourist-oriented events/activities, and to finance tourist-related capital projects.	0% - 3%	0% - 3%	
Kinston	3%	Tourism Development Authority - Used only to further the development of travel, tourism, and conventions through advertising and promotion, to sponsor tourist-oriented events/activities, and to finance tourist-related capital projects.	0% - 3%	0% - 3%	
Lincoln	3%	Lincoln County - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Unconlnton	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Macon	3%	Travel and Tourism Authority - Used only to promote travel & tourism.	3%		
Franklin	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Madison	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Martin	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
McDowell	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Mecklenburg	8%	First 3% to the City of Charlotte - Used for convention center facilities.	0% - 3%	5% - 8%	
(See appendix for full occupancy tax allocation.)	(Two separate occupancy taxes, 6% and 2%)	Remaining 3% to be distributed to Cornelius, Davidson, Huntersville, Matthews, Mint Hill, and Pineville - Used for visitor promotion and tourism-related expenditures.			
Mitchell	6%	Additional 2% to the City of Charlotte - Used only for the acquisition, construction, repair, maintenance, and financing of a NASCAR Hall of Fame Museum facility and an ancillary and adjacent NASCAR/convention center ballroom facility.	4%	2%	
Montgomery	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Moore	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. * Currently pending approval of Board of County Commissioners	3%	1%	
Nash	5%	First 3% to the Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Remaining 2% to the City of Rocky Mount - Used for tourism-related expenditures specifically approved in advance by the TDA.	2%	3%	

North Carolina County/Municipality	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
New Hanover (except Convention Center District)	3%	3/5 to New Hanover County - Used for beach nourishment. 2/5 to the Cape Fear Coast Convention and Visitors Bureau (set up as a TDA) - Used to promote travel & tourism.	1.2%	1.8%	
New Hanover County District U (unincorporated areas only)	3%	Cape Fear Coast Convention and Visitors Bureau - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Wilmington	3%	City of Wilmington Convention center account - Used by the City of Wilmington for the construction, financing, operation, promotion, and maintenance of a public convention center.	3%	3%	
Wilmington Convention Center District	3%	City of Wilmington Convention center account - Used by the City of Wilmington for the construction, financing, operation, promotion, and maintenance of a public convention center.	3%	3%	
Carolina Beach, Kure Beach, and Wrightsville Beach (County collects and administers the occupancy tax on behalf of the towns listed above.)	3% (in each town)	Cape Fear Coast Convention and Visitors Bureau (set up as a TDA) - In each individual beach community, at least 1/2 must be used to promote travel & tourism; remainder used for tourism-related expenditures that are designed to increase the use of lodging facilities, meeting facilities or convention facilities or to attract tourists or business travelers to the area and includes tourism-related expenditures as approved by the TDA Board of Directors.	1.5%	1.5%	
Northampton	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Onslow	3%	Onslow County - Proceeds deposited in the general fund and are used to further the development of travel, tourism, and conventions.	0% - 3%	0% - 3%	
Jacksonville	3%	Tourism Development Authority - At least 2/3 must be used for tourism-related expenditures; remainder used for tourism promotion.	1%	2%	
North Topsail Beach	3%	North Topsail Beach - Used for beach nourishment.	3%	3%	
Swansboro	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Orange	3%	Board of Commissioners - The Board decides on the allocation of revenues annually during its budgeting process. At least 10% is used to provide funding for visitor information services and to support cultural events.	0% - 2.7%	0.3% - 3%	0% - 2.7%
Carrboro	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Chapel Hill	3%	Town Council - The Town Council decides on the allocation of revenues annually during its budgeting process. At least 10% is used to provide funding for visitor information services and to support cultural events.	0% - 2.7%	0.3% - 3%	0% - 2.7%
Hillsborough	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Pamlico	-	Board of Commissioners - At least 1/4 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	0.75%	2.25%	
Oriental	3%				

North Carolina County/ Municipality	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Pasquotank		Tourism Development Authority - Elizabeth City- Pasquotank County Tourism Development Authority- Of the first 3%, 1/2 is used to promote travel & tourism, 1/4 is used for tourism-related expenditures recommended by the City of Elizabeth City Council, and 1/4 is used for tourism-related expenditures recommended by the Pasquotank County Board of Commissioners. Of the remaining 3%, at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Elizabeth City	6%		3.5%	2.5%	
(Elizabeth City Council may levy a room occupancy tax at a rate that does not exceed 6% when combined with the Pasquotank County occupancy tax rate.)	6%				
Pender		Proceeds from accommodations in Surf City to Surf City - Used for beach nourishment.	0% - 3%	0% - 3%	
	3%	Proceeds from accommodations in Topsail Beach to Topsail Beach - Used for beach nourishment.			
Burgaw	3%	Remaining proceeds from accommodations in Pender County to Tourism Development Authority - At least 2/3 must be used to promote travel & tourism, remainder used for tourism-related expenditures.	2%	1%	
Surf City	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism, remainder used for tourism-related expenditures		3%	
Topsail Beach	3%	Surf City - Used only for tourism-related expenditures- includes criminal justice system, fire protection, public facilities and utilities, health facilities, solid waste & sewage treatment, and the control/repair of water front erosion		3%	
		Topsail Beach - Used only for tourism-related expenditures- includes criminal justice system, fire protection, public facilities and utilities, health facilities, solid waste & sewage treatment, and the control/repair of water front erosion.			
Perquimans		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	6%	
Person	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Pitt	6%	Convention and Visitors Authority - Of the first 3%, at least 2/3 must be used to promote travel & tourism in Pitt County and the City of Greenville, remainder used for tourism-related expenditures. The remaining 3% is used to reimburse Pitt County and the City of Greenville for any funds they have advanced to purchase property for a convention center. After full reimbursement of the city and county, the money shall be used to finance, construct, maintain, operate, or market a convention center.	2%	4%	
Polk		Polk County - Used only to promote travel & tourism.	3%		15%
Columbus	3%	Town Council - 1/2 is used to promote travel & tourism, and 1/2 is used for any public purpose.	1.5%		
Saluda	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Tryon	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	

North Carolina County/ Municipality	2013 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Randolph	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Richmond	6%	Tourism Development Authority - 1/2 is used to promote travel & tourism, and 1/2 is used for tourism-related expenditures in the City of Rockingham that are mutually agreed upon by the county TDA and the Rockingham City Council.	3%	3%	
Robeson					
Lumberton	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Pembroke	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Rowland	2%	City officials - Used for sponsoring tourist-oriented events, encouraging tourism through advertising and promotion, establishing a visitors' center, and other expenditures that directly enhance tourism, also includes the following type of expenditures- criminal justice system, fire protection, public facilities and utilities, health facilities, and solid waste & sewage treatment.	0% - 2%	0% - 2%	
St. Pauls	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Rockingham					
Eden	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
	2%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	1.33%	0.66%	
Reidsville	2%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	1.33%	0.66%	
Rowan					
	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Rutherford					
	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Sampson					
	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Scotland					
	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Stanly					
	6%	5/6 of proceeds from accommodations in the City of Albemarle to the City of Albemarle - 2/5 of that is then remitted to the Stanly County Tourism Development Authority for promoting travel & tourism, and 3/5 is used for tourism-related expenditures. Proceeds from accommodations in each municipality (other than Albemarle) to that municipality - Each municipality remits to the Stanly County Tourism Development Authority each year the greater of \$1.00 per capita of the municipality's population or 1/2 of the amount remitted to the municipality for promoting travel & tourism; remainder used for tourism-related expenditures in the county. The greater of \$25,000 a year or 1/2 of the remaining proceeds of the occupancy tax to the Tourism Development Authority - Used to promote travel & tourism. Remaining proceeds to Stanly County - Used for tourism-related expenditures.	Approx. 3%	Approx. 3%	

North Carolina County/Township	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Stokes	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Surry (unincorporated areas only)	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Dobson	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Elkin	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Mount Airy	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Pilot Mountain	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Swain	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Transylvania	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Tyrrell	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Union	1%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	0.66%	0.33%	
Indian Trail	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Monroe	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Stallings District S (Taxing district consists of only that part of the town that is located within Union County.)	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Vance	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	

North Carolina County/ Municipality	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Wake (See appendix for full tax occupancy tax allocation.)	6%	<p>Of the first \$3,815,000:</p> <p>1) 45.25% to the City of Raleigh - First \$680,000 used for tourism-related expenditures; remaining proceeds used for the Raleigh Civic Center Complex or similar facilities, and the construction of sports, cultural, and arts facilities.</p> <p>2) 5% of the remaining proceeds to the Town of Cary - Used for public relations and promotional activities and for visitor-related programs and activities.</p> <p>3) 34.75% of the remaining proceeds to Wake County - Used only for the Raleigh Civic Center Complex or similar facilities or for construction of sports, cultural, and arts facilities.</p> <p>4) 15% of the remaining proceeds to the Greater Raleigh Convention and Visitor Bureau - Used to promote travel, tourism, and conventions.</p> <p>Proceeds in excess of \$3,815,000 distributed to the City of Raleigh, Town of Cary, Raleigh Regional Convention and Visitor Bureau, and Wake County - Used for the purposes noted above and capital projects.</p>	Approx. 2%	Approx. 4%	
Warren	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Washington	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Watauga (unincorporated areas only)	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Beech Mountain	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
(Only up to 3% if District W is levying an occupancy tax)					
Beech Mountain District W	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
(In addition to current town occupancy tax; a special taxing district containing that part of the Town of Beech Mountain located in Watauga Co.)					
Blowing Rock	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Boone	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Seven Devils	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Seven Devils District W	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	

North Carolina County / Municipality	2024 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non-Tourism Activities
Wayne	1%	Tourism Development Authority - All funds used to promote travel and tourism. No more than 1/5 to the Tourism Council - Used to develop tourism, support services, and tourist-related events, and for any other appropriate activities to provide tourism-related facilities and attractions.	1%	2% - 5%	
(Currently, the remainder of the occupancy tax proceeds is being used in accordance with option 2.)					
Goldsboro	5%	Remainder to the citizens' advisory committee - Used for a study of the feasibility of the construction of a civic center. 1) If civic center feasible, remainder to the City of Goldsboro - Used for improving, leasing, constructing, financing, operating, or acquiring facilities and properties as needed to provide for a civic center facility. 2) If civic center not feasible at present, up to 1/2 to the Tourism Council - Used to develop tourism, support services, and tourist-related events, and for any other appropriate activities to provide tourism-related facilities and attractions. Remainder to the City of Goldsboro - Invested in a special interest bearing fund and held for improving, leasing, constructing, financing, operating, or acquiring facilities and properties, either by the city or in conjunction with other governmental, educational, or nonprofit entities. 3) If civic center not feasible, remainder to the Tourism Council - Used to develop tourism, support services, and tourist-related events, and for any other appropriate activities to provide tourism-related facilities and attractions.	0% - 3%		
Wilkes (unincorporated areas only)	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Wilson	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Yadkin (outside Jonesville and Yadkinville)	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Jonesville	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Yadkinville	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Yancey	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	

NOTES:

(%) - A percentage inside closed parentheses indicates an entity's legally enabled occupancy tax rate above what is currently collected

Promote travel and tourism is defined as: To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in these activities.

Tourism-related expenditures are defined as : Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a county by attracting tourists or business travelers to the city/county. The term includes tourism-related capital expenditures.

Beach Nourishment is defined as: The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:

- a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
- b. The nonfederal share of the cost required to construct these projects;
- c. The costs associated with providing enhanced public beach access; and
- d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences

<p>APPENDIX</p> <p>Mecklenburg County</p>	<p>Full Occupancy Tax Allocation</p> <p>First 3% to the City of Charlotte - Used for convention center facilities, applied in accordance with the following priorities (in order):</p> <p>1) To provide for when due payments for the current fiscal year with respect to any financing for new convention center facilities or for the expansion of existing convention center facilities, which may include off-street parking for use in conjunction with the facilities.</p> <p>2) To pay costs incurred in an amount equal to the sum of \$1,500,000 plus the total current fiscal year distributions to the Mecklenburg towns in each fiscal year for marketing and promoting new or expanded convention center facilities and for activities and programs aiding and encouraging convention and visitor promotion.</p> <p>3) To pay other costs of acquiring, constructing, maintaining, operating, marketing, and promoting new or expanded convention center facilities and of activities and programs aiding and encouraging convention and visitor promotion.</p> <p>Of the remaining 3%:</p> <p>1) 120% of the remaining proceeds collected in each municipality other than Charlotte to the respective municipality; Used for acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism-related programs and activities including art and cultural programs, events, and festivals.</p> <p>2) At least 50% of the first \$1,000,000 in each fiscal year, at least 35% of the second \$1,000,000 in each fiscal year, and at least 25% of the amount in excess of \$2,000,000 in each fiscal year shall be transferred to the City of Charlotte. Distributed to each Mecklenburg town--an amount equal to the greater of (i) 1/2 of the county prepared food and beverage tax net proceeds that were collected in that town during the preceding fiscal year, and (ii) an amount agreed to by interlocal agreement between the Mecklenburg town and the City of Charlotte. Used for acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism-related programs and activities including art and cultural programs, events, and festivals. (The Towns of Cornelius, Davidson, and Huntersville are required to contribute to the Lake Norman CVB 28% of their occupancy tax.)</p> <p>3) Remainder distributed between Charlotte and Mecklenburg County- Used for acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism related programs and activities including art and cultural programs, events, and festivals.</p> <p>Additional 2% to the City of Charlotte- Used only for the acquisition, construction, repair, maintenance, and financing of a NASCAR Hall of Fame Museum facility and an ancillary and adjacent NASCAR/convention</p>
<p>Wake County</p>	<p>Of the first \$3,815,000:</p> <p>(Before making the following distributions, the Board of Commissioners may, in its discretion, deduct from the proceeds of the tax the sum of \$100,000 in each fiscal year and remit the sum to Wake Technical Community College. The college must use funds remitted to it only to support its ongoing program of training individuals in hotel and motel management and in food service.)</p> <p>1) 45.25% to the City of Raleigh- First \$680,000 used to fund the acquisition, construction, construction, debt servicing, maintenance, or operation of convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums, to provide off-street parking facilities for use in conjunction with such facilities, and to fund visitor related programs and activities. Remaining proceeds are used for the acquisition, construction, renovation, financing, debt service, maintenance, and operation of expansions and additions to the Raleigh Civic Center Complex or similar facilities, and the construction of sports, cultural, and arts facilities.</p> <p>2) 5% of the remaining proceeds to the Town of Cary- Used for public relations and promotional activities and for visitor-related programs and activities, including cultural programs, events, festivals, and other visitor-related programs.</p> <p>3) 34.75% of the remaining proceeds to Wake County- Used only for the Raleigh Civic Center Complex or similar facilities or for construction of sports, cultural, and arts facilities.</p> <p>4) 15% of the remaining proceeds to the Greater Raleigh Convention and Visitor Bureau- Used to promote travel, tourism, and conventions.</p> <p>Proceeds in excess of \$3,815,000 but less than \$4,000,001:</p> <p>1) 95% to the City of Raleigh- Used for the purposes noted above.</p> <p>2) 5% to the Town of Cary- Used for the purposes noted above.</p> <p>Proceeds above \$4,000,000 and up to \$4,500,000:</p> <p>1) 25% to the Raleigh Regional Convention and Visitor Bureau. (Does not specify how the Bureau will use the funds.)</p> <p>2) 5% to the Town of Cary. At least 1/2 used for capital projects; remainder used for the purposes noted above.</p> <p>3) 47.5% to the City of Raleigh- Used for the purposes noted above.</p> <p>4) 22.5% to Wake County- Used for any use related to any of the purposes for which any local government is authorized to expend tax proceeds.</p> <p>Proceeds above \$4,500,000:</p> <p>1) 25% to the Raleigh Regional Convention and Visitor Bureau- (Does not specify how the Bureau will use the funds.)</p> <p>2) 5% to the Town of Cary. At least 1/2 used for capital projects; remainder used for the purposes noted above.</p> <p>3) 35% to the City of Raleigh- Used for any lawful purpose mentioned in any of the above.</p> <p>4) 35% to Wake County- Used for any lawful purpose mentioned in any of the above.</p>

GUIDELINES FOR OCCUPANCY TAX LEGISLATION

Since 1983, the General Assembly has authorized many units of local government to levy a room occupancy tax. In several instances, the General Assembly has authorized both a county and a city within that county to impose an occupancy tax. The rate of tax, the use of the tax proceeds, the administration of the tax, and the body with the authority to determine how the tax proceeds will be spent vary considerably.

