

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

**H**

**5**

**HOUSE BILL 911  
Committee Substitute Favorable 5/15/24  
Senate State and Local Government Committee Substitute Adopted 6/19/24  
Senate Finance Committee Substitute Adopted 6/19/24  
Fifth Edition Engrossed 6/24/24**

Short Title:    Various Local Provisions II. (Local)

---

Sponsors:

---

Referred to:

---

April 25, 2024

A BILL TO BE ENTITLED

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**



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

8           **SECTION 3.(b)** Notwithstanding the provisions of G.S. 160A-272, the Town of  
9 Beaufort may renew or extend any lease entered into under subsection (a) of this section for  
10 periods longer than 10 years as long as it follows the requirements of G.S. 160A-272 for leases  
11 of 10 years or less if the Town's Board of Commissioners determines that the real property will  
12 not be needed by the Town for the term of the renewal or extension.

13           **SECTION 3.(c)** Chapter 371 of the 1979 Session Laws is repealed.

14           **SECTION 3.(d)** Chapter 100 of the 1983 Session Laws is repealed.

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

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

#### 20 21 **CITY OF BOILING SPRING LAKES DEANNEXATIONS**

22           **SECTION 4.(a)** The following described properties are removed from the corporate  
23 limits of the City of Boiling Spring Lakes, as identified by Brunswick County Parcel  
24 Identification Numbers: 208915742849, 208916838833, 208916846076, 208916930807,  
25 217012868467, and 11300039. Parcel 11300039 is further described as: Being all of Lot 47,  
26 Section 24, pursuant to a map titled "Boiling Spring Lakes, Section 24, Investment Tracts", as  
27 prepared by Gerrit C. Greer, Reg. Land Surveyor, said map being recorded in Book G of Maps  
28 at Page 111, Brunswick County Registry.

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

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

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

#### 39 40 **TOWN OF EDENTON ANNEXATION**

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

##### 43 **TRACT I**

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

##### 48 **TRACT II**

49           Being that 1.13 Acre tract labeled PARCEL ONE as shown on "A SURVEY AND PLAT  
50 FOR THE CONSERVATION FUND – FIRST TOWNSHIP – CHOWAN COUNTY – NORTH

1 CAROLINA" by Josiah A. Webb, III, Professional Land Surveyor, dated January 27, 2022, and  
2 recorded in Plat Cabinet 3, Slide 4H, Chowan County Registry.

3 TRACT III

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

8 TRACT IV

9 Being that 1.76 Acre tract labeled PARCEL ONE as shown on "A SURVEY AND PLAT  
10 FOR THE CONSERVATION FUND – FIRST TOWNSHIP – CHOWAN COUNTY – NORTH  
11 CAROLINA" by Josiah A. Webb, III, Professional Land Surveyor, dated October 5, 2021, and  
12 recorded in Plat Cabinet 3, Slide 3A, Chowan County Registry.

13 TRACT V

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

18 TRACT VI

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

23 TRACT VII

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

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

### 31 32 **CITY OF HENDERSONVILLE VACANCIES**

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

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

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

### 45 46 **TOWN OF LAUREL PARK SATELLITE ANNEXATION CAP REMOVAL**

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

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

1 This subdivision does not apply to the Cities of Archdale, Asheboro,  
2 Belmont, Claremont, Concord, Conover, Durham, Elizabeth City, Gastonia,  
3 Greenville, Hickory, Kannapolis, Kings Mountain, Locust, Lowell, Marion,  
4 Mount Airy, Mount Holly, New Bern, Newton, Oxford, Randleman, Roanoke  
5 Rapids, Rockingham, Saluda, Sanford, Salisbury, Shelby, Southport,  
6 Statesville, and Washington and the Towns of Ahoskie, Angier, Apex, Ayden,  
7 Belville, Benson, Bladenboro, Bridgeton, Bunn, Burgaw, Calabash, Carthage,  
8 Catawba, China Grove, Clayton, Columbia, Columbus, Cramerton, Creswell,  
9 Dallas, Dobson, Four Oaks, Franklin, Franklinton, Franklinville,  
10 Fuquay-Varina, Garner, Godwin, Goldston, Granite Quarry, Green Level,  
11 Grimesland, Harrisburg, Holly Ridge, Holly Springs, Hookerton, Hope Mills,  
12 Huntersville, Jamestown, Kenansville, Kenly, Knightdale, Landis, Laurel  
13 Park, Liberty, Lillington, Louisburg, Maggie Valley, Maiden, Mayodan,  
14 Maysville, Middlesex, Midland, Mocksville, Morrisville, Mount Pleasant,  
15 Nashville, North Wilkesboro, Norwood, Oak Island, Oakboro, Ocean Isle  
16 Beach, Pembroke, Pine Level, Pollocksville, Princeton, Ramseur, Ranlo,  
17 Richlands, Rockwell, Rolesville, Rutherfordton, Shallotte, Siler City,  
18 Smithfield, Spencer, Spring Lake, Stanley, Stem, Stovall, Surf City,  
19 Swansboro, Taylorsville, Troutman, Troy, Vass, Wallace, Warsaw, Watha,  
20 Waynesville, Weldon, Wendell, West Jefferson, Wilson's Mills, Windsor,  
21 Wingate, Yadkinville, Youngsville, and Zebulon."  
22

