

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

**SESSION LAW 2024-21  
HOUSE BILL 911**

AN ACT TO DEANNEX CERTAIN DESCRIBED TERRITORIES; TO ANNEX CERTAIN DESCRIBED TERRITORIES; AND TO MAKE OTHER CHANGES TO VARIOUS LOCAL LAWS.

The General Assembly of North Carolina enacts:

**TOWN OF ANDREWS DEANNEXATION**

**SECTION 1.(a)** The following described property is removed from the corporate limits of the Town of Andrews:

Tract 1 of Parcel 2 as described in Exhibit A in the North Carolina General Warranty Deed filed with the Cherokee County Register of Deeds, Book 1426, Page 1017.

**SECTION 1.(b)** This section has no effect upon the validity of any liens of the Town of Andrews for ad valorem taxes or special assessments outstanding before the effective date of this section. Such liens may be collected or foreclosed upon after the effective date of this section as though the property were still within the corporate limits of the Town of Andrews.

**SECTION 1.(c)** This section becomes effective June 30, 2024. Property in the territory described in this section as of January 1, 2024, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2024.

**CITY OF ASHEVILLE DEANNEXATION**

**SECTION 2.(a)** The following described property, identified by Buncombe County Tax Property Identification Numbers, is removed from the corporate limits of the City of Asheville: 965444585500000 and 965444792300000.

**SECTION 2.(b)** This section has no effect upon the validity of any liens of the City of Asheville for ad valorem taxes or special assessments outstanding before the effective date of this section. Such liens may be collected or foreclosed upon after the effective date of this section as though the property were still within the corporate limits of the City of Asheville.

**SECTION 2.(c)** This section becomes effective June 30, 2024. Property in the territory described in this section as of January 1, 2024, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2024.

**TOWN OF BEAUFORT LEASES**

**SECTION 3.(a)** Notwithstanding the provisions of G.S. 160A-272, the Town of Beaufort may lease any or all of the real property owned by the Town or under the control of the Town, together with all littoral and riparian rights appurtenant thereto, in the area south of Front Street to Taylor Creek, upon such terms and conditions as the Town's Board of Commissioners may determine, for longer than 10 years as long as it follows the requirements of G.S. 160A-272 for leases of 10 years or less if the Town's Board of Commissioners determines that the real property will not be needed by the Town for the term of the lease.

**SECTION 3.(b)** Notwithstanding the provisions of G.S. 160A-272, the Town of Beaufort may renew or extend any lease entered into under subsection (a) of this section for periods longer than 10 years as long as it follows the requirements of G.S. 160A-272 for leases



of 10 years or less if the Town's Board of Commissioners determines that the real property will not be needed by the Town for the term of the renewal or extension.

**SECTION 3.(c)** Chapter 371 of the 1979 Session Laws is repealed.

**SECTION 3.(d)** Chapter 100 of the 1983 Session Laws is repealed.

**SECTION 3.(e)** Section 2 of Chapter 1199 of the 1981 Session Laws shall not apply to any real property described in subsection (a) of this section.

**SECTION 3.(f)** This section is effective when it becomes law and applies to property owned, acquired, or controlled on or after that date and to leases entered into or renewed or extended on or after that date.

### **CITY OF BOILING SPRING LAKES DEANNEXATIONS**

**SECTION 4.(a)** The following described properties are removed from the corporate limits of the City of Boiling Spring Lakes, as identified by Brunswick County Parcel Identification Numbers: 208915742849, 208916838833, 208916846076, 208916930807, 217012868467, and 11300039. Parcel 11300039 is further described as: Being all of Lot 47, Section 24, pursuant to a map titled "Boiling Spring Lakes, Section 24, Investment Tracts", as prepared by Gerrit C. Greer, Reg. Land Surveyor, said map being recorded in Book G of Maps at Page 111, Brunswick County Registry.

**SECTION 4.(b)** This section has no effect upon the validity of any liens of the City of Boiling Spring Lakes for ad valorem taxes or special assessments outstanding before the effective date of this section. Such liens may be collected or foreclosed upon after the effective date of this section as though the property were still within the corporate limits of the City of Boiling Spring Lakes.

