

TOWN OF ELON ORDINANCE

CREATING AND LEVYING A MUNICIPAL ROOM OCCUPANCY TAX

WHEREAS the Town Council of the Town of Elon is committed to investment in infrastructure and programming that bring visitors to the community; and,

WHEREAS, enhancing the Town of Elon's tourism-related assets and the recognition of those assets provide increased economic impact to area hotel/motels, restaurants, and retail establishments; and,

WHEREAS, the North Carolina General Assembly has expressly granted four municipalities within Alamance County, including the Town of Elon, the authority to enact an Occupancy Tax to support the promotion of and investment in tourism-related assets, said authority being contained in North Carolina General Statutes Session Law 2023-144.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF ELON, NORTH CAROLINA:

Section 1. Municipal Room Occupancy Tax.

There is hereby created and levied a room occupancy tax of 3% of the gross receipts derived from the rental of an accommodation within Elon's corporate limits that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).

Section 2. Administration.

The tax shall be levied, administered, collected, and potentially repealed as provided in G.S. 160A-215 with the penalties provided in G.S. 105-236 applied to the room occupancy tax.

The room occupancy tax is due from the accommodation retailer, as defined in N.C.G.S. 105-164.4, and payable to the Town of Elon 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 occupancy tax shall, on or before the 20th day of each month, prepare and render a return on a form prescribed by the Town of Elon. The return shall state the total gross receipts derived in the preceding month from the rentals upon which the tax is levied. Pursuant to N.C.G.S. 106A-208.1, a room occupancy tax return filed with the Town Finance Officer is not a public record and may not be disclosed except in accordance therein.

Section 3. Distribution and Use of Tax Revenue.

The Town of Elon shall be responsible for collecting said occupancy tax and will, on a quarterly basis, remit the net proceeds of the occupancy tax to the Alamance Municipal Tourism Development Authority. The Authority, in turn, shall keep segregated the net proceeds into separate accounts based on the municipality from which the proceeds are collected. The Authority shall use at least two-thirds of the funds in each account to promote travel and tourism and the remaining one-third of the funds in each account for tourism-related expenditures in the municipality from which the funds are derived. To the extent funds from one account are used outside of the municipality where the occupancy tax was generated, the expenditure of funds must be consistent with the purposes set out in this section and must provide direct benefit to the municipality expending the funds.

Section 4. Definitions.

The following definitions apply in this ordinance:

(1) Net Proceeds. -- Gross proceeds less the cost to the municipality 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.

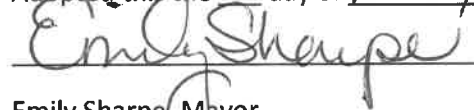
(2) Promote Travel and Tourism. -- To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses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

(3) Tourism-Related Expenditures. -- Expenditures that are designed to increase the use of accommodations, meeting facilities, or convention facilities in the municipality or to attract tourists or business travelers to the municipality. The term includes tourism-related capital expenditures.


Section 5. Effective Date of Levy.

The room occupancy tax imposed shall be levied and become effective on July 1, 2024.

Adopted this the 13th day of February, 2024.



Emily Sharpe, Mayor
Town of Elon

ATTEST


Richard J. Roder, Town Clerk Manager
Town of Elon