Over the past several years, there has been a greater effort to make the occupancy taxes uniform. In 1997, the General Assembly enacted uniform municipal and county administrative provisions for occupancy tax legislation - G.S. 153A-155 and G.S. 160A-215. These provisions provide uniformity in the areas of levy, administration, collection, repeal, and penalties.

The North Carolina Travel and Tourism Coalition (NCTTC) has a policy statement for legislation authorizing local occupancy taxes. Many of the principles contained in its statement are similar to the ones established by the House Finance Committee in 1993. Subsequently, the House Finance Committee established the Occupancy Tax Subcommittee, which regularly reviews occupancy tax legislation and looks for the inclusion of the following uniform provisions in the bills it considers:

- ♦ **Rate** - The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.
- ♦ **Use** - 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, which may include beach nourishment. However, local governments in coastal counties may allocate up to 50% of occupancy tax proceeds for beach nourishment, so long as all remaining proceeds are used for tourism promotion and provided that the use of occupancy tax proceeds for beach nourishment is limited by either a statutory cap or sunset provision.¹
- ♦ **Definitions** The terms "net proceeds", "promote travel and tourism", "tourism-related expenditures", and "beach nourishment" are defined terms:
 - **Net proceeds** - Gross proceeds less the costs to the city/county of administering and collecting the tax, as determined by the finance officer, not to exceed 3% of the first \$500,000 of gross proceeds collected each year and 1% of the remaining gross receipts collected each year.
 - **Promote travel and tourism** - To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in these activities.
 - **Tourism-related expenditures** - Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a city/county by

¹In May 2013, the North Carolina Travel and Tourism Coalition passed a resolution supporting a modification to the Occupancy Tax Guidelines to allow local governments in coastal counties to allocate up to 50% of occupancy tax proceeds for Beach Nourishment, so long as all remaining proceeds are used for tourism promotion and provided that the use of occupancy tax proceeds for Beach Nourishment is limited by either a statutory cap or sunset provision.

attracting tourists or business travelers to the city/county. The term includes tourism-related capital expenditures.

- **Beach Nourishment²** – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:
 - a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
 - b. The nonfederal share of the cost required to construct these projects;
 - c. The costs associated with providing enhanced public beach access; and
 - d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.
- ♦ **Administration** – The net revenues must be administered by a local tourism promotion agency, typically referred to as a "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 ½ of the members must be currently active in the promotion of travel and tourism in the taxing district and 1/3 of the members must be affiliated with organizations that collect the tax.³
- ♦ **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.
- ♦ **Conformity with Other Local Occupancy Taxes** – In 2008, the NCTTC formally revised its policy position with regard to occupancy taxes to include a statement that if a city seeks to impose a new occupancy tax or increase its existing tax on lodging facilities in a county that also has an existing occupancy tax, the county occupancy tax must conform to the guidelines in order for the Coalition to support the proposed municipal tax. During the 2009 Regular Session, the House Finance Chairs⁴ considered the revised policy statement of the NCTTC but declined to amend the House Finance Committee's Guidelines for Occupancy Tax accordingly.

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²During the 2001 Regular Session, the Occupancy Tax Subcommittee of the House Finance Committee considered several bills authorizing the use occupancy tax proceeds for beach nourishment. Although "beach nourishment" was not among the uses contained in the uniform guidelines, the subcommittee nevertheless concluded that beach nourishment was an acceptable expansion of the occupancy tax use provisions. In doing so, the subcommittee drafted this uniform definition of beach nourishment for use in occupancy tax legislation.

³ In March 2005, the House Finance chairs decided to change the percentage of members that must be currently active in the promotion of travel and tourism from ¾ to ½. The House Finance chairs in 2005-06 were: Representatives Alexander, Gibson, Howard, Luebke, McComas, and Wainwright.

⁴ During the 2009-2010 Session, the House Finance chairs were: Representatives Luebke, Wainwright, Weiss, and Gibson.

HOUSE GUIDELINES FOR OCCUPANCY TAX LEGISLATION

Background – Since 1983, the General Assembly has authorized many units of local government to levy a room occupancy tax. At that time, the use of the tax proceeds, the administration of the tax, and the body with the authority to expend the proceeds varied considerably.

In the mid-1990s, there was an effort to make occupancy taxes more uniform and to ensure that proceeds were used primarily for tourism. In 1993, the House Finance Committee adopted the Occupancy Tax Guidelines, which contain many of the same principles espoused by the North Carolina Travel and Tourism Coalition (NCTTC) in its policy statement for legislation authorizing local occupancy taxes. In 1997, the General Assembly enacted administrative provisions for occupancy tax legislation, which provide uniformity in the areas of levy, administration, collection, repeal, and penalties (G.S. 153A-155 and G.S. 160A-215).

Consistent with these objectives, the House Finance Committee established the Occupancy Tax Subcommittee in the late 1990s to regularly review occupancy tax legislation and to look for adherence to the following provisions in the bills it considers:

Rate – The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.

Use – 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, which may include beach nourishment. However, local governments in coastal counties may allocate up to 50% of occupancy tax proceeds for beach nourishment, so long as all remaining proceeds are used for tourism promotion and provided that the use of occupancy tax proceeds for beach nourishment is limited by either a statutory cap or sunset provision.

Definitions – The terms "net proceeds", "promote travel and tourism", "tourism-related expenditures", and "beach nourishment" are defined terms:

- **Net proceeds** – Gross proceeds less the costs to the city/county of administering and collecting the tax, as determined by the finance officer, not to exceed 3% of the first \$500,000 of gross proceeds collected each year and 1% of the remaining gross receipts collected each year.
- **Promote travel and tourism** – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in these activities.
- **Tourism-related expenditures** – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a city/county by attracting tourists or business travelers to the city/county. The term includes tourism-related capital expenditures.

- **Beach Nourishment** – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:
 - a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
 - b. The nonfederal share of the cost required to construct these projects;
 - c. The costs associated with providing enhanced public beach access; and
 - d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.

Administration – The net revenues must be administered by a local tourism promotion agency, typically referred to as a “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 ½ of the members must be currently active in the promotion of travel and tourism in the taxing district and ½ 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.

Conformity with Other Local Occupancy Taxes – In 2008, the NCTTC formally revised its policy position with regard to occupancy taxes to include a statement that if a city seeks to impose a new occupancy tax or increase its existing tax on lodging facilities in a county that also has an existing occupancy tax, the county occupancy tax must conform to the guidelines in order for the Coalition to support the proposed municipal tax. During the 2009 Regular Session, the House Finance Chairs considered the revised policy statement of the NCTTC but declined to amend the House Finance Committee's Guidelines for Occupancy Tax accordingly.

Occupancy Tax Compliance Issues in Coastal North Carolina

An Overview of Challenges and Solutions

Introduction

Occupancy taxes, a significant source of revenue for local governments, are levied on short-term rentals of accommodations, such as hotels, motels, and vacation rental properties. In coastal North Carolina, these taxes play a vital role in funding infrastructure projects, tourism promotion, and regional development. However, compliance with occupancy tax regulations has become a growing concern, as the region faces unique challenges related to its booming vacation rental industry and evolving tax regulations.

Understanding Occupancy Taxes

Occupancy taxes are imposed as a percentage of the rental cost and are typically paid by guests. Property owners or managers collect these taxes and remit them to local or state governments. In coastal North Carolina, occupancy tax rates vary from county to county, often ranging between 3% and 6%. Revenues from these taxes are earmarked to support tourism initiatives and maintain public amenities in high-demand areas.

Key Compliance Issues

Rapid Growth of Short-Term Rentals

Coastal North Carolina is renowned for its stunning beaches and picturesque towns, attracting millions of tourists annually. The surge in popularity of platforms like Airbnb and Vrbo has led to an exponential increase in short-term rental properties. Many of these properties are operated by individual homeowners who may not be fully aware of their tax obligations, resulting in underpayment or non-payment of occupancy taxes.

Lack of Awareness and Education

Another significant issue is the lack of awareness among property owners about occupancy tax regulations. Many homeowners who rent out their vacation properties are unaware of their requirement to register their properties with local tax authorities, calculate

occupancy taxes accurately, and remit them on time. This lack of knowledge contributes to widespread non-compliance.

Enforcement Challenges

Local governments in coastal North Carolina often face resource constraints that limit their ability to enforce occupancy tax compliance effectively. Monitoring the ever-growing number of short-term rentals and ensuring tax payments are made correctly requires robust systems, which many municipalities lack. This results in lost revenue and difficulty in maintaining fairness across the rental market.

Impact of Changing Legislation

As short-term rental platforms evolve, so do the regulations governing their operations. Coastal North Carolina has seen recent changes to occupancy tax laws aimed at addressing compliance issues. However, these changes can create confusion among property owners, especially those unfamiliar with legal jargon, further complicating compliance efforts.

Unreported Rentals

A portion of the short-term rental market operates “under the radar,” with property owners intentionally avoiding listing their rentals on public platforms or reporting their income to tax authorities. This evasion leads to significant revenue losses for local governments and creates an uneven playing field for compliant property owners.

Consequences of Non-Compliance

Non-compliance with occupancy tax regulations has far-reaching implications. Local governments miss out on critical revenue streams, which can hamper their ability to maintain public infrastructure and invest in tourism-related projects. Additionally, non-compliance undermines trust among stakeholders, including compliant property owners who may feel unfairly burdened as others evade taxes.

Solutions to Address Compliance Issues

Education and Outreach

Improving awareness among property owners is a key strategy to enhance compliance. Local governments can launch educational campaigns to inform owners about their tax obligations, the importance of compliance, and the penalties for violations. Clear

guidelines and resources, such as online calculators, brochures, and webinars, can make it easier for property owners to understand occupancy tax requirements.

Partnerships with Rental Platforms

Collaborating with platforms like Airbnb and Vrbo can streamline tax collection and reporting processes. By integrating occupancy tax payments into booking systems, these platforms can ensure that taxes are collected at the point of sale, reducing the burden on property owners and improving compliance rates.

Enhanced Enforcement Mechanisms

Investing in better enforcement tools and technologies can help local governments identify non-compliant properties and enforce tax regulations more effectively. For example, software solutions that scan rental listings and cross-reference them with tax records can pinpoint discrepancies and unregistered rentals.

Regular Updates to Legislation

State and local governments must ensure that occupancy tax laws keep pace with changes in the rental industry. Regular updates to legislation, combined with simplified language and clear guidance, can help property owners stay informed and compliant.

Penalties and Incentives

Introducing penalties for non-compliance and incentives for timely tax payments can encourage adherence to regulations. For example, offering discounts for early payments or waiving penalties for first-time offenders who rectify their errors promptly may promote better compliance rates.

Conclusion

Occupancy tax compliance issues in coastal North Carolina reflect broader challenges faced by regions with thriving tourism economies. Addressing these issues requires a multi-faceted approach, combining education, partnerships, enforcement, and legislative updates. By taking proactive measures, local governments can maximize revenue from occupancy taxes, support regional development, and ensure fairness across the rental market. Ultimately, a well-functioning occupancy tax system benefits not only the authorities but also the property owners and the tourists who visit this beautiful coastal region.

Coates' Canons NC Local Government Law

Occupancy Taxes and Airbnb

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Author: Chris McLaughlin

As the number of Airbnb and other short-term rentals continues to increase across North Carolina, more local governments grow concerned about the regulation and taxation of these properties. To help, my School of Government faculty colleague Rebecca Badgett and I created a half-day workshop available for on-demand viewing and a related book on this sometimes controversial topic.

One important issue we discuss is how local governments can best collect occupancy taxes on rentals made through third-parties such as Airbnb or traditional rental agents. The good news is that many short-term rental ("STR") websites and rental agents are sending monthly occupancy tax checks to North Carolina local governments. The bad news is that those checks are often lump-sum payments with no way to identify the rental properties to which they relate. This lack of detail makes it almost impossible to know if these third parties are satisfying their occupancy tax obligations. What's more, North Carolina law lets most property owners off the hook for unpaid occupancy taxes on rentals made through STR websites or rental agents. To make things even more confusing, the General Assembly recently amended the law governing tax liability for these third-party rental facilitators.

Here's a summary of where the law now stands.

1. STRs booked through websites and rental agents are subject to local occupancy taxes.

I cover the basics about occupancy taxes and exemptions here and here. Essentially all STRs are taxable unless they are extend longer than 90 consecutive days, are at a private residence rented for fewer than 15 days per year, or are part of a school, college or camp program. This is true regardless of whether the rental is a hotel room, an oceanfront mansion, or simply a spare bedroom and regardless of whether the rental is booked through a third-party such as a STR website or rental agent or directly with the property owner.

2. If the rent for an STR is collected by a third party, that third party is likely responsible for any unpaid occupancy taxes instead of the property owner.

To understand how this occurs, we first need to look at the applicable definitional section:

Section 105-164.3. Definitions

(1) Accommodation. – *A hotel room, a motel room, a residence, a cottage, or a similar lodging facility for occupancy by an individual.*

(3) Accommodation facilitator. – *A person that contracts, either directly or indirectly, with a provider of an accommodation to perform, either directly or indirectly, one or more of the activities listed in this subdivision. The term includes a real estate broker as defined in G.S. 93A-2. The activities are:*

- 1. Market the accommodation and accept payment or collect credit card or other payment information for the rental of the accommodation.**
- 2. List the accommodation for rental on a forum, platform, or other application for a fee or other consideration.**

[Emphasis added.]

Under this new (as of 2020) provision, the term “facilitator” now includes both STR websites such as Airbnb and VRBO as well as traditional (and usually local) rental agencies.

We then need to turn to another provision to learn how and when a facilitator is responsible for occupancy taxes:

Section 105-164.4F. Accommodation rentals.