**SECTION 4.(c)** The property in the territory described in this section shall not be subject to the extraterritorial powers of any municipality.

**SECTION 4.(d)** This section becomes effective June 30, 2024. Property in the territory described in this section as of January 1, 2024, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2024.

### **TOWN OF EDENTON ANNEXATION**

**SECTION 5.(a)** The following described property is added to the corporate limits of the Town of Edenton:

#### **TRACT I**

Being that 141.83 Acre tract as shown on "A SURVEY AND PLAT FOR THE STATE OF NORTH CAROLINA – FIRST TOWNSHIP – CHOWAN COUNTY – NORTH CAROLINA" by Josiah A. Webb, III, Professional Land Surveyor, dated June 3, 2022, and recorded in Plat Cabinet 3, Slide 6I, Chowan County Registry.

#### **TRACT II**

Being that 1.13 Acre tract labeled PARCEL ONE as shown on "A SURVEY AND PLAT FOR THE CONSERVATION FUND – FIRST TOWNSHIP – CHOWAN COUNTY – NORTH CAROLINA" by Josiah A. Webb, III, Professional Land Surveyor, dated January 27, 2022, and recorded in Plat Cabinet 3, Slide 4H, Chowan County Registry.

#### **TRACT III**

Being that 19.06 Acre tract labeled PARCEL TWO as shown on "A SURVEY AND PLAT FOR THE CONSERVATION FUND – FIRST TOWNSHIP – CHOWAN COUNTY – NORTH CAROLINA" by Josiah A. Webb, III, Professional Land Surveyor, dated January 27, 2022, and recorded in Plat Cabinet 3, Slide 4H, Chowan County Registry.

#### **TRACT IV**

Being that 1.76 Acre tract labeled PARCEL ONE as shown on "A SURVEY AND PLAT FOR THE CONSERVATION FUND – FIRST TOWNSHIP – CHOWAN COUNTY – NORTH

CAROLINA" by Josiah A. Webb, III, Professional Land Surveyor, dated October 5, 2021, and recorded in Plat Cabinet 3, Slide 3A, Chowan County Registry.

**TRACT V**

Being that 8.05 Acre tract labeled PARCEL TWO as shown on "A SURVEY AND PLAT FOR THE CONSERVATION FUND – FIRST TOWNSHIP – CHOWAN COUNTY – NORTH CAROLINA" by Josiah A. Webb, III, Professional Land Surveyor, dated October 5, 2021, and recorded in Plat Cabinet 3, Slide 3A, Chowan County Registry.

**TRACT VI**

Being that 17.16 Acre tract labeled PARCEL THREE as shown on "A SURVEY AND PLAT FOR THE CONSERVATION FUND – FIRST TOWNSHIP – CHOWAN COUNTY – NORTH CAROLINA" by Josiah A. Webb, III, Professional Land Surveyor, dated October 5, 2021, and recorded in Plat Cabinet 3, Slide 3A, Chowan County Registry.

**TRACT VII**

Being that 5.10 Acre tract shown on "A SURVEY AND PLAT FOR THE CONSERVATION FUND – FIRST TOWNSHIP – CHOWAN COUNTY – NORTH CAROLINA" by Josiah A. Webb, III, Professional Land Surveyor, dated October 5, 2021, and recorded in Plat Cabinet 3, Slide 3B, Chowan County Registry.

**SECTION 5.(b)** This section becomes effective June 30, 2024. Property in the territory described in this section as of January 1, 2024, is subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2024.

**CITY OF HENDERSONVILLE VACANCIES**

**SECTION 6.(a)** Notwithstanding Section 3.3 of the Charter of the City of Hendersonville, being Chapter 874 of the 1971 Session Laws, as amended by S.L. 2016-15, and G.S. 160A-63, the following shall apply to vacancies on the City Council of Hendersonville:

- (1) Any vacancy in the office of Mayor shall be filled by majority vote of the members of the City Council from the membership of the City Council. The successor shall serve the remainder of the unexpired term.
- (2) Any vacancy in the office of City Council shall be filled by majority vote of the Mayor and the remaining members of the City Council. The successor shall serve for the remainder of the unexpired term.