#### 23 TOWN OF NEWPORT DEANNEXATION

24 **SECTION 8.(a)** The following described property, identified by Carteret County  
25 Parcel Identification Number, is removed from the corporate limits of the Town of Newport:  
26 633920716415000.

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

31 **SECTION 8.(c)** This section becomes effective June 30, 2024. Property in the  
32 territory described in this section as of January 1, 2024, is no longer subject to municipal taxes  
33 for taxes imposed for taxable years beginning on or after July 1, 2024.  
34

#### 35 TOWN OF NORTHWEST RESIDENCY DISTRICTS

36 **SECTION 9.(a)** Section 3.2 of the Charter of the City of Northwest, being Chapter  
37 222 of the 1993 Session Laws, is recodified as Section 4.2 of the Charter of the City of Northwest.

38 **SECTION 9.(b)** Chapter IV of the Charter of the City of Northwest, being Chapter  
39 222 of the 1993 Session Laws, as amended by Section 9(a) of this act, reads as rewritten:

40 "CHAPTER IV.

41 "ELECTIONS.

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

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

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

1           **SECTION 9.(c)** Section 3.3 of the Charter of the City of Northwest, being Chapter  
2 222 of the 1993 Session Laws, reads as rewritten:

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

9           **SECTION 9.(d)** Nothing in this section shall affect the terms of office of any person  
10 elected in 2021 or 2023 to the Council of the City of Northwest who shall continue to hold  
11 at-large positions on the Council until the end of their term or a vacancy occurs due to resignation  
12 or other causes.

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

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

## 19           **CITY OF SOUTHPORT ETJ**

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

24           **SECTION 10.(b)** The relinquishment of jurisdiction over an area that the City of  
25 Southport is regulating under the authority of Chapter 160D of the General Statutes or its  
26 predecessor, Article 19 of Chapter 160A of the General Statutes, shall become effective July 1,  
27 2024.

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

- 31           (1) The City's regulations and powers of enforcement shall remain in effect until  
32           (i) Brunswick County has adopted the regulation or (ii) a period of 60 days  
33           has elapsed following July 1, 2024, the date the relinquishment becomes  
34           effective, whichever is sooner. Prior to the transfer of jurisdiction, Brunswick  
35           County may hold hearings and take other measures consistent with  
36           G.S. 160D-204 that may be required in order to adopt and apply its  
37           development regulations for the area at the same time it assumes jurisdiction.  
38           (2) Any person who has acquired vested rights in the City of Southport may  
39           exercise those rights as if no change of jurisdiction had occurred. Brunswick  
40           County, in acquiring jurisdiction over the area, may take any action regarding  
41           the development approval, certificate, or other evidence of compliance that  
42           could have been taken by the City of Southport pursuant to its development  
43           regulations. Except as provided in this subdivision, any building, structure, or  
44           other land use in an area over which Brunswick County has acquired  
45           jurisdiction is subject to the development regulations of Brunswick County.  
46

## 47           **BEAUFORT COUNTY LOCAL MATTERS**

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

49           "**SECTION 2.** The Airport Authority shall consist of seven members appointed ~~by the~~  
50 ~~Washington City Council as provided in this section~~ to serve staggered three-year terms. Each  
51

