

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

S

1

SENATE BILL 255

Short Title: Iredell County Occupancy Tax Modifications. (Local)

Sponsors: Senator Sawyer (Primary Sponsor).

Referred to: Finance

March 9, 2023

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE CURRENT IREDELL COUNTY-WIDE OCCUPANCY TAX, TO  
CREATE IREDELL COUNTY DISTRICT I, AND TO AUTHORIZE THE LEVY OF AN  
OCCUPANCY TAX IN THE DISTRICT.

The General Assembly of North Carolina enacts:

**PART I. REPEAL CURRENT IREDELL COUNTY-WIDE OCCUPANCY TAX**

**SECTION 1.** Part IV of Chapter 570 of the 1985 Session Laws, as amended by  
Section 21(f) of S.L. 2007-527, is repealed.

**PART II. CREATION OF IREDELL COUNTY DISTRICT I AND AUTHORIZATION  
FOR THE LEVY OF AN OCCUPANCY TAX IN THE DISTRICT**

**SECTION 2.(a)** Iredell County District I Created. – Iredell County District I is  
created as a taxing district. Its jurisdiction consists of that part of Iredell County that is located  
outside of incorporated areas within the county. Iredell County District I is a body politic and  
corporate and has the power to carry out the provisions of this section. The Iredell County Board  
of Commissioners shall serve ex officio as the governing body of the district, and the officers of  
the board of commissioners shall serve as the officers of the governing body of the district. A  
simple majority of the governing body constitutes a quorum, and approval by a majority of those  
present is sufficient to determine any matter before the governing body, if a quorum is present.

**SECTION 2.(b)** Authorization and Scope. – The governing body of Iredell County  
District I may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived  
from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist  
camp, or similar place within the district that is subject to sales tax imposed by the State under  
G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales or room occupancy tax.

**SECTION 2.(c)** Administration. – A tax levied under this section shall be levied,  
administered, collected, and repealed as provided in G.S. 153A-155 as if Iredell County District  
I were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 2.(d)** Distribution and Use of Tax Revenue. – Iredell County District I  
shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Iredell County  
District I Tourism Development Authority. The Iredell County District I Tourism Development  
Authority shall use at least two-thirds of the proceeds to promote travel and tourism and shall use  
the remainder for tourism-related expenditures in the district. In accordance with the North  
Carolina Constitution and the United States Constitution, the tax proceeds may be used only for  
the direct benefit of the jurisdiction of Iredell County District I.

The following definitions apply in this subsection:



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

16 **SECTION 3.** Iredell County District I Tourism Development Authority. – (a)  
17 Appointment and Membership. – When the governing body of Iredell County District I adopts a  
18 resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating  
19 the Iredell County District I Tourism Development Authority, which shall be a public authority  
20 under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the  
21 membership of the Authority, including the members' terms of office, and for the filling of  
22 vacancies on the Authority. At least one-third of the members must be individuals who are  
23 affiliated with businesses that collect the tax in Iredell County, and at least one-half of the  
24 members must be individuals who are currently active in the promotion of travel and tourism in  
25 Iredell County. The governing body shall designate one member of the Authority as chair and  
26 shall determine the compensation, if any, to be paid to members of the Authority.

27 The Authority shall meet at the call of the chair and shall adopt rules of procedure to  
28 govern its meetings. The Finance Officer for Iredell County shall be the ex officio finance officer  
29 of the Authority.

30 **SECTION 3.(b)** Duties. – The Authority shall expend the net proceeds of the tax  
31 levied under this Part for the purposes provided in this Part. The Authority shall promote travel  
32 and tourism in the district and make tourism-related expenditures in the district.

33 **SECTION 3.(c)** Reports. – The Authority shall report quarterly and at the close of  
34 the fiscal year to the Iredell County Board of Commissioners on its receipts and expenditures for  
35 the preceding quarter and for the year in such detail as the board may require.

36 **SECTION 4.** G.S. 153A-155(g) reads as rewritten:

37 "(g) Applicability. – Subsection (c) of this section applies to all counties and county  
38 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of  
39 a local act, subsection (c) supersedes that provision. The remainder of this section applies only  
40 to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,  
41 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,  
42 Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson,  
43 Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton,  
44 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan,  
45 Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington,  
46 Wayne, and Wilson Counties, to Harnett County District H, Iredell County District I, New  
47 Hanover County District U, Surry County District S, Watauga County District U, Wilkes County  
48 District K, Yadkin County District Y, and the Township of Averagesboro in Harnett County and  
49 the Ocracoke Township Taxing District."

50  
51 **PART III. ADMINISTRATIVE PROVISIONS**

1           **SECTION 5.** The governing body of Iredell County District I and the Iredell County  
2 Board of Commissioners shall adopt any resolutions or modify any adopted resolutions, as  
3 needed, to carry out the provisions of this act.

4           **SECTION 6.** This act does not affect the rights or liabilities of the State, a taxpayer,  
5 or another person arising under a statute amended by this act before the effective date of its  
6 amendment, nor does it affect the right to any refund or credit of a tax that accrued under the  
7 amended statute before the effective date of its amendment.

8  
9 **PART IV. EFFECTIVE DATE**

10           **SECTION 7.** Part I of this act becomes effective when the governing body of Iredell  
11 County District I adopts a resolution levying a room occupancy tax under Part II of this act. The  
12 remainder of this act is effective when it becomes law.