**SECTION 6.(b)** This section is effective when it becomes law and applies to any vacancy filled on or after December 1, 2023, and before the organizational meeting of the City Council following the municipal election for the City of Hendersonville in 2026.

**TOWN OF LAUREL PARK SATELLITE ANNEXATION CAP REMOVAL**

**SECTION 7.** G.S. 160A-58.1(b)(5) reads as rewritten:

- "(5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

This subdivision does not apply to the Cities of Archdale, Asheboro, Belmont, Claremont, Concord, Conover, Durham, Elizabeth City, Gastonia, Greenville, Hickory, Kannapolis, Kings Mountain, Locust, Lowell, Marion, Mount Airy, Mount Holly, New Bern, Newton, Oxford, Randleman, Roanoke Rapids, Rockingham, Saluda, Sanford, Salisbury, Shelby, Southport, Statesville, and Washington and the Towns of Ahoskie, Angier, Apex, Ayden, Belville, Benson, Bladenboro, Bridgeton, Bunn, Burgaw, Calabash, Carthage, Catawba, China Grove, Clayton, Columbia, Columbus, Cramerton, Creswell, Dallas, Dobson, Four Oaks, Franklin, Franklinton, Franklinville, Fuquay-Varina, Garner, Godwin, Goldston, Granite Quarry, Green Level, Grimesland, Harrisburg, Holly Ridge, Holly Springs, Hookerton, Hope Mills,

Huntersville, Jamestown, Kenansville, Kenly, Knightdale, Landis, Laurel Park, Liberty, Lillington, Louisburg, Maggie Valley, Maiden, Mayodan, Maysville, Middlesex, Midland, Mocksville, Morrisville, Mount Pleasant, Nashville, North Wilkesboro, Norwood, Oak Island, Oakboro, Ocean Isle Beach, Pembroke, Pine Level, Pollocksville, Princeton, Ramseur, Ranlo, Richlands, Rockwell, Rolesville, Rutherfordton, Shallotte, Siler City, Smithfield, Spencer, Spring Lake, Stanley, Stem, Stovall, Surf City, Swansboro, Taylorsville, Troutman, Troy, Vass, Wallace, Warsaw, Watha, Waynesville, Weldon, Wendell, West Jefferson, Wilson's Mills, Windsor, Wingate, Yadkinville, Youngsville, and Zebulon."

## **TOWN OF NEWPORT DEANNEXATION**

**SECTION 8.(a)** The following described property, identified by Carteret County Parcel Identification Number, is removed from the corporate limits of the Town of Newport: 633920716415000.

**SECTION 8.(b)** This section has no effect upon the validity of any liens of the Town of Newport for ad valorem taxes or special assessments outstanding before the effective date of this section. Such liens may be collected or foreclosed upon after the effective date of this section as though the property were still within the corporate limits of the Town of Newport.

**SECTION 8.(c)** This section becomes effective June 30, 2024. Property in the territory described in this section as of January 1, 2024, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2024.

## **TOWN OF NORTHWEST RESIDENCY DISTRICTS**

**SECTION 9.(a)** Section 3.2 of the Charter of the City of Northwest, being Chapter 222 of the 1993 Session Laws, is recodified as Section 4.2 of the Charter of the City of Northwest.

**SECTION 9.(b)** Chapter IV of the Charter of the City of Northwest, being Chapter 222 of the 1993 Session Laws, as amended by Section 9(a) of this act, reads as rewritten:

"CHAPTER IV.  
"ELECTIONS.

"Sec. 4.1. **Conduct of Town Elections.** The Town officers shall be elected on a nonpartisan basis, and the results determined by plurality as provided in G.S. 163-292. Elections shall be conducted by the Brunswick County Board of Elections.

"Sec. 4.2. **Manner of Electing Council.** The qualified voters of the entire City elect the members of the Council. To be eligible for election, a person-candidate must reside in the City-district for which that person is seeking election.