1 member shall take and subscribe an oath of office before the Clerk of Superior Court of Beaufort  
 2 County and file the same with the clerk to the board of the Beaufort County Commissioners and  
 3 the clerk to the board of the Washington City Council. Members of the Airport Authority may  
 4 be appointed to one or more successive terms by the ~~Washington City Council~~ appointing  
 5 authority. The ~~Washington City Council~~ appointing authority shall fill any vacancies arising on  
 6 the Airport Authority. ~~In appointing members or filling vacancies to Members of the Airport~~  
 7 ~~Authority, the Washington City Council shall appoint members~~ Authority shall be appointed as  
 8 follows:

- 9 (1) ~~Two members~~ One member appointed by the Washington City Council who  
 10 shall be a registered voters voter of the City of Washington with aviation or  
 11 drone experience in aviation or business management expertise.
- 12 (2) One member appointed by the Beaufort County Commissioners who shall be  
 13 a registered voter of the County of Beaufort and of the City of  
 14 ~~Washington~~ Washington with business management or financial expertise.
- 15 (3) Two members appointed by the Beaufort County Commissioners who shall  
 16 be registered voters of the County of Beaufort with experience in aviation and  
 17 ~~shall not be registered voters of the City of Washington~~ Washington with  
 18 aviation or drone experience.
- 19 (4) ~~One member shall be a registered voter of the County of Beaufort and shall~~  
 20 ~~not be a registered voter of the City of Washington.~~
- 21 (5) ~~One member shall be a registered voter of the County of Beaufort and may be~~  
 22 ~~a registered voter of the City of Washington.~~ Three members who shall be  
 23 registered voters of the County of Beaufort selected and appointed by the  
 24 remaining members of the Airport Authority."

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

- 35 (1) The member appointed by the Washington City Council shall serve a two-year  
 36 term.
- 37 (2) One of the members appointed by the Beaufort County Commissioners shall  
 38 serve a two-year term. One of the members appointed by the Beaufort County  
 39 Commissioners shall serve a three-year term. One of the members appointed  
 40 by the Beaufort County Commissioners shall serve a four-year term.
- 41 (3) One of the members selected and appointed by the remaining members of the  
 42 Airport Authority shall serve a two-year term. One of the members selected  
 43 and appointed by the remaining members of the Airport Authority shall serve  
 44 a three-year term. One of the members selected and appointed by the  
 45 remaining members of the Airport Authority shall serve a four-year term.

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

## 47 **CURRITUCK COUNTY EMINENT DOMAIN**

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

49 "(b1) Local Public Condemnors – Modified Provision for Certain Localities. – For the  
 50 public use or benefit, the governing body of each municipality or county shall possess the power  
 51

1 of eminent domain and may acquire by purchase, gift or condemnation any property or interest  
2 therein, either inside or outside its boundaries, for the following purposes:

3 ...

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

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

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

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

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

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

36  
37 **TOWN OF WOODFIN STORMWATER FEES**

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

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

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

50  
51 **PENDER COUNTY DISTRICT P OCCUPANCY TAX**

1           **SECTION 14.1.(a)** Pender County District P Created. – Pender County District P is  
2 created as a taxing district. Its jurisdiction consists of all of Pender County exclusive of the Towns  
3 of Burgaw, Surf City, and Topsail Beach. Pender County District P is a body politic and corporate  
4 and has the power to carry out the provisions of this section. The Pender County Board of  
5 Commissioners shall serve ex officio as the governing body of the district, and the officers of the  
6 county shall serve as the officers of the governing body of the district. A simple majority of the  
7 governing body constitutes a quorum, and approval by a majority of those present is sufficient to  
8 determine any matter before the governing body, if a quorum is present.

9           **SECTION 14.1.(b)** Authorization and Scope. – The governing body of Pender  
10 County District P may levy a room occupancy tax of up to three percent (3%) of the gross receipts  
11 derived from the rental of an accommodation within the district that is subject to sales tax  
12 imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local  
13 sales or room occupancy tax.

14           **SECTION 14.1.(c)** Administration. – A tax levied under this section shall be levied,  
15 administered, collected, and repealed as provided in G.S. 153A-155 as if Pender County District  
16 P were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

17           **SECTION 14.1.(d)** Distribution and Use of Tax Revenue. – Pender County District  
18 P shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Pender County  
19 Tourism Development Authority created pursuant to Section 6.3 of S.L. 2001-439. The Authority  
20 shall use at least two-thirds of the proceeds distributed to it to promote travel and tourism in the  
21 district and shall use the remainder for tourism-related expenditures in the district. In accordance  
22 with the North Carolina Constitution and the United States Constitution, the tax proceeds may  
23 be used only for the direct benefit of the jurisdiction of Pender County District P.