(b) Tax. – *The gross receipts derived from the rental of an accommodation are taxed at the general rate set in G.S. 105-164.4. Gross receipts derived from the rental of an accommodation include the sales price of the rental of the accommodation. The sales price of the rental of an accommodation is determined as if the rental were a rental of tangible personal property. The sales price of the rental of an accommodation made by an accommodation facilitator includes any charges or fees, by whatever name called, charged by the accommodation facilitator to the purchaser of the accommodation that are necessary to complete the rental. The tax is due and payable by the retailer in accordance with G.S. 105-164.16.*

(b1) Retailer. – *Except as otherwise provided in subsection (c) of this section, the retailer of the*

rental of an accommodation is one or more of the persons listed below that collects the payment, or a portion of the payment, for the rental of the accommodation. In the event the person who collects the payment cannot be determined or is a third party that is not listed in this subsection, and subsection (c) of this section does not apply, the provider of the accommodation shall be considered the retailer of the transaction. The retailer is liable for reporting and remitting the tax due on the portion of the gross receipts derived from the rental of the accommodation that the retailer collects. The retailer may be one or more of the following:

(1) The provider of the accommodation.

(2) An accommodation facilitator.

[Emphasis added.]

Reading these provisions together, we arrive at this conclusion: if a on-line STR platform or a rental agency lists a property and collects payment for the rental of that property, then that platform or agency is responsible for collecting and remitting occupancy taxes on that rental to the appropriate local government. (It is also responsible for collecting and remitting sales taxes on that rental to the state.) The owner of the property being rented is not responsible for those taxes.

This is not ideal from the perspective of North Carolina tax collectors, because it is obviously much easier to collect delinquent taxes from a local property owner than it is from San Francisco-based Airbnb or Austin-based VRBO. Local property owners have local bank accounts to attach and local personal property to levy upon and sell. Airbnb and VRBO do not.

It's unclear why the General Assembly chose to make facilitators rather than individual property owners responsible for sales and occupancy taxes. The legislature likely assumed that the large companies running STR websites have deeper pockets than do the property owners. It also may have also assumed that it is easier to deal with one taxpayer that is responsible for many tax payments rather than many individual taxpayers. While both of those assumptions sound reasonable, the end result is a bad one for local tax collectors who have almost zero leverage over well-financed companies located outside of North Carolina.

Of course, local rental agencies are much easier to target with enforced collection remedies such as bank account attachment than are Airbnb or VRBO. And local rental agencies are liable for occupancy taxes on any rentals for which they collect the rent, even if the properties in question are

also listed with an on-line STR platform. As a result, liability for occupancy taxes on a particular STR property may be split between on-line STR platforms and a local rental agency depending on which entity collects the rent for each rental period.

Problem is, there's no way for a local tax collector to know which entity collected which rent. I think the best approach is for a local tax collector to assume that all occupancy taxes on any property listed by a local rental agency are the responsibility of that agency. If the agency wishes to dispute that tax obligation, then the agency will need to prove with appropriate documentation that payment for some rental periods were collected by an on-line STR platform. Liability for taxes on those rentals would then shift from the agency to the on-line STR platform.

A property owner remains responsible for occupancy taxes on any rentals for which the owner collects payment directly from the tenant and not through an on-line STR platform or rental agency. As suggested above for rental agencies, local tax collectors should put the burden on property owners who list their properties with on-line STR platforms to prove with appropriate documentation that payment for all rentals of their properties were paid through those platforms and not paid directly to the owners.

3. Airbnb and other major STR platforms are making monthly lump sum occupancy tax payments to North Carolina local governments.

In 2015, Airbnb signed an agreement with the North Carolina Department of Revenue to begin collecting state sales taxes on rentals in this state. As part of that agreement, Airbnb initially promised to collect and pay local occupancy taxes in four large counties (Buncombe, Durham, Mecklenburg, and Wake).

It's unclear whether local officials were parties to that agreement or exactly what Airbnb promised to do with regard with local occupancy tax reporting, in large part because the Department of Revenue refuses (inappropriately, in my view) to release that agreement to the public. It does not appear that Airbnb has signed tax agreements directly with any local governments in North Carolina.

Regardless, as of 2019 Airbnb claims that it collects local occupancy taxes on rentals in all 100 North Carolina Counties. Local tax collectors confirm that Airbnb is sending monthly tax payments but, as mentioned above, those payments do not identify the properties to which they relate. Some

North Carolina tax collectors told me that Airbnb provides a single address for all of their hosts' properties in their towns, 888 Brannan Street. That's the address of Airbnb's corporate headquarters in San Francisco.

This mirrors Airbnb's approach across the country. The company has signed hundreds of "voluntary collection agreements" with state and local governments, almost all of which prevent those governments from learning the names or addresses of Airbnb's hosts. The company fights tooth and nail protect this "shield of secrecy," suing local governments that attempt to require host properties to be identified and altering the latitude and longitude of each property's geocode so it can't be accurately located on a map. It has spent millions of dollars lobbying state legislatures to pass laws limiting the ability of local governments to regulate and tax STRs.

VRBO and Expedia (which operates a variety of STR platforms including Orbitz, Hotels.com, and Travelocity) have adopted the same Airbnb modus operandi of lump sum payments without any supporting detail. The only difference is that none of these companies appear to have signed formal agreements with the state or any of our local governments.

Officials in a few towns report that Expedia recently began providing details about the properties covered by each monthly payment. Blowing Rock officials told me that this occurred soon after they were able to get an Expedia employee on the telephone and plea for additional detail to be provided along with Expedia's tax payments. If your local government has had similar success in convincing any of the STR websites to provide details behind their monthly payments, please share how you accomplished that in the comment section below.

4. Tips for STR tax enforcement.

The bottom line is that the party that collects payment for an STR is responsible for occupancy taxes on that rental. This could be an on-line STR platform, a local rental agency, or the property owner. If it is unclear who is collecting payment for a particular STR, then a local occupancy tax collector may send estimated occupancy bills to the property owner or the rental agency with which the property is listed and thereby put the burden of disputing that tax bill on that party.

Finally, a property tax note. Don't forget that any personal property made available with a rental property (furniture, appliances, grills, bikes, etc.) is taxable business personal property and should be listed and taxed as such.

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Coates' Canons NC Local Government Law

Occupancy Tax 101

Published: 11/11/13

Author: Chris McLaughlin

Occupancy taxes on hotels and other rental accommodations are growing increasingly common in North Carolina. The General Assembly has granted special authorization to levy occupancy taxes to roughly 200 counties and municipalities. This blog post provides a quick overview of how these somewhat unique taxes work.

Local Government Authorization

There is no general authorization for local occupancy taxes in North Carolina. The only local governments who may levy these taxes are those that have received authorization from the General Assembly via local acts.

The general administrative occupancy tax administrative provisions (G.S. 153A-155 for counties and G.S. 160A-215 for cities) list some but not all of those specially authorized local governments. My friends on the General Assembly staff maintain this [more complete list](#).

Local governments that are not on this list but that are interested in levying occupancy taxes would need to work with their local state legislators to introduce a local bill granting that authority.

Local Levy Procedure

Once it obtains occupancy tax authorization, a local government must pass a resolution formally levying the tax. The general administrative provisions for occupancy taxes require a public hearing on the occupancy tax resolution.

Just like privilege license taxes, food and beverage taxes and all other local taxes other than property taxes, occupancy taxes need not be levied each year in the budget ordinance. Once an occupancy tax is adopted it remains in place until repealed. See G.S. 153A-148 and G.S. 160A-208.

The local governing board (meaning the city council or the board of county commissioners) sets the rate when it first levies the tax. That rate remains in effect unless it is changed or repealed by the local governing board or by the General Assembly.

Rates

All local occupancy tax rates are capped, most between 3% and 6%. Brunswick County appears to be subject to the lowest cap, with its rate limited to 1%. The combined Mecklenburg County/Charlotte occupancy tax rate cap of 8% is the highest in the state and is the only one above 6%. (The extra 2% was authorized in 2005 to help finance the NASCAR Hall of Fame.) Lots of local governments started with 3% rate limits and later obtained additional authorization to raise their rates, usually to 6%.

Use of Proceeds

For almost every jurisdiction, local occupancy tax proceeds are not general fund revenue. Two counties, Cleveland and Hyde, may use their occupancy tax revenue for any lawful public purpose—but even then Hyde County must spend a certain percentage to benefit its mainland portions.

The other 197 or so local governments that benefit from occupancy tax proceeds face restrictions on their use. Nearly all of these restrictions involve tourism. Other permissible uses for occupancy tax revenue common across the state include beach nourishment and the construction or operation of convention and performing arts centers.

Beginning with the adoption of the general occupancy tax administrative provisions in 1997, local bills authorizing these taxes have (almost always) required the creation of tourism development authorities (“TDAs”) for the taxing units. The local TDA, rather than the local governing board, is charged with deciding how to spend occupancy tax revenue to benefit tourism in the area. Similar requirements have been applied in recent years to local governments that received their initial authority for occupancy taxes prior to 1997 and later sought to raise their maximum tax rates.

The local act that authorized Jacksonville’s occupancy tax (S.L. 2009-429) provides a good example of the expenditure restrictions that have become standard. This bill reads in part:

The City of Jacksonville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Jacksonville 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 Jacksonville and shall use the remainder for tourism-related expenditures. . . .

Definitions. – The following definitions apply in this act:

(1) Net proceeds. – Gross proceeds less the cost to the city 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 proceeds collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Jacksonville Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.

Taxable Accommodations

Under G.S. 153A-155 and G.S. 160A-215, local occupancy taxes apply to the same taxpayers that are subject to state sales taxes on accommodations mandated by G.S. 105-164.4(a)(3). That statute in turn refers to G.S. 105-164.4E, which defines the term “accommodation” as “a hotel room, a motel room, a residence, a cottage, or a similar lodging facility for occupancy by an individual.” This broad definition includes any type of structure that could be used as for lodging, including house boats, tree houses, or even hobbit houses.

The only type of accommodation rentals exempted from occupancy taxes are:

1. A privately owned residence/cottage rented for fewer than 15 days per year (unless the residence is listed with a rental agent, in which case the rental revenue is subject to occupancy taxes regardless of how many days the residence is rented during the year);
2. Rentals of more than 90 continuous days; and,
3. Accommodations related to schools or camps that charge tuition or fees for enrollment.

Local governments do not have the authority to create additional exemptions from their occupancy

taxes. A series of technical changes were adopted in S.L. 2013-414 to eliminate a number of additional exemptions found in older local occupancy tax bills, including those for non-profits that rent out accommodations and for businesses that rent out fewer than five units. All of these types of accommodations should now be subject to occupancy taxes wherever they are levied.

Collection Remedies

Like all local taxes, occupancy taxes may be collected using attachment & garnishment (for wages, bank accounts, and other funds owed to the taxpayer) and levy & sale (of personal property). See G.S. 153A-147 and 160A-207. Unlike property taxes, however, occupancy taxes do not automatically create a lien on real property. As a result, a local government may not foreclose on real property to satisfy occupancy taxes unless it files a lawsuit in state court and obtains a judgment against the taxpayer.

Unless a local occupancy tax bill states otherwise, the penalties for late payment of occupancy taxes are the same as those that apply to state sales taxes under G.S. 105-236: 5% of the taxes owed per month up to a maximum of 25% for late returns and 10% of the tax owed for late payment. Delinquent taxpayers may also be prosecuted criminally.

In general, there is no successor liability for occupancy taxes. Some local occupancy tax bills (such as this one for Wake County) incorporate the sales tax successor liability provision found in G.S. 105-164.38(b). But absent such special provisions, new owners of hotels and other lodging establishments are not responsible for occupancy taxes owed by the old owners.

For more on occupancy tax collection, please see this bulletin or this book.

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Coates' Canons NC Local Government Law

Occupancy Taxes, Continued

Published: 04/28/14

Author: Chris McLaughlin



Over 200 officials from 60 N.C. local governments joined us for our occupancy tax webinar originally broadcast on April 2. We received tons of questions before, during, and after the webinar, which meant we couldn't get to all of them on air. Today's blog addresses some of those questions we missed during the webinar plus a few of the more interesting discussion points we did cover.

If you missed the webinar, you can purchase it for on-demand viewing [here](#). For an overview of occupancy tax basics, check out this earlier [post](#).

On to the questions . . .

Are government employees who rent rooms exempt from paying occupancy taxes?

State and federal employees are exempt from paying occupancy taxes on accommodation rentals if those rentals are billed directly to the state or local government or if they pay for the rentals with credits cards issued by the state or federal government. If the employee pays for the accommodation rental with a personal credit card, then that rental is subject to occupancy taxes (and sales taxes, because both taxes follow the same rules and regulations). See [this bulletin](#) for more details.

Rooms rented by local government employees are always subject to occupancy taxes.

May local governments that pay occupancy taxes for rooms rented by their employees obtain refunds of those occupancy taxes?

No. Local governments can obtain refunds of local *sales* taxes on room rentals and other purchases under G.S. 105-164.14(c). But those refund provisions do not apply to occupancy taxes.

Are non-profits such as YMCA's exempt from occupancy taxes if they own and rent out cabins or other lodging facilities to the general public?

No, because non-profits are not generally exempt from local occupancy taxes.

Remember that the only property owners who should be exempt from collecting occupancy taxes from their renters are those owners exempt from sales taxes on room rentals under G.S. 105-164.4(a)(3) (made applicable to occupancy taxes by G.S. 153A-155 and G.S. 160A-215):

1. A privately owned residence/cottage rented for fewer than 15 days per year;
2. A rental to the same person of more than 90 continuous days; and,
3. Accommodations related to schools or camps that charge tuition or fees for enrollment.

A lodging unit offered for rental by a non-profit organization would be taxable assuming that the cabins or other lodging were not provided as part of a camp or other event for which the organization charges tuition.

BUT...as always, check your local occupancy tax bill because it may contain a special exemption for non-profits. A few counties including Orange and Wake, exempt "accommodations furnished by nonprofit charitable, educational, benevolent or religious organizations when furnished to further their nonprofit purpose."

Does a room rental to a corporation for 90 or more continuous days qualify for an exemption even if different corporate employees stay in that room during the rental period?

Yes. The term "person" used in G.S. 105-164.4(a)(3) includes a corporation. It's a winding road to that definition: G.S. 105-164.3, which defines the terms used all of the sales tax provisions including G.S. 105-164.4, adopts the definition of "person" used in G.S. 105-228.90. But the bottom line is that a room rental to the same corporation for more than 89 days should be exempt from local occupancy taxes regardless of who actually uses that room. This issue often arises when an airline reserves hotel rooms near an airport for extended periods of time for use by different flight crews.

With many extended rentals the full length of the rental period may not be known until after the rental ends, in which case a refund may need to be provided.

Consider a family that rents a beach house for two summer months, June and July 2014. The owner of that property must collect and remit taxes on that rental. If the family decides to extend the rental thru the end of August 2014, that rental would now be greater than 89 continuous days. The owner of the property would not need to collect taxes for the August rent and may seek a refund of the taxes paid on the rental for June and July.

The refund check should be sent to the owner, who should then return it to the tenant. But it's not the job of the taxing unit to make sure the owner does so; that would be a private dispute between owner and tenant in which the taxing should not get involved.

Should individual owners who rent their properties via on-line services such as AirBnB and VRBO.com be collecting and remitting occupancy taxes?

Yes. If a property owner rents out an accommodation for 15 or more days per year, then that owner should be collecting occupancy taxes from the tenants and remitting that tax to the relevant local government(s). It matters not whether the owner rents the property without assistance, contracts with a local rental agency, or uses an on-line rental service.