"Sec. 4.3. **Residency Districts.** For the purpose of conducting elections, the City shall be divided into geographical subdivisions known as residency districts. Districts 1, 2, and 4 shall be single-member districts, and District 3 shall be a two-member district. The residency districts may be revised by the Council from time to time."

**SECTION 9.(c)** Section 3.3 of the Charter of the City of Northwest, being Chapter 222 of the 1993 Session Laws, reads as rewritten:

"Sec. 3.3. **Term of Office of Council Members.** Members of the Council are elected to four-year terms ~~except that of those elected at the initial election in 1993, the three highest vote getters who are elected shall serve for four-year terms and the next two highest vote getters shall serve for two-year terms. In 1995 and quadrennially thereafter, two members of the Council shall be elected for four-year terms. In 1997 and quadrennially thereafter, three members of the Council shall be elected for four-year staggered terms.~~"

**SECTION 9.(d)** Nothing in this section shall affect the terms of office of any person elected in 2021 or 2023 to the Council of the City of Northwest who shall continue to hold

at-large positions on the Council until the end of their term or a vacancy occurs due to resignation or other causes.

**SECTION 9.(e)** In 2025 and quadrennially thereafter, three members of the Council of the City of Northwest shall be elected, one member from each of Districts 1, 2, and 4, for four-year terms. In 2027 and quadrennially thereafter, two members of the Council of the City of Northwest shall be elected from District 3 for four-year terms.

**SECTION 9.(f)** This section is effective when it becomes law and applies to elections held on or after that date.

## **CITY OF SOUTHPORT ETJ**

**SECTION 10.(a)** Notwithstanding the provisions of G.S. 160D-202(a), the City of Southport shall not exercise any of the powers granted to cities under Chapter 160D of the General Statutes or its predecessor, Article 19 of Chapter 160A of the General Statutes, beyond its contiguous corporate limits.

**SECTION 10.(b)** The relinquishment of jurisdiction over an area that the City of Southport is regulating under the authority of Chapter 160D of the General Statutes or its predecessor, Article 19 of Chapter 160A of the General Statutes, shall become effective July 1, 2024.

**SECTION 10.(c)** Upon relinquishment of jurisdiction over an area that the City of Southport is regulating under the authority of Chapter 160D of the General Statutes or its predecessor, Article 19 of Chapter 160A of the General Statutes, the following shall apply:

- (1) The City's regulations and powers of enforcement shall remain in effect until (i) Brunswick County has adopted the regulation or (ii) a period of 60 days has elapsed following July 1, 2024, the date the relinquishment becomes effective, whichever is sooner. Prior to the transfer of jurisdiction, Brunswick County may hold hearings and take other measures consistent with G.S. 160D-204 that may be required in order to adopt and apply its development regulations for the area at the same time it assumes jurisdiction.
- (2) Any person who has acquired vested rights in the City of Southport may exercise those rights as if no change of jurisdiction had occurred. Brunswick County, in acquiring jurisdiction over the area, may take any action regarding the development approval, certificate, or other evidence of compliance that could have been taken by the City of Southport pursuant to its development regulations. Except as provided in this subdivision, any building, structure, or other land use in an area over which Brunswick County has acquired jurisdiction is subject to the development regulations of Brunswick County.

## **BEAUFORT COUNTY LOCAL MATTERS**

**SECTION 11.(a)** Section 2 of S.L. 2022-34 reads as rewritten:

**"SECTION 2.** The Airport Authority shall consist of seven members appointed ~~by the Washington City Council as provided in this section~~ to serve staggered three-year terms. Each member shall take and subscribe an oath of office before the Clerk of Superior Court of Beaufort County and file the same with the clerk to the board of the Beaufort County Commissioners and the clerk to the board of the Washington City Council. Members of the Airport Authority may be appointed to one or more successive terms by the ~~Washington City Council~~ appointing authority. The ~~Washington City Council~~ appointing authority shall fill any vacancies arising on the Airport Authority. ~~In appointing members or filling vacancies to Members of the Airport Authority, the Washington City Council shall appoint members~~ Authority shall be appointed as follows:

- (1) ~~Two members~~ One member appointed by the Washington City Council who shall be a registered voter of the City of Washington with aviation or drone experience in aviation or business management expertise.
- (2) ~~One member appointed by the Beaufort County Commissioners who shall be a registered voter of the County of Beaufort and of the City of Washington.~~ Washington with business management or financial expertise.
- (3) ~~Two members appointed by the Beaufort County Commissioners who shall be registered voters of the County of Beaufort with experience in aviation and shall not be registered voters of the City of Washington.~~ Washington with aviation or drone experience.
- (4) ~~One member shall be a registered voter of the County of Beaufort and shall not be a registered voter of the City of Washington.~~
- (5) ~~One member shall be a registered voter of the County of Beaufort and may be a registered voter of the City of Washington.~~ Three members who shall be registered voters of the County of Beaufort selected and appointed by the remaining members of the Airport Authority."

**SECTION 11.(b)** The terms of all current members of the Washington-Warren Airport Authority shall expire October 1, 2024. Upon the expiration of those terms, appointments shall be promptly made to the Airport Authority as provided in Section 2 of S.L. 2022-34, as amended by this act, and, after establishing the staggered terms, all terms of office shall be for three years as provided in Section 2 of S.L. 2022-34, as amended by this act. If an appointing authority fails to make an initial appointment under subdivisions (1) through (3) of Section 2 of S.L. 2022-34, as amended by this act, by October 31, 2024, and the number of vacancies on the board is such that a quorum of the board cannot be obtained, the Clerk of Superior Court of Beaufort County may fill the vacancies upon the request of any remaining member of the Airport Authority. To implement staggering of the terms, the following shall apply:

- (1) The member appointed by the Washington City Council shall serve a two-year term.
- (2) One of the members appointed by the Beaufort County Commissioners shall serve a two-year term. One of the members appointed by the Beaufort County Commissioners shall serve a three-year term. One of the members appointed by the Beaufort County Commissioners shall serve a four-year term.
- (3) One of the members selected and appointed by the remaining members of the Airport Authority shall serve a two-year term. One of the members selected and appointed by the remaining members of the Airport Authority shall serve a three-year term. One of the members selected and appointed by the remaining members of the Airport Authority shall serve a four-year term.

**SECTION 11.(c)** Section 16 of S.L. 2022-34 is repealed.

## **CURRITUCK COUNTY EMINENT DOMAIN**

**SECTION 12.(a)** G.S. 40A-3(b1) reads as rewritten:

"(b1) Local Public Condemnors – Modified Provision for Certain Localities. – For the public use or benefit, the governing body of each municipality or county shall possess the power of eminent domain and may acquire by purchase, gift or condemnation any property or interest therein, either inside or outside its boundaries, for the following purposes:

...

The board of education of any municipality or county or a combined board may exercise the power of eminent domain under this Chapter for purposes authorized by Chapter 115C of the General Statutes.

The power of eminent domain shall be exercised by local public condemnors under the procedures of Article 3 of this chapter.

This subsection applies only to Carteret and Dare Counties, the Towns of Atlantic Beach, Carolina Beach, Caswell Beach, Emerald Isle, Holden Beach, Indian Beach, Kill Devil Hills, Kitty Hawk, Kure Beach, Nags Head, North Topsail Beach, Oak Island, Ocean Isle Beach, Pine Knoll Shores, Sunset Beach, Surf City, Topsail Beach, and Wrightsville Beach, and the Village of Bald Head Island. This subsection, excluding subdivision (11) of this subsection, applies to Currituck County and the Towns of Duck and Southern Shores."