24           The following definitions apply in this subsection:

- 25           (1) Net proceeds. – Gross proceeds less the cost to the district of administering  
26 and collecting the tax, as determined by the finance officer, not to exceed three  
27 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross  
28 proceeds collected each year and one percent (1%) of the remaining gross  
29 receipts collected each year.
- 30           (2) Promote travel and tourism. – To advertise or market an area or activity,  
31 publish and distribute pamphlets and other materials, conduct market research,  
32 or engage in similar promotional activities that attract tourists or business  
33 travelers to the area. The term includes administrative expenses incurred in  
34 engaging in the listed activities.
- 35           (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
36 Tourism Development Authority, are designed to increase the use of  
37 accommodations, meeting facilities, or convention facilities in a district or to  
38 attract tourists or business travelers to the district. The term includes  
39 tourism-related capital expenditures.

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

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

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

50           "(g) Applicability. – Subsection (c) of this section applies to all counties and county  
51 districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of



1 a local act, subsection (c) supersedes that provision. The remainder of this section applies only  
2 to Alleghany, Anson, Bertie, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret,  
3 Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie,  
4 Duplin, Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood,  
5 Henderson, Jackson, Madison, Martin, McDowell, Mitchell, Montgomery, Moore, Nash, New  
6 Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond,  
7 Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Stokes, Swain, Transylvania,  
8 Tyrrell, Union, Vance, Warren, Washington, Wayne, Wilson, and Yancey Counties, to Avery  
9 County District A, Graham County District G, Harnett County District H, Iredell County District  
10 I, New Hanover County District U, Pender County District P, Surry County District S, Watauga  
11 County District U, Wilkes County District W, Yadkin County District Y, and the Township of  
12 Averasboro in Harnett County and the Ocracoke Township Taxing District."

### 14 MCDOWELL COUNTY OCCUPANCY TAX

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

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

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

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

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

42 (e) Distribution and Use of Tax Revenue. – McDowell County shall, on a quarterly basis,  
43 remit the net proceeds of the occupancy tax to the McDowell Tourism Development Authority.  
44 The Authority shall use at least two-thirds of the funds remitted to it under this subsection to  
45 promote travel and tourism in McDowell County and shall use the remainder for tourism-related  
46 expenditures.

47 The following definitions apply in this subsection:

- 48 (1) Net proceeds. – Gross proceeds less the cost to the county of administering  
49 and collecting the tax, as determined by the finance officer, not to exceed three  
50 percent (3%) of the first five hundred thousand dollars (\$500,000) of gross

1 proceeds collected each year and one percent (1%) of the remaining gross  
2 receipts collected each year.

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

8 (3) Tourism-related expenditures. – Expenditures that, in the judgment of the  
9 Tourism Development Authority, are designed to increase the use of lodging  
10 facilities, meeting facilities, or convention facilities in a county or to attract  
11 tourists or business travelers to the county. The term includes tourism-related  
12 capital expenditures. Tourism-related capital expenditures may include  
13 expenditures to purchase, renovate, maintain, or operate heritage tourism sites,  
14 such as the McDowell House, the Carson House, Fort Davidson, or Heritage  
15 Trails.

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

26 (1) The Executive Director of the McDowell Chamber of Commerce, who shall  
27 serve as an ex officio, nonvoting member.

28 (2) A county commissioner appointed by the McDowell County Board of  
29 Commissioners, who shall serve as an ex officio, nonvoting member.

30 (3) Four owners or operators of hotels, motels, or other taxable accommodations,  
31 two of whom shall be appointed by the McDowell County Board of  
32 Commissioners, and two of whom shall be appointed by the McDowell  
33 Chamber of Commerce. Two of these appointees shall own or operate hotels,  
34 motels, or other accommodations with more than 50 rental units, and two shall  
35 own or operate hotels, motels, or other accommodations with 50 or fewer  
36 rental units.

37 (4) Three individuals who are currently active in the promotion of travel and  
38 tourism in the county, appointed as follows: two by the McDowell Chamber  
39 of Commerce and one by the McDowell County Board of Commissioners.

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

47 (c) Duties. – The Authority shall expend the net proceeds of the tax levied under this act  
48 for the purposes provided in this act. The Authority shall promote travel, tourism, and  
49 conventions in McDowell County, sponsor tourist-related events and activities in the county, and  
50 finance tourist-related capital projects in the county. In performing its duties, the Authority may  
51 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.