Note that after the enactment of S.L. 2014-3, the 15-day minimum no longer applies to private residences that are rented out through rental agents. The revenue from the rental of a private house arranged through a rental agent is subject to occupancy tax even if the house is rented for less than 15 days in the year.

AirBnB reports that it will start collecting and paying taxes on behalf of its property owners in a few large U.S. cities, but none in North Carolina. VRBO.com says it has no plans do so anywhere. As a result, it will continue to be up to N.C. local governments to identify property owners using these rental services to remind them of their tax obligations. A quick search for North Carolina rentals on both sites showed 350 properties available on AirBnB and more than 6,000 on VRBO — that's a lot of potential local tax revenue!

Are rentals of campsites or RV sites that provide power and/or water subject to occupancy taxes?

No. The tax covers only the rental of "accommodations," defined by G.S. 105-164.4(a)(3) as "a hotel room, a motel room, a residence, a cottage or similar lodging facility." This definition suggests the rental must provide some type of structure in which the renter may lodge for the night.

Basic campsites, RV sites, and boat slips don't provide lodging structures as part of the rental, so

the tax should not apply. But I think the tax would apply to the rental of a campsite that included a tent or other lodging structure or to the rental of a houseboat.

May a tourism development authority (“TDA”) spend occupancy tax funds to promote an attraction or event located outside of the taxing unit?

Yes, assuming that the TDA can demonstrate that the taxing unit will benefit from additional tourism to the extra-territorial attraction or event.

Most local bills authorizing occupancy taxes require TDA’s to spend tax revenues “to promote travel and tourism” in the taxing unit or to “increase the using of lodging facilities . . . or to attract tourists or business travelers” to the taxing unit. (See S.L. 2009-429 for an example.)

We don’t have any court opinions on this issue, so the determination of permissible expenditures remains subjective. Reasonable people may disagree on what types of expenditures are likely to increase tourism in a given city or county.

That said, attractions or events held in neighboring cities or counties seem like reasonable targets for occupancy tax expenditures if visitors to those attractions or events are likely to lodge or eat in the taxing unit. The farther away the attraction or event is from the taxing unit, the less reasonable the occupancy tax expenditure becomes, of course.

For example, I don’t think anyone would take issue with the TDA for the town of Atlantic Beach spending occupancy tax funds to promote the N.C. Aquarium a few miles down route 58 in Pine Knoll Shores. But spending Atlantic Beach occupancy tax funds to promote the Battleship North Carolina 100 miles away in Wilmington would seem inappropriate.

The Atlantic Beach examples are completely fictional, but we’ve received similar questions from other cities and counties. Officials and residents in those localities were concerned that TDA members who owned hotels in multiple jurisdictions were more focused on increasing their own corporate revenue than with increasing the taxing units’ tourism.

There’s no bright-line test to apply in these situations, meaning it may be difficult to prove that a particular TDA expenditure was impermissible. Often the solution will be a political one rather than a legal one, keeping in mind that local governing boards usually have the authority to appoint TDA members.

May the Tourism Development Authority ("TDA") members see individual occupancy tax payment records?

No.

Occupancy tax returns are made non-public by G.S. 153A-155 and G.S. 160A-215. Those returns and any other records that show income information are also made confidential by G.S. 53A-148.1 and G.S. 160A-208.1. Records that show occupancy tax payments also show income information because the tax is computed as a percentage of income.

These records may be disclosed under very limited circumstances identified in G.S. 53A-148.1 and G.S. 160A-208.1. The only one of those circumstances that might apply to the TDA would be the authority to disclose income information "to sort, process, or deliver tax information on behalf of the county, as necessary to administer a tax." (A similar provision for municipalities exists in G.S. 160A-208.1.)

But I don't think the TDA "administers" an occupancy tax. The TDA's only authority is to spend the revenue produced by the occupancy tax. They have no collection responsibility or authority. The county or the municipality administers and collects the occupancy tax; the TDA simply spends whatever funds the county or municipality turns over to the TDA.

With respect to seeing occupancy tax payment records from individual taxpayers, I think the TDA is the equivalent of me or Coach K and the rest of the general public. We're all third-parties with no authority to see confidential income information.

TDA members (and me and Coach K) certainly have the right to see aggregate occupancy tax payment records, such as documents that summarize the total amount of occupancy tax paid by all taxpayers or by some general subset of taxpayers (hotels vs. private homes, for example). But I don't think the TDA can demand to see occupancy tax payment records for specific taxpayers.

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2016 Profile of North Carolina Occupancy Taxes and Their Allocation

Revised and Updated to Reflect 2015 Changes



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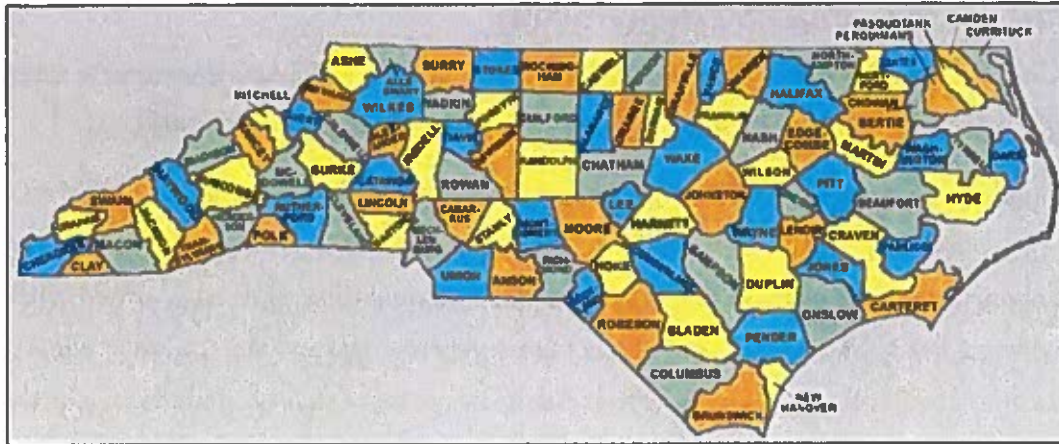


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About Magellan Strategy Group

Located at the intersection of strategic planning, research, and marketing

Magellan Strategy Group in Asheville, NC was founded in 2004 with the vision of providing tourism and hospitality organizations with focus upon profitable opportunities through strategic insight. Since its founding, MSG has worked with a diverse group of "best in class" partners in several categories. MSG doesn't believe in a one-size-fits-all approach for either clients or partners. Every client has needs that are different and every market has opportunities that are unique, so MSG works only with partners that make sense for the client. MSG's mantra is *"Create a dissatisfaction with the status quo."* It's at the heart of everything we do—developing solutions that generate meaningful results by identifying real benefits customers want and organizations can deliver.

Our services include:

- Strategic Planning
- Marketing Research
- Brand Strategy
- Marketing Audits
- Attraction and Destination Master Planning
- Marketing Strategy and Planning

Magellan Strategy Group is a member of the Travel and Tourism Research Association, Southeast Tourism Society, North Carolina Travel Industry Association, and Destination Marketing Association International.

Magellan's founder and president, Chris Cavanaugh, has over 20 years of experience in the travel and tourism sector. He was the recipient of the 2015 North Carolina Travel Industry Association (NCTIA) Tourism Excellence Award for his work on behalf of the Tar Heel State and the industry, and he was a 2014 winner of the Southeast Tourism Society's Shining Example Award.

Overview

For more than three decades, beginning in 1983, local occupancy taxes enacted via legislation passed by the North Carolina General Assembly have been a popular and effective means of growing the visitor economy in Tar Heel State communities. These taxes paid by lodging guests on the cost of their rooms have generated billions of dollars in direct tax revenue, and indirectly many billions more in visitor spending, sales taxes, and economic impact. Tourism is a backbone of the economy in many North Carolina communities, employing thousands of people, supporting numerous entrepreneurs, and generating revenue for small and large businesses alike in industries as diverse as banking, construction, and professional services.

The concept of the occupancy tax is relatively straightforward: guests pay a small additional amount as a percentage of their lodging rate, and that tax is then paid by the business owner to local government on a monthly basis. The revenue generated by the tax is usually administered at the local level in North Carolina by a Tourism Development Authority (TDA) consisting of appointed individuals, typically stakeholders in the local tourism economy and elected officials. In some instances, the collection and use of occupancy tax revenue is administered directly by county commissioners or city council members, in the same way that other local tax revenues such as property taxes are administered.

All local occupancy taxes in North Carolina must be enacted by the General Assembly, and every community is governed by its own distinct legislation (although these laws are often quite similar to one another). Unlike sales tax, no occupancy tax revenue is directed to state government in North Carolina—100% remains at the local level. Occupancy taxes are typically applied to any lodging property that also pays sales tax, including hotels, bed and breakfasts, cabins, condominiums, and rental homes for short-term stays (including Airbnb in North Carolina). They are usually not applied to religious conference centers, colleges and universities, campgrounds, and RV parks.

There are a number of important observations to be made about occupancy taxes in the state of North Carolina:

- **Since the legislation is unique to each community, no two occupancy taxes are automatically the same. Every community's situation is dependent upon a variety of considerations. These may include the strength of the local tourism sector; the number and types of lodging properties in each community; the concentration of accommodations within municipal boundaries (or the lack of municipalities in some counties); the diversity of the local economy; the number of entities in a county with their own occupancy tax; and competitive destination marketplace considerations. Simply put, every community's needs for developing their own visitor economy are different, which is one reason why every piece of North Carolina occupancy tax legislation is unique.**
- **In North Carolina, consumers always pay sales tax on the cost of their lodging in addition to occupancy tax. The sales tax generated by accommodations amounts to many millions of additional dollars annually.**
- **Occupancy tax is different from a prepared meals tax, which is levied by a few communities in North Carolina and governed by its own legislation.**
- **In some instances, a lodging guest in North Carolina will pay occupancy taxes collected by two different governmental entities. A county may have an occupancy tax that covers all lodging properties in the entire county, and the municipality where the lodging is located may have their own occupancy tax in addition to that county's tax.**
- **Only one community in North Carolina has a total occupancy tax which exceeds 6%: Mecklenburg County, which has a separate 2% occupancy tax in addition to a base 6% tax. This additional tax was used to fund development of the NASCAR Hall of Fame in Charlotte.**

- While occupancy tax *rates* in North Carolina communities can be compared to those found in destinations in other states, the enabling legislation which allows the collection of these taxes and governs their administration and allocation varies greatly from state to state.
- The North Carolina House of Representatives adopted uniform provisions in 1997 as guidelines for future occupancy tax legislation in order to create standards for such legislation. (A current copy of these guidelines is included in this report.) However, these guidelines did not retroactively affect legislation enacted prior to 1997, and the amount of money allocated for tourism promotion and other tourism-related uses is still dictated by specific legislation.

2015 Update

In 2015, there were five changes passed by the General Assembly which affected local occupancy taxes. Taxes were increased in Buncombe, Graham, and Moore counties, and introduced for the first time for Lake Santeetlah and Wayne County. (Moore County's increase is currently pending approval by their Board of Commissioners.)

A Summary of Occupancy Taxes in North Carolina

Counties and municipalities in North Carolina can both be enabled by the General Assembly to collect occupancy taxes. Of the 100 counties in the state, 81 have a county-wide tax on lodging within their boundaries. Nine other counties have no occupancy tax levied within them at either the county or municipal level, while an additional eight counties have only municipalities that levy a tax. (Two counties are legislatively enabled to collect a tax but do not do so.) There are also 96 municipalities in the state which are legislatively enabled to collect an occupancy tax, typically in addition to a county-wide tax. According to the Local Government Division of the North Carolina Department of Revenue, \$206 million in occupancy tax was collected statewide at all levels in fiscal year 2014.

Total Counties in North Carolina	100
----------------------------------	-----

Counties without any occupancy tax <i>legislation in place</i> , at either the county or municipal level	9
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Counties <i>enabled</i> to collect occupancy taxes, but which do not currently collect at the county level	3
---	---

Counties without occupancy tax legislation, but with at least one <i>municipality</i> that is legislatively enabled to collect occupancy taxes	8
---	---

Counties legislatively enabled to increase their current tax rate of at least 1% should they choose to do so	7
---	---

Total Municipalities in North Carolina	552
--	-----

Municipalities in North Carolina <i>legislatively enabled</i> to collect occupancy taxes	96
---	----

Municipalities enabled to collect occupancy taxes, but which <i>do not currently collect</i>	16
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Municipalities legislatively enabled to increase their current tax rate of at least 1% should they choose to do so	2
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There are now a combined total of 161 counties and municipalities in North Carolina which currently levy an occupancy tax of at least 1%. (This number does not count specially-legislated separate taxing districts within communities, such as Beech

Mountain District W or the Wilmington Convention Center District.) As noted, there are a number of counties in North Carolina that have a county occupancy tax but which also have towns and cities levying an additional room tax. There are also some counties and municipalities legislatively enabled to raise their taxes beyond the current rate, or to begin collecting an occupancy tax. No combination of county and city occupancy taxes exceeds 6% with the exception of Mecklenburg (8%).

There are 22 counties in North Carolina where the county and at least one municipality in that county both levy a separate occupancy tax on lodging within an incorporated area. There are also a few counties with occupancy tax legislation that covers only unincorporated areas in the county, where at least one city in that county also has its own unique tax applying to accommodations within the municipality.

The occupancy tax is *never* the only tax revenue generated by visitors in North Carolina. As previously noted, guests in commercial lodging also pay applicable sales taxes on the cost of their rooms. The other businesses that visitors spend money in during their stays—restaurants, shops, attractions--pay millions of dollars in sales taxes. These businesses also pay millions in property taxes that would otherwise not be generated if they did not exist. The revenue impact of visitors upon local and state governments extends far beyond the occupancy tax paid by overnight guests.

Where Does the Money Go?

The *allocation* of occupancy tax revenue is often more of a differentiating factor between communities in North Carolina than the tax rate charged to consumers. That's not to say that rates aren't comparable from city to city (and may be a factor in destination selection, especially for meetings and conventions). But this is usually less important to both governments and visitor economy stakeholders than how the tax revenue is spent at the local level. For example, a 3% occupancy tax in one community that is allocated entirely to destination promotion isn't necessarily comparable to the same 3% tax in another community where 2% goes to destination promotion and 1% goes to destination product development.

This analysis looks only at the legislatively enabled uses of occupancy taxes—the *actual* allocation of occupancy tax in a community may indeed vary from both the spirit and, in some cases, even the letter of the law. But generally speaking, the use of occupancy tax revenue in North Carolina falls into one of five categories:

1. Destination promotion
2. Tourism-related expenditures, which includes uses varying from staging festivals and events to providing some municipal services in beach towns.
3. Funding or debt support for tourism-related capital projects such as convention centers and arenas or visitor attractions.
4. Tourism-related beach nourishment
5. General fund revenue and other non-tourism uses

There are now 145 counties and municipalities actively collecting occupancy tax of at least 1% that dedicate some or all of their tax revenue to destination promotion. There are also 145 counties and municipalities that dedicate some or all of their tax revenue to “tourism-related expenditures.”

Some North Carolina destinations are heavily dependent upon their beaches to attract visitation, so beach nourishment may be a priority for investment of tax revenue to maintain a critical tourism asset. Other communities are more dependent upon business travel and have fewer leisure visitors, so they have invested in convention centers. Likewise, some destinations have chosen to invest their occupancy tax revenue in sports and cultural infrastructure in order to grow their visitor economy. And still others have invested tax revenue in support of a variety of product development initiated by both the public and private sectors.