**SECTION 12.(b)** G.S. 40A-42(a)(2) reads as rewritten:

"(2) Modified Provision for Certain Localities. – When a local public condemnor is acquiring property by condemnation for a purpose set out in G.S. 40A-3(b1)(1), (4), (7), (10), or (11), or when a city is acquiring property for a purpose set out in G.S. 160A-311(1), (2), (3), (4), (6), or (7), or when a county is acquiring property for a purpose set out in G.S. 153A-274(1), (2) or (3), or when a local board of education or any combination of local boards of education is acquiring property for any purpose set forth in G.S. 115C-517, or when a condemnor is acquiring property by condemnation as authorized by G.S. 40A-3(c)(8), (9), (10), (12), or (13) title to the property and the right to immediate possession shall vest pursuant to this subsection. Unless an action for injunctive relief has been initiated, title to the property specified in the complaint, together with the right to immediate possession thereof, shall vest in the condemnor upon the filing of the complaint and the making of the deposit in accordance with G.S. 40A-41.

This subdivision applies only to ~~Carteret~~ Carteret, Currituck, and Dare Counties, the Towns of Atlantic Beach, Carolina Beach, Caswell Beach, Duck, Emerald Isle, Holden Beach, Indian Beach, Kill Devil Hills, Kitty Hawk, Kure Beach, Nags Head, North Topsail Beach, Oak Island, Ocean Isle Beach, Pine Knoll Shores, Southern Shores, Sunset Beach, Surf City, Topsail Beach, and Wrightsville Beach, and the Village of Bald Head Island."

## **TOWN OF WOODFIN STORMWATER FEES**

**SECTION 13.** G.S. 160A-314(a1)(4) reads as rewritten:

"(4) A city may adopt an ordinance providing that any fee imposed under this subsection may be billed with property taxes, may be payable in the same manner as property taxes, and, in the case of nonpayment, may be collected in any manner by which delinquent personal or real property taxes can be collected. If an ordinance states that delinquent fees can be collected in the same manner as delinquent real property taxes, the fees are a lien on the real property described on the bill that includes the fee.

This subdivision applies only to the Cities of Creedmoor, Durham and Winston-Salem, the Towns of Bolton, Butner, Fairmont, Garner, Kernersville, Knightdale, La Grange, Morrisville, Pembroke, Proctorville, Rowland, St. Pauls, Stem, Wendell, Woodfin, and Zebulon, and the Village of Clemmons."

## **PENDER COUNTY DISTRICT P OCCUPANCY TAX**

**SECTION 14.1.(a)** Pender County District P Created. – Pender County District P is created as a taxing district. Its jurisdiction consists of all of Pender County exclusive of the Towns of Burgaw, Surf City, and Topsail Beach. Pender County District P is a body politic and corporate and has the power to carry out the provisions of this section. The Pender County Board of Commissioners shall serve ex officio as the governing body of the district, and the officers of the county 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 14.1.(b)** Authorization and Scope. – The governing body of Pender County District P may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation 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 14.1.(c)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Pender County District P were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

**SECTION 14.1.(d)** Distribution and Use of Tax Revenue. – Pender County District P shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Pender County Tourism Development Authority created pursuant to Section 6.3 of S.L. 2001-439. The Authority shall use at least two-thirds of the proceeds distributed to it to promote travel and tourism in the district 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 Pender County District P.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the district of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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 Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in a district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

**SECTION 14.1.(e)** Additional Tourism Development Authority Duties. – In addition to the duties required under Section 6.3(b) of S.L. 2001-439, the Authority shall expend the net proceeds of the tax levied under this section for promoting travel and tourism in the district and for tourism-related expenditures in the district as provided in this section.

**SECTION 14.1.(f)** Reports. – In addition to the reports required under Section 6.3(c) of S.L. 2001-439, the Authority shall report quarterly and at the close of the fiscal year to the Pender County Board of Commissioners on its receipts and expenditures for the net proceeds of the tax levied under this section for the preceding quarter and for the year in such detail as the board may require.

**SECTION 14.2.** G.S. 153A-155(g) reads as rewritten:

"(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, Bertie, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson, Jackson, Madison, Martin, McDowell, Mitchell, Montgomery, Moore, Nash, New Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Stokes, Swain, Transylvania, Tyrrell, Union, Vance, Warren, Washington, Wayne, Wilson, and Yancey Counties, to Avery



County District A, Graham County District G, Harnett County District H, Iredell County District I, New Hanover County District U, Pender County District P, Surry County District S, Watauga County District U, Wilkes County District W, Yadkin County District Y, and the Township of Averasboro in Harnett County and the Ocracoke Township Taxing District."