It should be noted that just because a city or county government unit “receives” some or all of the occupancy tax revenue collected in their jurisdiction does not necessarily mean those dollars go into their general fund. A local government entity (such as a county commission) may be the body that formally determines how the tax revenue

is spent, especially where the enabling legislation pre-dates uniform guidelines enacted in 1997 or where there is no TDA. But in nearly every county and municipality in North Carolina, those dollars must always be spent on destination promotion and/or "tourism-related" expenditures. The unique local legislation dictates how those tax dollars must be expended.

In many cases, such as designated funding for convention centers and cultural and sports facilities, the legislation is highly specific. In others, the language of "tourism-related expenditures" is often sufficiently vague to empower local governments to allocate tax revenue to projects such as a YMCA facility, or grants to festivals and events. (Of course, some may argue that funding for convention centers, cultural arts facilities, and sports venues are not "tourism-related" expenditures, either.) The definition of "tourism-related" expenditures may depend upon the specific marketing needs of the destination's local visitor economy.

Non-Tourism Uses of Occupancy Tax Funding

There are only seven counties in North Carolina which direct some or all of their occupancy tax revenue into the general fund to be expended on *any unspecified* "lawful public purpose" as mandated by their legislation: Ashe, Cleveland, Davie, Durham, Hertford, Hyde, and Lee. (Note again that this is different from occupancy tax revenue specifically dedicated to the construction and operation of civic centers, convention facilities, arenas, and other traditional "tourism-related" venues.)

There are also only two municipalities in North Carolina which collect their own occupancy tax and are legislatively enabled to direct money into the general fund for any public purpose—Claremont (Catawba County) and Columbus (Polk County).

In addition to destination promotion, Caldwell County's legislation also provides for the funding of initiatives to promote "economic and industrial growth in the county."

The language in Orange County and Chapel Hill's occupancy tax legislation is also not particularly specific in terms of tourism and is perceived as allowing spending on non-tourism functions:

"The Town Council of the Town of Chapel Hill shall decide on the allocation of the revenues collected from this tax annually during its budgeting process with particular consideration given to providing funding for visitor information services and support for cultural events, and not less than ten percent [10%] of the annual revenues shall be used for those purposes.

"The Orange County Board of Commissioners shall decide on the allocation of the revenues collected from this tax annually during its budgeting process. At least ten percent (10%) of the annual revenues shall be used to provide funding for visitor information services and to support cultural events.

Dare County in the Outer Banks, which sees large increases in its transient population during the summer season, has legislation that specifically dictates a portion of its occupancy tax will go towards "services or programs needed due to the impact of tourism on the county."

In several incorporated beach communities in Brunswick County—which also have a relatively small number of permanent residents—their occupancy tax legislation allows them to classify "tourism-related expenditures" as including the criminal justice system, fire protection, public facilities and utilities, health facilities, solid waste and sewage treatment control, and repair of waterfront erosion. These communities are Caswell Beach, Holden Beach, Ocean Isle Beach, and Sunset Beach.

Importantly, all of the above instances of non-tourism occupancy tax spending were enabled through legislation passed prior to the adoption of the uniform occupancy tax guidelines in 1997.

NORTH CAROLINA OCCUPANCY TAX STATISTICS

Counties and Municipalities Currently Levying Occupancy Taxes

NC Entities Levying an Occupancy Tax	Occupancy Tax Rate							Total
	1%	2%	3%	4%	5%	6%	Over 6%	
Municipalities	1	7	42	2	8	20	0	80
Counties	2	0	31	4	10	33	*1	81
Total	3	7	73	6	18	53	1	161

**Mecklenburg County levies a total 8% occupancy tax.*

Allocation of Occupancy Tax Net Proceeds*

NC Entities Levying an Occupancy Tax	Occupancy Tax Allocation		
	Tourism Promotion	"Tourism-Related" Expenditures	Non-Tourism Activities
Municipalities	68	78	7
Counties	77	67	10
Total	145	145	17

**Does not include costs incurred by counties and municipalities for tax collection and administration.*

FY 2014 Total Occupancy Tax Collections Top 10 Counties and Municipalities

	Counties*	Municipalities
1)	Mecklenburg \$ 43,674,250	Greensboro \$ 4,338,541
2)	Dare \$ 21,643,798	Wilmington \$ 2,729,889
3)	Wake \$ 19,213,443	Ocean Isle Beach \$ 2,110,446
4)	Currituck \$ 10,579,294	Holden Beach \$ 1,705,534
5)	Buncombe \$ 9,184,430	Greenville \$ 1,689,561
6)	Durham \$ 8,828,004	Boone \$ 1,472,410
7)	Carteret \$ 5,189,070	Hickory \$ 1,418,592
8)	Guilford \$ 4,979,148	Oak Island \$ 1,166,651
9)	Forsyth \$ 4,479,204	Wrightsville Beach \$ 1,075,541
10)	New Hanover \$ 4,348,584	Chapel Hill \$ 1,044,856

Source: Local Government Division, North Carolina Department of Revenue. Fiscal 2014 is the most current year for which data is available.

** Does not include any occupancy tax revenue collected separately by municipalities within each county listed.*

Contact Information

Chris Cavanaugh
Magellan Strategy Group
P.O. Box 5632
Asheville, NC 28813

(828) 651- 9320 Office
(828) 651- 8921 Fax
ccavanaugh@magellanstrategy.com

www.magellanstrategy.com



Appendix A

GUIDELINES FOR OCCUPANCY TAX LEGISLATION

Since 1983, the General Assembly has authorized many units of local government to levy a room occupancy tax. In several instances, the General Assembly has authorized both a county and a city within that county to impose an occupancy tax. The rate of tax, the use of the tax proceeds, the administration of the tax, and the body with the authority to determine how the tax proceeds will be spent vary considerably.

Over the past several years, there has been a greater effort to make the occupancy taxes uniform. In 1997, the General Assembly enacted uniform municipal and county administrative provisions for occupancy tax legislation – G.S. 153A-155 and G.S. 160A-215. These provisions provide uniformity in the areas of levy, administration, collection, repeal, and penalties.

The North Carolina Travel and Tourism Coalition (NCTTC) has a policy statement for legislation authorizing local occupancy taxes. Many of the principles contained in its statement are similar to the ones established by the House Finance Committee in 1993. Subsequently, the House Finance Committee established the Occupancy Tax Subcommittee, which regularly reviews occupancy tax legislation and looks for the inclusion of the following uniform provisions in the bills it considers:

- ◆ **Rate** – The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.
- ◆ **Use** – 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, which may include beach nourishment. However, local governments in coastal counties may allocate up to 50% of occupancy tax proceeds for beach nourishment, so long as all remaining proceeds are used for tourism promotion and provided that the use of occupancy tax proceeds for beach nourishment is limited by either a statutory cap or sunset provision.¹
- ◆ **Definitions** The terms "net proceeds", "promote travel and tourism", "tourism-related expenditures", and "beach nourishment" are defined terms:
 - **Net proceeds** – Gross proceeds less the costs to the city/county of administering and collecting the tax, as determined by the finance officer, not to exceed 3% of the first \$500,000 of gross proceeds collected each year and 1% of the remaining gross receipts collected each year.
 - **Promote travel and tourism** – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in these activities.
 - **Tourism-related expenditures** – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a city/county by

¹In May 2013, the North Carolina Travel and Tourism Coalition passed a resolution supporting a modification to the Occupancy Tax Guidelines to allow local governments in coastal counties to allocate up to 50% of occupancy tax proceeds for Beach Nourishment, so long as all remaining proceeds are used for tourism promotion and provided that the use of occupancy tax proceeds for Beach Nourishment is limited by either a statutory cap or sunset provision.

attracting tourists or business travelers to the city/county. The term includes tourism-related capital expenditures.

- **Beach Nourishment²** – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:
 - a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
 - b. The nonfederal share of the cost required to construct these projects;
 - c. The costs associated with providing enhanced public beach access; and
 - d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.
- ♦ **Administration** – The net revenues must be administered by a local tourism promotion agency, typically referred to as a “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 ½ of the members must be currently active in the promotion of travel and tourism in the taxing district and 1/3 of the members must be affiliated with organizations that collect the tax.³
- ♦ **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.
- ♦ **Conformity with Other Local Occupancy Taxes** – In 2008, the NCTTC formally revised its policy position with regard to occupancy taxes to include a statement that if a city seeks to impose a new occupancy tax or increase its existing tax on lodging facilities in a county that also has an existing occupancy tax, the county occupancy tax must conform to the guidelines in order for the Coalition to support the proposed municipal tax. During the 2009 Regular Session, the House Finance Chairs⁴ considered the revised policy statement of the NCTTC but declined to amend the House Finance Committee’s Guidelines for Occupancy Tax accordingly.

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NC General Assembly
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²During the 2001 Regular Session, the Occupancy Tax Subcommittee of the House Finance Committee considered several bills authorizing the use occupancy tax proceeds for beach nourishment. Although “beach nourishment” was not among the uses contained in the uniform guidelines, the subcommittee nevertheless concluded that beach nourishment was an acceptable expansion of the occupancy tax use provisions. In doing so, the subcommittee drafted this uniform definition of beach nourishment for use in occupancy tax legislation.

³ In March 2005, the House Finance chairs decided to change the percentage of members that must be currently active in the promotion of travel and tourism from ¾ to ½. The House Finance chairs in 2005-06 were: Representatives Alexander, Gibson, Howard, Luebke, McComas, and Wainwright.

⁴ During the 2009-2010 Session, the House Finance chairs were: Representatives Luebke, Wainwright, Weiss, and Gibson.

§ 153A-155. Uniform provisions for room occupancy taxes.

(a) **Scope.** – This section applies only to counties the General Assembly has authorized to levy room occupancy taxes.

(b) **Levy.** – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) **Collection.** – A retailer who is required to remit to the Department of Revenue the State sales tax imposed by G.S. 105-164.4(a)(3) on accommodations is required to remit a room occupancy tax to the taxing county on and after the effective date of the levy of the room occupancy tax. The room occupancy tax applies to the same gross receipts as the State sales tax on accommodations and is calculated in the same manner as that tax. A rental agent or a facilitator, as defined in G.S. 105-164.4(a)(3), has the same responsibility and liability under the room occupancy tax as the rental agent or facilitator has under the State sales tax on accommodations.

If a taxable accommodation is furnished as part of a package, the bundled transaction provisions in G.S. 105-164.4D apply in determining the sales price of the taxable accommodation. If those provisions do not address the type of package offered, the person offering the package may determine an allocated price for each item in the package based on a reasonable allocation of revenue that is supported by the person's business records kept in the ordinary course of business and calculate tax on the allocated price of the taxable accommodation.

A retailer must separately state the room occupancy tax. Room occupancy taxes paid to a retailer are held in trust for and on account of the taxing county.

The taxing county shall design and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax. A retailer who collects a room occupancy tax may deduct from the amount remitted to the taxing county a discount equal to the discount the State allows the retailer for State sales and use tax.

(d) **Administration.** – The taxing county shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the county finance officer in monthly installments on or before the 20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 20th day of each month, prepare and render a return on a form prescribed by the taxing county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the county finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) **Penalties.** – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing county has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) **Repeal or Reduction.** – A room occupancy tax levied by a county may be repealed or reduced by a resolution adopted by the governing body of the county. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or

reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(f1) Use. – The proceeds of a room occupancy tax shall not be used for development or construction of a hotel or another transient lodging facility.

(g) Applicability. – Subsection (c) of this section applies to all counties and county districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Granville, Halifax, Haywood, Henderson, Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and Wilson Counties, to New Hanover County District U, to Surry County District S, to Watauga County District U, to Wilkes County District K, to Yadkin County District Y, and to the Township of Averagesboro in Harnett County and the Ocracoke Township Taxing District. (1997-102, s. 3; 1997-255, s. 2; 1997-342, s. 2; 1997-364, s. 3; 1997-410, s. 6; 1998-14, s. 2; 1999-155, s. 2; 1999-205, s. 2; 1999-286, s. 2; 2000-103, s. 5; 2001-162, s. 2; 2001-305, s. 2; 2001-321, s. 3; 2001-381, s. 10; 2001-434, s. 1; 2001-439, s. 18.2; 2001-468, s. 3; 2001-480, s. 14; 2001-484, s. 2; 2002-138, s. 5; 2004-106, s. 2; 2004-120, s. 3; 2004-170, ss. 36(a), 42(a); 2004-199, s. 60(a); 2005-16, s. 2; 2005-46, s. 1.2; 2005-53, s. 2; 2005-197, s. 6; 2005-233, s. 6.1; 2006-120, s. 8.1; 2006-127, s. 2; 2006-128, s. 6; 2006-129, s. 2; 2006-162, s. 20(a); 2006-167, s. 7(e); 2006-264, s. 81(a); 2007-19, s. 3; 2007-63, s. 3; 2007-223, s. 3; 2007-224, s. 5; 2007-265, s. 2; 2007-315, s. 2; 2007-318, s. 2; 2007-337, s. 3; 2007-340, s. 9; 2007-527, ss. 23, 43; 2008-33, s. 2; 2008-134, s. 12(b); 2008-187, s. 31; 2009-112, s. 4; 2009-157, s. 2; 2009-297, s. 3; 2010-31, ss. 31.6(c), (d); 2010-78, s. 10; 2010-123, s. 10.2; 2011-113, s. 4; 2011-115, s. 4; 2011-170, s. 5; 2012-100, s. 1; 2012-144, s. 4; 2012-194, s. 35; 2013-255, s. 3.)

§ 160A-215. Uniform provisions for room occupancy taxes.

(a) **Scope.** – This section applies only to municipalities the General Assembly has authorized to levy room occupancy taxes. For the purpose of this section, the term "city" means a municipality.

(b) **Levy.** – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) **Collection.** – A retailer who is required to remit to the Department of Revenue the State sales tax imposed by G.S. 105-164.4(a)(3) on accommodations is required to remit a room occupancy tax to the taxing city on and after the effective date of the levy of the room occupancy tax. The room occupancy tax applies to the same gross receipts as the State sales tax on accommodations and is calculated in the same manner as that tax. A rental agent or a facilitator, as defined in G.S. 105-164.4(a)(3), has the same responsibility and liability under the room occupancy tax as the rental agent or facilitator has under the State sales tax on accommodations.

If a taxable accommodation is furnished as part of a package, the bundled transaction provisions in G.S. 105-164.4D apply in determining the sales price of the taxable accommodation. If those provisions do not address the type of package offered, the person offering the package may determine an allocated price for each item in the package based on a reasonable allocation of revenue that is supported by the person's business records kept in the ordinary course of business and calculate tax on the allocated price of the taxable accommodation.

A retailer must separately state the room occupancy tax. Room occupancy taxes paid to a retailer are held in trust for and on account of the taxing city.

The taxing city shall design and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing city a discount equal to the discount the State allows the retailer for State sales and use tax.

(d) **Administration.** – The taxing city shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the city finance officer in monthly installments on or before the 20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 20th day of each month, prepare and render a return on a form prescribed by the taxing city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the city finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) **Penalties.** – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing city has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) **Repeal or Reduction.** – A room occupancy tax levied by a city may be repealed or reduced by a resolution adopted by the governing body of the city. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or

reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(f1) Use. – The proceeds of a room occupancy tax shall not be used for development or construction of a hotel or another transient lodging facility.

(g) Applicability. – Subsection (c) of this section applies to all cities that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Beech Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to the municipalities in Avery and Brunswick Counties. (1997-361, s. 4; 1997-364, s. 5; 1997-410, s. 3; 1997-447, s. 2; 1998-112, s. 4; 1999-258, s. 3; 1999-302, s. 2; 2000-103, s. 9; 2001-11, s. 2; 2001-365, s. 3; 2001-434, s. 9; 2001-439, s. 18.1; 2002-94, s. 4; 2002-95, s. 3; 2002-138, s. 2; 2002-139, s. 2; 2002-159, s. 62; 2003-281, s. 14; 2004-105, s. 3; 2004-170, ss. 36(b), 42(b); 2004-199, s. 60(b); 2005-16, s. 3; 2005-46, s. 2.3; 2005-49, s. 3; 2005-220, s. 5; 2005-233, s. 6.2; 2005-435, s. 45; 2006-118, s. 4; 2006-120, ss. 8.2, 10.2; 2006-148, s. 3; 2006-162, s. 20(b); 2006-164, s. 3; 2006-167, s. 3; 2006-264, ss. 19, 81(a); 2007-224, s. 6; 2007-317, s. 3; 2007-340, s. 10; 2007-484, s. 43; 2007-527, s. 42; 2008-64, s. 2; 2008-134, s. 12(c); 2009-169, s. 8; 2009-291, s. 2; 2009-428, s. 4; 2009-429, s. 8; 2010-31, s. 31.6(e), (f); 2010-78, s. 11; 2010-123, s. 10.2; 2011-69, s. 2; 2011-170, s. 6; 2012-107, s. 2; 2013-351, s. 1.3.)

Appendix B

North Carolina County/ Municipality	Population (2024 estimate)	2015 Occupancy & Can Less Up to 7% Rate	Discrepancy in Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to General Public Tourism Activities
Alamance	155,792	3%	2/3 to the Tourism Development Authority - Used to further the development of travel, tourism, and conventions through advertising and promotion. 1/3 to Alamance County - Used for acquiring, constructing, financing (including debt service), maintaining, and operating civic centers, arts centers, libraries, parks, museums, and recreational facilities, and for visitor-related programs and activities including, but not limited to, museums and other art or cultural programs, events, and festivals.	2%	1%	
Alexander	37,392	N/A				
Allegheny	10,879	6%	First 3% to the Allegheny County Chamber of Commerce - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Remaining 3% to the Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Anson	25,765	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Ashe	27,126	3%	1/3 to the Ashe County Chamber of Commerce - Used to promote travel & tourism. 2/3 to Ashe County - Used for any public purpose.	1%		2%
West Jefferson		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Avery	17,773	-	Tourism Development Authority of the taxing city - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Banner Elk		6%				
Crossnore		0%				
Elk Park		0%				
Grandfather Village		0%				
Linville		0%				
Newland		0%				
Sugar Mountain		6%		4%	2%	

North Carolina County/ Municipality	Population (2014 Estimate)	2014 Occupancy Tax Rate	Can Levy Up to 5%	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Beaufort	47,585	-		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Washington		6%					
Bertie	20,106	N/A					
Bladen	34,657	N/A					
Brunswick	118,836	1%		Tourism Development Authority - Used to promote travel & tourism.	1%		
Bald Head Island		6%*		Village Council - Used to promote tourism and for tourism-related expenditures. *County tax does not apply to this municipality.	0% - 6%	0% - 6%	
Caswell Beach		5%		Town Council - First 3% used for criminal justice system, fire protection, health facilities, waste & sewage treatment, control/repair of waterfront erosion, and remaining 2% used only for beach nourishment and protection.	2%	2%	3%
Holden Beach		5%		Town Council - First 3% used for criminal justice system, fire protection, health facilities, waste & sewage treatment, control/repair of waterfront erosion, and remaining 2% used only for beach nourishment and protection.	2%	2%	3%
Leland		3%		Tourism Development Authority - At least 2/3 used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Oak Island		5%		Town Board of Commissioners - First 3% used for tourism related expenditures, remaining 2% used only for beach nourishment and protection.		5%	
Ocean Isle Beach		5%		City officials - First 3% used for criminal justice system, fire protection, health facilities, waste & sewage treatment, control/repair of waterfront erosion, and remaining 2% used only for beach nourishment and protection.		2%	3%
Shallotte		3%		Tourism Development Authority - At least 1/2 used to promote travel & tourism; remainder used for tourism-related expenditures.	1.5%	1.5%	
Southport		3%	5%	Tourism Development Authority - At least 2/3 used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Sunset Beach		5%		City officials - First 3% used for criminal justice system, fire protection, health facilities, waste & sewage treatment, control/repair of waterfront erosion, and remaining 2% used only for beach nourishment and protection.		2%	3%

North Carolina County/ Municipality	Population (2013 Estimate)	2015 Occupancy Tax Rate	Can Levy Up to — %	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Buncombe	250,539	6%		Tourism Development Authority - 3/4 used only to further the development of travel, tourism, and conventions in the county through State, national and international advertising & promotion, and 1/4 remitted to a Tourism Product Development Fund to provide financial assistance for major tourism projects in order to significantly increase patronage of lodging facilities in Buncombe County.	4.5%	1.5%	
Burke	89,486	6%		Tourism Development Authority - Of the first 3%, at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Remaining 3% of the tax is distributed to a Morganton account (45%), a Burke County account (30%), and a Valdese account (25%), and used in the same way as the first 3%.	4%	2%	
Cabarrus	192,103	6%		County Tourism Authority - Used to develop or promote tourism, tourist-related support services and facilities, tourist-related events, tourist-related activities, or tourist attractions.	0% - 6%	0% - 6%	
Caldwell	81,484	3%		Caldwell County Chamber of Commerce - After 15% of funds for admin, 1/2 used to promote travel & tourism and sponsor tourist-oriented events/activities, and 1/2 used to promote industrial and economic growth.	1.5%		1.5%
Lenoir		3%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Camden	10,331	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Carteret	68,811	6%		50% to the Carteret County Tourism Development Authority to promote travel and tourism; 50% to Carteret County for beach nourishment.	3%	3%	
Caswell	23,082	0%	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Yanceyville		0%	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Catawba	154,534	-		City of Claremont - Proceeds deposited in the general fund.			4%
Claremont		4%		City of Conover - It emits its tax to the Hickory-Conover TDA.	2%	4%	
Conover		6%		Hickory-Conover Tourism Development Authority - May use 2/3 of the funds for improving, leasing, constructing, financing, operating, or acquiring facilities and properties as needed to provide for a convention center facility, including parking facilities for the convention center; remainder must be used to promote travel & tourism.	2%	4%	
Hickory		6%			2%	4%	

North Carolina County/ Municipality	Population (2014 estimate)	2015 Occupancy Tax Rate	2015 Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to General & Non- Tourism Activities
Chatham	68,698	3%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Cherokee	27,141	4%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2.66%	1.33%	
Chowan	14,572	5%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Clay	10,581	3%		Clay County Commissioners (until net proceeds exceed \$150,000, then a TODA will be formed) - At least 2/3 to promote travel and tourism; remainder for tourism-related expenditures.	3%		
Cleveland	97,076	3%		County Commissioners - Used for any public purpose.			3%
Boiling Springs		3%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Grover		0%	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Kings Mountain		3%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Shelby		3%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Columbus	56,953	3%		Columbus County Tourism Board - Used to promote travel & tourism and for tourism-related expenditures.	0% - 3%	0% - 3%	
Craven	104,510	6%		First 3% to the Tourism Development Authority - Used for: 1) Direct advertising costs for visitor promotions, conventions, or tourism; 2) Marketing and promotions expenses; 3) Operating expenses for the Visitor Information Center; 4) Salaries, benefits, and expenses for Visitor Information Center personnel; and 5) Other expenses that aid and encourage visitor promotions, conventions, or tourism. (35% of net proceeds in excess of \$100,000 of the first 3% collected is remitted to the Room Tax Trust Fund.)	2% - 6%	0% - 4%	
				Remaining 3% to the Room Tax Trust Fund - Used to construct, maintain, operate, or market a convention or meeting facility in New Bern and a tourist center in Havelock			

North Carolina County/ Municipality	Population (2012 Estimate)	2015 Occupancy Tax Rate	County Tax Allocation	Allocation to Tourism-Related Purposes	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Cumberland	326,328	6%	<p><i>Of the first 3%:</i></p> <p>1) 1/2 to Cumberland County - Used for the benefit of the Cumberland County Auditorium Commission to help finance major repairs, renovation, rehabilitation, or other capital improvements to its existing facilities and any new additions. May also be utilized by the Commission for financing construction of new convention-oriented or multipurpose facilities.</p> <p>2) Remaining 1/2 - Used specifically for advertising the auditorium and promoting travel & tourism.</p> <p>Remaining 3% to the Tourism Development Authority - 1/2 used to promote travel & tourism and for tourism-related expenditures, and 1/2 distributed to the Arts Council of Fayetteville/Cumberland County for arts festivals and other arts events that will draw tourists or other business travelers to the area.</p> <p>Tourism Development Authority (County Commissioners) - First 3% used only for tourism-related expenditures including beach nourishment. Of the remaining 3%, at least 2/3 must be used to promote travel & tourism, remainder used for tourism-related expenditures.</p>	3%	3%	
Currituck	24,976	6%		2%	4%	
Dare	35,104	6%	<p><i>Of the first 3% - Used only for tourist-related purposes, including construction and maintenance of public facilities and buildings, garbage, refuse, solid waste collection and disposal, police protection and emergency services:</i></p> <p>1) 2/3 to the six towns (Duck, Southern Shores, Kitty Hawk, Kill Devil Hills, Nags Head, Manteo)- distributed in proportion to the amount of ad valorem tax levied by each town for the preceding fiscal year.</p> <p>2) 1/3 to Dare County - in FY 2016, Dare County has earmarked their share of this 3% occupancy tax as follows- 25% for garbage, refuse, and solid waste collection and disposal; 25% for police protection; and 50% for emergency services.</p> <p>Additional 1% to the Dare County Tourism Board - 3/4 must be used for the cost of administration and to promote tourism, and 1/4 used for services and programs needed due to the impact of tourism on the county.</p> <p>Remaining 2% to Dare County - Used for beach nourishment.</p>	0.75%	1.25%	4%
Davidson Lexington	164,072	6%	<p>Lexington Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.</p>	2%	1%	

North Carolina County/ Municipality	Population (2013 Estimated)	2015 Occupancy Tax Rate	2015 Occupancy Tax Levy Up to 3%	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism Related Expenditures	Allocation to Generally Non- Tourism Activities
Thomasville		6%		Thomasville Tourism Commission - If the rate is 3%, then at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. If the rate exceeds 3%, then the proceeds- equivalent of a 3% tax- shall be used as stated above and the excess proceeds shall be used only to construct or maintain a visitors' center.	2%	4%	
Davie	41,434	3%		County officials - At least 1/2 must be deposited in a special account and used to promote travel & tourism and finance capital projects related to tourism (any tax proceeds in the special account not appropriated after 3 years are remitted to the general fund of Davie County and may be used for any lawful purpose); remainder used for any lawful purpose.	0% - 1.5%	0% - 1.5%	1.5%
Bermuda Run		3%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Coolemeec		0%	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Mocksville		3%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Duplin	59,882	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Durham	294,460	6%		First 3% distributed to Durham County (57.5%) and to the City of Durham (42.5%) - May be used for any public purpose. Remaining 3% to the Convention and Visitors Bureau - First 2% used to promote travel, tourism, & conventions. Of the remaining 1%, first \$1.4 million to the City of Durham to finance debt service associated with the construction of the Performing Arts Theater; after 32 years the first \$1.4 million shall be used by the Bureau to promote travel & tourism. Next \$500,000 to Durham County for improvements to the Museum of Life and Science, which may include the financing of debt service. Any additional net proceeds will be used to promote travel, tourism, and conventions in Durham County.	2%	1%	3%
Edgecombe	54,933	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism related expenditures.	4%	2%	

North Carolina County/ County	Population (2013 Estimate)	2013 Occupancy Tax Rate	County Tax Allocation	Allocation to Tourism Development	Allocation to Tourism-Related Expenditures	Allocation to Generally Accepted Tourism Activities
Forsyth	365,298	6%	<p>Of the first 3%:</p> <p>1) 5% divided among the municipalities other than Winston-Salem on a pro rata basis - Used only for economic development and cultural & recreational purposes.</p> <p>2) Remainder to the Tourism Development Authority - Used to further the development of travel, tourism, and conventions.</p> <p>Of the remaining 3%:</p> <p>1) 5% divided among the municipalities other than Winston-Salem on a pro rata basis - Used only for economic development and cultural & recreational purposes.</p> <p>2) 1/3 of the remaining proceeds to the Tourism Development Authority - Used to further the development of travel, tourism, and conventions.</p> <p>3) 10% of the remaining proceeds divided among municipalities other than Winston-Salem, in which taxable establishments are located, in proportion to the amount of tax proceeds collected in each municipality - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.</p> <p>4) Remainder divided between Winston-Salem and Forsyth County on a pro rata basis - Used only for economic development and cultural & recreational purposes.</p>	3.92%	2.08%	
Franklin	62,860	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	

North Carolina County/ Municipality	Population (2014 Estimate)	2015 Occupancy Survey Up to Tax Rate	County Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Gaston	211,127	3%	Board of Commissioners - Used for economic development to promote travel & tourism, including administrative expenses of the county's Travel and Tourism Office.	3%		
Belmont		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Cramerton		0%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Dallas		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Gastonia		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Lowell		0%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
McAdenville		0%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Mount Holly		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Ramlo		0%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Gates	11,567	N/A	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Graham	8,644	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Fontana Dam		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Lake Santeetlah		3%	Town Council - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Robbinsville		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Granville	58,500	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Greene	21,093	N/A				

North Carolina County/ Community	Population (2014 estimate)	2015 Occupancy Certificate Tax Rate	Occupancy Tax Allocation	Allocation to Tourism-Related Expenditures		Allocation to Generally Non- Tourism Activities
				Allocation to Tourism Promotion	Allocation to Expenditures	
Guilford	512,119	3%	70% to the Greensboro/Guilford County Tourism Development Authority - 4/5 used to promote travel & tourism activities/programs, and up to \$170,000 of the remaining 1/5 may be used for tourist-related events including grant programs; remainder used for tourism, conventions, and capital improvements. 30% to the City of High Point - 85% used to promote travel & tourism activities/programs, and 15% used for specific tourist-related events.	2.45%	0.55%	
Greensboro		3%	1) 1/5 to Greensboro/Guilford County Tourism Development Authority - Used for activities and programs promoting and encouraging travel & tourism. 2) 4/5 to the City of Greensboro - Used to finance the renovation and expansion of the Greensboro War Memorial Coliseum arena, the renovation and expansion of the remainder of the Greensboro War Memorial Complex and acquisition of property in the vicinity, and for the maintenance of the complex. City of High Point - Used for furniture market promotion and visitor assistance. (Furniture market promotion and visitor assistance is defined as: activities and expenditures to promote the International Home Furnishings Market in the city and to assist visitors who attend it. The term may include advertising and other promotional activities, transportation and parking, housing facilitation, buyer registration, and administration of these activities.)	0.6%	2.4%	
High Point		3%		0% - 3%	0% - 3%	
Halifax	52,970	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Roanoke Rapids		1%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	0.66%	0.33%	
Harnett (The tax is levied by Harnett County Board of Commissioners, but only within Averasboro Township)	126,666	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Haywood	59,471	4%	Tourism Development Authority - Of the first 3%, at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. The remaining 1% is segregated into five separate accounts (Canton area, Clyde area, Lake Junaluska area, Maggie Valley area, and Waynesville area) based on the ZIP code of accommodations yielding the tax proceeds, and at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures in each of the collection areas.	2.66%	1.33%	