## **MCDOWELL COUNTY OCCUPANCY TAX**

**SECTION 15.** Chapter 892 of the 1985 Session Laws, as amended by S.L. 2007-315, reads as rewritten:

"Section 1. Occupancy Tax. – (a) Authorization and Scope. – The McDowell County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of ~~any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within an accommodation within~~ the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. ~~This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of the nonprofit purpose.~~

(a1) Authorization of Additional Two Percent Occupancy Tax. – In addition to the tax authorized by subsection (a) of this section, the McDowell County Board of Commissioners may levy an additional room occupancy tax of two percent (2%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this act. McDowell County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

(a2) Authorization of Additional One Percent Occupancy Tax. – In addition to the tax authorized by subsections (a) and (a1) of this section, the McDowell County Board of Commissioners may levy an additional room occupancy tax of one percent (1%) of the gross receipts derived from the rental of accommodations taxable under subsections (a) and (a1) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this act. McDowell County may not levy a tax under this subsection unless it also levies the tax authorized under subsections (a) and (a1) of this section.

(c) Administration. – A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.

(e) Distribution and Use of Tax Revenue. – McDowell County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the McDowell 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 McDowell County and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (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 Tourism Development Authority, are designed to increase the use of lodging

facilities, meeting facilities, or convention facilities in a county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures. Tourism-related capital expenditures may include expenditures to purchase, renovate, maintain, or operate heritage tourism sites, such as the McDowell House, the Carson House, Fort Davidson, or Heritage Trails.

"Sec. 2. Tourism Development Authority. (a) Appointment and Membership. – When the board of commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-half of the members shall be individuals who are affiliated with businesses that collect the tax in the county, and at least one-third of the members shall be individuals who are currently active in the promotion of travel and tourism in the county. The Authority must be comprised of the following seven voting members and two nonvoting, ex officio members:

- (1) The Executive Director of the McDowell Chamber of Commerce, who shall serve as an ex officio, nonvoting member.
- (2) A county commissioner appointed by the McDowell County Board of Commissioners, who shall serve as an ex officio, nonvoting member.
- (3) Four owners or operators of hotels, motels, or other taxable accommodations, two of whom shall be appointed by the McDowell County Board of Commissioners, and two of whom shall be appointed by the McDowell Chamber of Commerce. Two of these appointees shall own or operate hotels, motels, or other accommodations with more than 50 rental units, and two shall own or operate hotels, motels, or other accommodations with 50 or fewer rental units.
- (4) Three individuals who are currently active in the promotion of travel and tourism in the county, appointed as follows: two by the McDowell Chamber of Commerce and one by the McDowell County Board of Commissioners.

All members of the Authority shall serve without compensation. Vacancies in the Authority shall be filled by the appointing authority of the member creating the vacancy. Members appointed to fill vacancies shall serve for the remainder of the unexpired term which they are appointed to fill. Members shall serve three-year terms. The members shall elect a chairman from the membership of the Authority, who shall serve for a term of two years. The Authority shall meet at the call of the chairman and shall adopt rules of procedure to govern its meetings. The Finance Officer for McDowell County shall be the ex officio finance officer of the Authority.

(c) Duties. – ~~The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in this act. The Authority shall promote travel, tourism, and conventions in McDowell County, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county. In performing its duties, the Authority may contract with any person, firm, or agency to advise and assist it and may recommend to the board of county commissioners that county staff be employed for this advice and assistance. Any county staff employed upon a recommendation made by the Authority shall be hired and supervised by the Authority, which shall pay the salaries and expenses of this staff.~~ promoting travel and tourism and for tourism-related expenditures as provided in this act.

(d) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the board of county commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

"Sec. 4. This act is effective upon ratification."

**EFFECTIVE DATE**

**SECTION 16.** Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of June, 2024.

s/ Phil Berger  
President Pro Tempore of the Senate

s/ Tim Moore  
Speaker of the House of Representatives