North Carolina County/ Municipality	Population (2014 Estimate)	2015 Occupancy Can Pay Up to Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Henderson	111,149	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Hertford	24,308	3%	County Commissioners - Used for any lawful purpose.			3%
Albemarle		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Murfreesboro		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Hoke	51,611	N/A				
Hyde	5,676	3%	County Commissioners - Used for any public purpose. (The county shall spend 90% of the proceeds collected on the mainland only for the direct benefit of the mainland. The county shall spend 90% of the proceeds collected on Ocracoke only for the direct benefit of the island.)			3%
Ocracoke		0%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Iredell	166,675	0%	County Board of Commissioners - Allocated to a special fund and used only for operation and maintenance of a civic center, for payment of interest or retiring principal on debt related to a civic center or for promotion of travel and tourism.	3%	1%	
Mooreville		4%	Travel and Tourism Authority - At least 3/4 used to promote travel & tourism; remainder used for tourism-related expenditures.			
Statesville		5%	First 3% to the City of Statesville - Used for construction, operation, and maintenance of a civic center, for payment of interest or retiring principal on debt related to a civic center, or for promotion of travel & tourism.	1% - 4%	1% - 4%	
			Of the remaining 2%: 1) 1/2 to Tourism Development Authority - Used to promote travel & tourism. 2) 1/2 to the City of Statesville - Used for operation and maintenance of a civic center and for payment of interest or retiring principal on debt related to a civic center.			
Troutman		3%	Tourism Development Authority - At least 2/3 used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Jackson	40,981	4%	Tourism Development Authority - At least 2/3 used to promote travel & tourism; remainder used for tourism-related expenditures.	3%	1%	

North Carolina County/ Municipality	Population (2013 Estimate)	2015 Occupancy Tax Rate	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Johnston	181,423	3%	Johnston County Tourism Authority - Revenue is remitted to listed organizations in towns from which tax is collected. The revenue shall be used for: 1) direct advertising costs for visitor promotions, conventions, or tourism; 2) marketing & promotions expenses; 3) operating expenses for tourist-oriented events; 4) administrative expenses; 5) tourist-related capital projects; 6) other expenses that aid and encourage visitor promotions, conventions, or tourism; and 7) any additional administrative costs incurred by the county.	0% - 3%	0% - 3%	
Benson		2%	Johnston County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Kenly		2%	Johnston County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Selma		2%	Johnston County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Smithfield		2%	Johnston County Tourism Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourist-related expenditures.	1.33%	0.66%	
Jones	10,076	N/A				
Lee	59,662	3%	Lee County - Proceeds held in a capital reserve fund until a sufficient amount has accumulated to construct a Community Resource Center; proceeds shall then be used to construct and maintain the Center. Any excess over the amount needed for maintenance of the Center may be used by for any lawful purpose.			3%
Lenoir	58,485	3%	Tourism Development Authority - Used only to further the development of travel, tourism, and conventions through advertising and promotion, to sponsor tourist-oriented events/activities, and to finance tourist-related capital projects.	0% - 3%	0% - 3%	
Kinston		3%	Tourism Development Authority - Used only to further the development of travel, tourism, and conventions through advertising and promotion, to sponsor tourist-oriented events/activities, and to finance tourist-related capital projects.	0% - 3%	0% - 3%	
Lincoln	79,829	3%	Lincoln County - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Lincolnton		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	

North Carolina County/ Municipality	Population (2013 Estimate)	2015 Occupancy Tax Levy (24 Rate)	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Macon	33,875	3%	Travel and Tourism Authority - Used only to promote travel & tourism.	3%		
Franklin		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism, remainder used for tourism-related expenditures.	2%	1%	
Madison	21,157	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Martin	23,454	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism, remainder used for tourism-related expenditures.	4%	2%	
McDowell	44,965	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism, remainder used for tourism-related expenditures.	3.33%	1.66%	
Mecklenburg (See appendix for full occupancy tax allocation.)	1,012,539	8% (Two separate occupancy taxes, 6% and 2%)	First 3% to the City of Charlotte - Used for convention center facilities. Remaining 3% to be distributed to Cornelius, Davidson, Huntersville, Matthews, Mint Hill, and Pineville - Used for visitor promotion and tourism-related expenditures. Additional 2% to the City of Charlotte - Used only for the acquisition, construction, repair, maintenance, and financing of a NASCAR Hall of Fame Museum facility and an ancillary and adjacent NASCAR/convention center ballroom facility.	0% - 3%	5% - 8%	
Mitchell	15,311	3%	Chamber of Commerce - Used to promote travel & tourism, sponsor tourist-oriented events/activities, and to finance tourist-related capital projects.	0% - 3%	0% - 3%	
Montgomery	27,395	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Moore	93,077	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. • Currently pending approval of Board of County Commissioners	4%	2%	
Nash	94,357	5%	First 3% to the Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Remaining 2% to the City of Rocky Mount - Used for tourism-related expenditures specifically approved in advance by the TDA.	2%	3%	

North Carolina County/ Municipality	Population (2014 Estimated)	2015 Occupancy Tax Rate	Can Levy Up to 1.5%	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism Related Expenditures	Allocation to General & Non- Tourism Activities
New Hanover (except Convention Center District)	216,298	3%		3/5 to New Hanover County- Used for beach nourishment. 2/5 to the Cape Fear Coast Convention and Visitors Bureau (set up as a TDA) - Used to promote travel & tourism.	1.2%	1.8%	
New Hanover County District U (New Hanover County levies an additional occupancy tax in District U- a special taxing district containing the unincorporated areas of the county.)		3%		New Hanover County District U - Used for beach nourishment.		3%	
Wilmington		3%		City of Wilmington Convention center account - Used by the City of Wilmington for the construction, financing, operation, promotion, and maintenance of a public convention center.	3%		
Wilmington Convention Center District		6%		City of Wilmington Convention center account - Used by the City of Wilmington for the construction, financing, operation, promotion, and maintenance of a public convention center.	6%		
Carolina Beach, Kure Beach, and Wrightsville Beach (The county collects and administers the occupancy tax on behalf of the towns listed above.)		3% (in each town)		Cape Fear Coast Convention and Visitors Bureau (set up as a TDA) - In each individual beach community, at least 1/2 must be used to promote travel & tourism, remainder used for tourism-related expenditures that are designed to increase the use of lodging facilities, meeting facilities or convention facilities or to attract tourists or business travelers to the area and includes tourism-related expenditures as approved by the TDA Board of Directors.	1.5%	1.5%	
Northampton	20,463	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	

North Carolina County/ Municipality	Population (2014 Estimate)	2015 Occupancy Tax Rate	County Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Onslow	187,589	3%	Onslow County - Proceeds deposited in the general fund and are used to further the development of travel, tourism, and conventions.	0% - 3%	0% - 3%	
Jacksonville		3%	Tourism Development Authority - At least 2/3 must be used for tourism-related expenditures; remainder used to promote travel & tourism.	1%	2%	
North Topsail Beach		3%	North Topsail Beach - Used for beach nourishment.		3%	
Swainsboro		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Orange	140,420	3%	Board of Commissioners - The Board decides on the allocation of revenues annually during its budgeting process. At least 10% is used to provide funding for visitor information services and to support cultural events.	0% - 2.7%	0.3% - 3%	0% - 2.7%
Carboro		0%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Chapel Hill		3%	Town Council - The Town Council decides on the allocation of revenues annually during its budgeting process. At least 10% is used to provide funding for visitor information services and to support cultural events.	0% - 2.7%	0.3% - 3%	0% - 2.7%
Hillsborough		0%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Pamlico	12,948	-	Board of Commissioners - At least 1/4 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Oriental		3%		0.75%	2.25%	
Pasquotank	39,787	6%	Elizabeth City - Pasquotank County Tourism Development Authority - Of the first 3%, 1/2 is used to promote travel & tourism, 1/4 is used for tourism-related expenditures recommended by the City of Elizabeth City Council, and 1/4 is used for tourism-related expenditures recommended by the Pasquotank County Board of Commissioners. Of the remaining 3%, at least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.5%	2.5%	
Elizabeth City (The City of Elizabeth City Council may levy a room occupancy tax at a rate that does not exceed 6% when combined with the Pasquotank County occupancy tax rate.)		0%				

North Carolina County/ Municipality	Population (2014 Estimate)	2015 Occupancy Tax Levy Tax Rate	2015 Occupancy Tax Levy Cap Cap	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to General Non- Tourism Activities
Pender	56,250	3%		Proceeds from accommodations in Surf City to Surf City - Used for beach nourishment. Proceeds from accommodations in Topsail Beach to Topsail Beach - Used for beach nourishment. Remaining proceeds from accommodations in Pender County to Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Surf City - Used only for tourism-related expenditures- includes criminal justice system, fire protection, public facilities and utilities, health facilities, solid waste & sewage treatment, and the control/repair of water front erosion. Topsail Beach - Used only for tourism-related expenditures- includes criminal justice system, fire protection, public facilities and utilities, health facilities, solid waste & sewage treatment, and the control/repair of water front erosion.	0% - 3%	0% - 3%	
Burgaw		3%			2%	1%	
Surf City		3%				3%	
Topsail Beach		3%				3%	
Perquimans	13,466	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	6%	
Person	39,132	5%	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Pitt	175,354	6%		Convention and Visitors Authority - Of the first 3%, at least 2/3 must be used to promote travel & tourism in Pitt County and the City of Greenville; remainder used for tourism-related expenditures. The remaining 3% is used to reimburse Pitt County and the City of Greenville for any funds they have advanced to purchase property for a convention center. After full reimbursement of the city and county, the money shall be used to finance, construct, maintain, operate, or market a convention center.	2%	4%	
Polk	20,357	3%		Polk County - Used only to promote travel & tourism.	3%		1.5%
Columbus		3%		Town Council - 1/2 is used to promote travel & tourism, and 1/2 is used for any public purpose.	1.5%		
Tryon		3%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Randolph	142,778	5%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	

North Carolina County/ Municipality	Population (2014 Estimated)	2015 Occupancy/Camp Levy Up to Tax Rate	Community Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Richmond	45,733	6%	Tourism Development Authority - 1/2 is used to promote travel & tourism, and 1/2 is used for tourism-related expenditures in the City of Rockingham that are mutually agreed upon by the county TDA and the Rockingham City Council.	3%	3%	
Robeson	134,760	-	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Lumberton		6%		4%	2%	
Pembroke		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Rowland		2%	City officials - Used for sponsoring tourist-oriented events, encouraging tourism through advertising and promotion, establishing a visitors' center, and other expenditures that directly enhance tourism; also includes the following type of expenditures- criminal justice system, fire protection, public facilities and utilities, health facilities, and solid waste & sewage treatment.	0% - 2%	0% - 2%	
St. Pauls		6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Rockingham	91,696	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Eden		2%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	1.33%	0.66%	
Reidsville		2%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	1.33%	0.66%	
Rowan	138,630	3%	Tourism Development Authority - Used to promote travel, tourism, & conventions and to sponsor tourist-oriented events/activities.	0% - 3%	0% - 3%	
Salisbury		3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Rutherford	66,600	5%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Sampson	64,050	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Scotland	35,576	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	

North Carolina County/ Municipality	Population (2014 Estimate)	2015 Occupancy Tax Rate	2015 Occupancy Tax Levy Rate %	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally-Related Tourism Activities
Stanly	60,600	6%		5/6 of proceeds from accommodations in the City of Albemarle to the City of Albemarle - 2/5 of that is then remitted to the Stanly County Tourism Development Authority for promoting travel & tourism, and 3/5 is used for tourism-related expenditures. Proceeds from accommodations in each municipality (other than Albemarle) to that municipality - Each municipality remits to the Stanly County Tourism Development Authority each year the greater of \$1.00 per capita of the municipality's population or 1/2 of the amount remitted to the municipality for promoting travel & tourism; remainder used for tourism-related expenditures in the county. The greater of \$25,000 a year or 1/2 of the remaining proceeds of the occupancy tax to the Tourism Development Authority - Used to promote travel & tourism. Remaining proceeds to Stanly County - Used for tourism-related expenditures	Approx. 3%	Approx. 3%	
Stokes	46,419	N/A		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures	4%	2%	
Surry (Surry County only levies an occupancy tax in District 5 - a special taxing district containing the unincorporated areas of the county.)	72,968	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures. Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Dobson		6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Elkin		6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Mount Airy		6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Pilot Mountain		6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Swain	14,274	4%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2.66%	1.33%	
Transylvania	33,045	5%	6%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Tyrrell	4,115	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Union	218,568	-		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	3.33%	1.66%	
Monroe		5%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			

North Carolina County/ Municipality	Population (2014 Estimate)	2015 Occupancy Tax Rate	2015 Occupancy Tax Levy Up to	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism Related Expenditures	Allocation to Generally Non- Tourism Activities
Vance	44,614	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Wake (See appendix for full tax occupancy allocation.)	998,691	6%		Of the first \$3,815,000: 1) 45.25% to the City of Raleigh - First \$680,000 used for tourism-related expenditures; remaining proceeds used for the Raleigh Civic Center Complex or similar facilities, and the construction of sports, cultural, and arts facilities. 2) 5% of the remaining proceeds to the Town of Cary - Used for public relations and promotional activities and for visitor-related programs and activities. 3) 34.75% of the remaining proceeds to Wake County - Used only for the Raleigh Civic Center Complex or similar facilities or for construction of sports, cultural, and arts facilities. 4) 15% of the remaining proceeds to the Greater Raleigh Convention and Visitor Bureau - Used to promote travel, tourism, and conventions. Proceeds in excess of \$3,815,000 distributed to the City of Raleigh, Town of Cary, Raleigh Regional Convention and Visitor Bureau, and Wake County - Used for the purposes noted above and capital projects	Approx. 2%	Approx. 4%	
Warren	20,231	N/A					
Washington	12,570	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	

North Carolina County/ Municipality	Population (2014 estimate)	2015 Occupancy Tax Rate	Can Levy Up to ___%	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Watauga (Watauga County only levies an occupancy tax in Watauga County District U - a special taxing district containing the unincorporated areas of the county.)	52,560	6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Beech Mountain (Only up to 3% if District W is levying an occupancy tax)		6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Beech Mountain District W (In addition to the current town occupancy tax; a special taxing district containing that part of the Town of Beech Mountain located in Watauga County.)		0%	3%	Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.			
Blowing Rock		6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Boone		6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Seven Devils		6%		Tourism Development Authority - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	

North Carolina County/ Municipality	Population (2014 Estimated)	2015 Occupancy Tax Levy (per Tax Rate	2015 Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Generally Non- Tourism Activities
Wayne	124,456	1%	Tourism Development Authority - All funds used to promote travel and tourism. No more than 1/5 to the Tourism Council - Used to develop tourism, support services, and tourist related events, and for any other appropriate activities to provide tourism-related facilities and attractions.	1%		
Goldsboro		5%	Remainder to the citizens' advisory committee - Used for a study of the feasibility of the construction of a civic center. 1) If civic center feasible, remainder to the City of Goldsboro - Used for improving, leasing, constructing, financing, operating, or acquiring facilities and properties as needed to provide for a civic center facility. 2) If civic center not feasible at present, up to 1/2 to the Tourism Council - Used to develop tourism, support services, and tourist-related events, and for any other appropriate activities to provide tourism-related facilities and attractions. Remainder to the City of Goldsboro - Invested in a special interest bearing fund and held for improving, leasing, constructing, financing, operating, or acquiring facilities and properties, either by the city or in conjunction with other governmental, educational, or nonprofit entities. 3) If civic center not feasible, remainder to the Tourism Council - Used to develop tourism, support services, and tourist-related events, and for any other appropriate activities to provide tourism-related facilities and attractions.	0% - 3%	2% - 5%	

North Carolina County/ Municipality	Population (2013 Estimate)	2015 Occupancy Tax Rate	Can Levy Up to ____%	Occupancy Tax Allocation	Allocation to Tourism Promotion	Allocation to Tourism-Related Expenditures	Allocation to Other General-Purpose Activities
Wilkes	68,838	-		<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Wilkesboro		3%		<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	2%	1%	
Wilson	81,401	3%		<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Yadkin (Yadkin County only levies an occupancy tax in District Y- a special taxing district containing the unincorporated areas of the county.)	37,792	6%		<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Jonesville		6%		<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Yadkinville		6%		<i>Tourism Development Authority</i> - At least 2/3 must be used to promote travel & tourism; remainder used for tourism-related expenditures.	4%	2%	
Yancey	17,614	3%		<i>Chamber of Commerce (through its Tourism and Travel Development Committee)</i> - Used only for: 1) Direct advertising for visitor promotions, conventions, travel, and tourism, including outdoor advertising, print media, broadcast media, and brochures; 2) Marketing and promotions expenses, including test market programs, consultant fees, entertainment, housing expenses, travel expenses, and registration fees; and 3) Other expenses that aid and encourage visitor promotions, conventions, travel, and tourism	3%		

North Carolina County and Municipal Occupancy Tax

NOTES:	Mecklenburg County Full occupancy tax allocation	APPENDIX:
<p>(%) - A percentage inside closed parentheses indicates an entity's legally enabled occupancy tax rate above what is currently collected</p> <p>County and municipality population data are 2014 estimates from the United States Census Bureau</p> <p><i>Promote travel and tourism</i> is defined as: To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in these activities.</p>	Mecklenburg County Full occupancy tax allocation	<p><i>First 3% to the City of Charlotte</i> - Used for convention center facilities, applied in accordance with the following priorities (in order):</p> <p>1) To provide for when due payments for the current fiscal year with respect to any financing for new convention center facilities or for the expansion of existing convention center facilities, which may include off-street parking for use in conjunction with the facilities.</p> <p>2) To pay costs incurred in an amount equal to the sum of \$1,500,000 plus the total current fiscal year distributions to the Mecklenburg towns in each fiscal year for marketing and promoting new or expanded convention center facilities and for activities and programs aiding and encouraging convention and visitor promotion</p> <p>3) To pay other costs of acquiring, constructing, maintaining, operating, marketing, and promoting new or expanded convention center facilities and of activities and programs aiding and encouraging convention and visitor promotion.</p> <p>Of the remaining 3%:</p> <p>1) 120% of the remaining proceeds collected in each municipality other than Charlotte to the respective municipality; Used for acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism-related programs and activities including art and cultural programs, events, and festivals.</p>
<p><i>Tourism-related expenditures</i> are defined as: Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a county by attracting tourists or business travelers to the city/county. The term includes tourism-related capital expenditures.</p> <p><i>Beach Nourishment</i> is defined as: The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:</p>	Mecklenburg County Full occupancy tax allocation continued	<p>2) At least 50% of the first \$1,000,000 in each fiscal year, at least 35% of the second \$1,000,000 in each fiscal year, and at least 25% of the amount in excess of \$2,000,000 in each fiscal year shall be transferred to the City of Charlotte. Distributed to each Mecklenburg town--an amount equal to the greater of (i) 1/2 of the county prepared food and beverage tax net proceeds that were collected in that town during the preceding fiscal year, and (ii) an amount agreed to by interlocal agreement between the Mecklenburg town and the City of Charlotte. Used for acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism-related programs and activities including art and cultural programs, events, and festivals. (The Towns of Cornelius, Davidson, and Huntersville are required to distribute to the Lake Norman CVB 28% of their occupancy tax.)</p> <p>3) Remainder distributed between Charlotte and Mecklenburg County- Used for acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism-related programs and activities including art and cultural programs, events, and festivals.</p> <p>Additional 2% to the City of Charlotte- Used only for the acquisition, construction, repair, maintenance, and financing of a NASCAR Hall of Fame Museum facility and an ancillary and adjacent NASCAR/convention</p>

North Carolina County and Municipal Occupancy Tax

<p>a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;</p> <p>b. The nonfederal share of the cost required to construct these projects;</p> <p>c. The costs associated with providing enhanced public beach access; and</p> <p>d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.</p>	<p>Wake County Full occupancy tax allocation</p>	<p>Of the first \$3,815,000 (Before making the following distributions, the Board of Commissioners may, in its discretion, deduct from the proceeds of the tax the sum of \$100,000 in each fiscal year and remit the sum to Wake Technical Community College. The college must use funds remitted to it only to support its ongoing program of training individuals in hotel and motel management and in food service.)</p> <p>1) 45.25% to the City of Raleigh- First \$680,000 used to fund the acquisition, construction, financing, debt servicing, maintenance, or operation of convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums, to provide off-street parking facilities for use in conjunction with such facilities, and to fund visitor-related programs and activities. Remaining proceeds are used for the acquisition, construction, renovation, financing, debt service, maintenance, and operation of expansions and additions to the Raleigh Civic Center Complex or similar facilities, and the construction of sports, cultural, and arts facilities.</p> <p>2) 5% of the remaining proceeds to the Town of Cary- Used for public relations and promotional activities and for visitor-related programs and activities, including cultural programs, events, festivals, and other visitor-related programs.</p> <p>3) 34.75% of the remaining proceeds to Wake County- Used only for the Raleigh Civic Center Complex or similar facilities or for construction of sports, cultural, and arts facilities.</p> <p>4) 15% of the remaining proceeds to the Greater Raleigh Convention and Visitor Bureau- Used to promote travel, tourism, and conventions.</p>
	<p>Wake County Full occupancy tax allocation continued</p>	<p>Proceeds in excess of \$3,815,000 but less than \$4,000,001:</p> <p>1) 95% to the City of Raleigh- Used for the purposes noted above.</p> <p>2) 5% to the Town of Cary- Used for the purposes noted above.</p> <p>Proceeds above \$4,000,000 and up to \$4,500,000:</p> <p>1) 25% to the Raleigh Regional Convention and Visitor Bureau- (Does not specify how the Bureau will use the funds.)</p> <p>2) 5% to the Town of Cary- At least 1/2 used for capital projects; remainder used for the purposes noted above.</p> <p>3) 47.5% to the City of Raleigh- Used for the purposes noted above.</p> <p>4) 22.5% to Wake County- Used for any use related to any of the purposes for which any local government is authorized to expend tax proceeds.</p> <p>Proceeds above \$4,500,000:</p> <p>1) 25% to the Raleigh Regional Convention and Visitor Bureau- (Does not specify how the Bureau will use the funds.)</p> <p>2) 5% to the Town of Cary- At least 1/2 used for capital projects, remainder used for the purposes noted above.</p> <p>3) 35% to the City of Raleigh- Used for any lawful purpose mentioned in any of the above.</p> <p>4) 35% to Wake County- Used for any lawful purpose mentioned in any of the above.</p>

Appendix C

Occupancy tax collections fiscal year 2013-2014												
Counties	County collections				Municipalities	Rate	Municipal collections				Amount to Tourism Dev. Auth./Other	Amount to county
	Rate	Total net collections	Amount to county	Amount to municipality			Total net collections	Amount to municipality	Amount to county	Amount to Tourism Dev. Auth./Other		
	%	\$	\$	\$			\$	\$	\$	\$		\$
ALABAMA COUNTY	3%	637,507	225,154	412,353								
ALLEGHANY COUNTY	6%	52,865		52,865								
ANSON COUNTY	6%	33,496	33,496									
ASHE COUNTY	3%	245,562	7,367	238,195	TOWN OF WEST JEFFERSON	3%	78,120.56					78,120.56
AVERY COUNTY					TOWN OF BANNER ELK	6%	141,494.15	4,244.82				137,249.33
					TOWN OF SUGAR MOUNTAIN	6%	236,768.00	78,923.00				157,845.00
BEAUFORT COUNTY					TOWN OF WASHINGTON	6%	222,208.00	6,666.00				215,542.00
BRUNSWICK COUNTY	1%	1,307,052	25,668	13,590	CITY OF SOUTHPORT	3%	84,007.41	84,007.41				
					TOWN OF CASWELL BEACH	6%	259,580.00	216,318.00	43,262.00			
					TOWN OF HOLDEN BEACH	6%	1,705,533.55	1,426,985.20	278,548.35			
					TOWN OF LELAND	3%	117,887.00					117,887.00
					TOWN OF OAK ISLAND	5%	1,166,651.42	1,166,651.42				
					TOWN OF OCEAN ISLE BEACH	6%	2,110,446.46	1,758,712.28	351,734.18			
					TOWN OF SHALLOTTE	3%	64,552.00	30,570.00				33,982.00
					TOWN OF SUNSET BEACH	5%	739,268.23	739,268.23				
					VILLAGE OF BALD HEAD ISLAND*	6%	1,014,740.00	1,014,740.00				
BUNCOMBE COUNTY	4%	9,184,430	137,766	9,046,664								

BURKE COUNTY	6%	373,411	11,238	362,173					
CABARRUS COUNTY	6%	4,356,402	435,640	3,920,762					
CALDWELL COUNTY	3%	101,039		101,039					
					CITY OF LENOIR	3%	71,883.00		71,883.00
CAMDEN COUNTY	6%	43,923		43,923					
CARTERET COUNTY	6%	5,189,070	61,891	5,127,179					
CATAWBA COUNTY					CITY OF HICKORY*	6%	1,418,591.96		1,418,591.96
CHATHAM COUNTY	3%	87,326	87,326						
CHEROKEE COUNTY	4%	197,285	5,919	191,367					
CHOWAN COUNTY	5%	126,634	3,780	122,855					
CLAY COUNTY	3%	17,401	2,610	14,791					
CLEVELAND COUNTY	3%	222,004	222,004		CITY OF KINGS MOUNTAIN*	3%	83,410.42	2,502.31	80,908.11
					CITY OF SHELBY	3%	140,212.86		140,212.86
					TOWN OF BOILING SPRINGS	3%	15,991.71		15,991.71
					TOWN OF GROVER	3%	3,036.53	74.99	2,961.54
COLLUMBUS COUNTY	3%	83,111		83,111					
Craven County	6%	1,371,904	1,198,904	97,000					
CUMBERLAND COUNTY	6%	5,045,585		5,045,585					
CURRITUCK COUNTY	6%	10,579,294	10,579,294						
DARE COUNTY	6%	21,643,798	3,952,435	8,270,977					

HERTFORD COUNTY	3%	46,927	46,927			TOWN OF AHOSKIE	3%	54,428.86		54,428.86
						TOWN OF MURFREESBORO	3%	1,128.00	1,128.00	
HYDE COUNTY	3%	442,326	44,233		398,094					
IREDELL COUNTY						CITY OF STATESVILLE	5%	818,511.57	658,426.35	160,085.22
						TOWN OF MOORESVILLE	4%	870,843.28	19,477.82	851,365.46
JACKSON COUNTY	4%	744,133			744,133					
JOHNSTON COUNTY	3%	625,749	31,287		594,462	TOWN OF BENSON*	2%	8,207.00	246.00	7,961.00
						TOWN OF KENLY*	2%	24,716.00		24,716.00
						TOWN OF SELMA	2%	88,502.31	2,655.07	85,847.24
						TOWN OF SMITHFIELD	2%	188,648.00	2,551.00	186,097.00
LEE COUNTY	3%	203,071			203,071					
LENOIR COUNTY	3%	225,693	11,285		214,409	CITY OF KINSTON	3%	207,837.52	10,391.88	197,445.64
LINCOLN COUNTY						CITY OF LINCOLN	3%	86,635.00	86,635.00	
MACON COUNTY	3%	592,366	47,389		544,977	TOWN OF FRANKLIN	3%	102,815.00	3,085.00	99,730.00
MADISON COUNTY	5%	185,459	5,564		179,895					
MARTIN COUNTY	6%	272,022	8,175		263,847					
MCDOWELL COUNTY	5%	357,610	14,086		343,523					
MECKLENBURG COUNTY	8%					TOWN OF MATTHEWS	2%	444,972.71	444,972.71	
See detail next two lines										
Occupancy Tax	6%	32,755,685	1,512,502	10,543,714	20,699,469					
NASCAR Tax	2%	10,918,565		10,918,565						
MITCHELL COUNTY	3%	52,232			52,232					
MONTGOMERY COUNTY	3%	27,951			27,951					
MOORE COUNTY	3%	1,629,703	26,257		1,603,406					

[illegible]

WATAUGA COUNTY ^c	6%	1,001,735	20,017	981,717	TOWN OF BEECH MOUNTAIN*	6%	215,702.00		215,702.00
					TOWN OF BLOWING ROCK*	6%	793,312.46	17,933.12	775,379.34
					TOWN OF BOONE	6%	1,472,410.00	365,335.00	1,107,075.00
					TOWN OF SEVEN DEVILS*	6%	82,349.00		82,349.00
WAYNE COUNTY					CITY OF GOLDSBORO	5%	559,596.00	559,596.00	
WILKES COUNTY					TOWN OF WILKESBORO	3%	122,861.81	3,584.14	119,277.67
WILSON COUNTY	3%	498,821	14,864	483,957					
YADKIN COUNTY ^c	6%	33,086		33,086	TOWN OF JONESVILLE	6%	271,732.00	8,152.00	263,580.00
					TOWN OF YADKINVILLE	6%	24,372.71		24,372.71
YANCEY COUNTY	3%	54,695		54,695					
TOTAL		169,749,125	29,787,617	45,960,404	94,001,104		35,684,239.65	16,691,853.04	784,064.01 18,208,322.60

NOTES

Data compiled from reports furnished by counties and municipalities to the Local Government Division, North Carolina Department of Revenue

- * Indicates municipalities located in multiple counties.
- a The Village of Bald Head Island is exempt from the 1% Brunswick County tax
- b New Hanover Occupancy Tax is 3% countywide, with an additional 3% in unincorporated areas.
- c Watauga County and Yadkin County Occupancy Taxes only apply in unincorporated areas.