

**STATE OF NORTH CAROLINA**

**COUNTY OF UNION**

**INTERLOCAL OCCUPANCY TAX BILLING AND COLLECTION AGREEMENT**

THIS AGREEMENT is made as of \_\_\_\_\_, by and between **Stallings District S**, a taxing district and body politic and corporate organized under the laws of the State of North Carolina (the “District”), and **UNION COUNTY**, a political subdivision of the State of North Carolina (the “County”).

**W I T N E S S E T H:**

WHEREAS, the District and the County have the power pursuant to General Statute §153A-445(a)(1), S.L. 2023-144, and Article 20 of Chapter 160A of the North Carolina General Statutes to jointly exercise any function which they have been granted the power to exercise alone, or to contract with the other for the exercise of any governmental function which they have been granted the power to exercise alone, and to enter into contracts or agreements to specify the details of these joint undertakings; and

WHEREAS, the District is authorized pursuant to S.L. 2023-144 and General Statute §160A-215 to levy an occupancy tax of a certain percentage 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 General Statute §105-164.4, upon meeting certain conditions set forth in S.L. 2023-144; and

WHEREAS, the District represents it has met the conditions required under S.L. 2023-144 to levy such an occupancy tax; and

WHEREAS, such an occupancy tax levied by the District shall be administered, collected, and repealed as provided in General Statute §160A-215, as if the District were a city; and

WHEREAS, the District desires for the County, by and through its duly appointed Tax Administrator, to administer and collect the occupancy tax levied by the District, as well as any associated penalties, pursuant to S.L. 2023-144; and

WHEREAS, the District, by action of the District’s governing body dated \_\_\_\_\_, requested the County to administer and collect current and subsequent delinquent occupancy taxes and any associated penalties; and

WHEREAS, the County, by action of the Union County Board of County Commissioners, dated \_\_\_\_\_, has agreed to administer and collect current and subsequent delinquent occupancy taxes and any associated penalties;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants of the parties as set forth herein, the District and Union County agree that the Agreement is stated in its entirety as follows:

- 1. ADMINISTRATION AND COLLECTION OF THE DISTRICT’S OCCUPANCY TAXES:** The County shall administer and collect occupancy taxes levied by the District, as well as any associated penalties, beginning with the fiscal year which commences on July 1, 2026. Unless otherwise agreed upon, the County will not be responsible for the

collection of any delinquent taxes, penalties, interest, or previously assessed fees by the District for any years prior to the commencement date of this Agreement. The District agrees to fully cooperate with the County in the administration and collection process, including cooperating with the County in designing and furnishing to all appropriate businesses and persons within the District the necessary forms for filing returns and instructions to ensure the full collection of the occupancy taxes (as set forth in General Statute §160A-215(c)), as well as identifying properties subject to the collection of occupancy taxes.

2. **ADMINISTRATION AND COLLECTION OF OTHER NEW TAXES, FEES, OR ASSESSMENTS:** This Agreement acknowledges that, to the extent the District has, or obtains the authority in the future, to levy any taxes, fees, or assessments other than the aforementioned occupancy tax, the District, in accordance with this Agreement, shall not levy any new tax, fee, or assessment with the expectation that the County will administer and collect the same. Any such taxes, fees, or assessments levied in accordance with State law would be subject to a separate addendum to this Agreement with a separately negotiated administration and collection fee schedule.
3. **COUNTY AUTHORITY:** The County shall have all of the authority as set forth in S.L. 2023-144, General Statute §160A-215, and all other applicable law in the process of administering and collecting the occupancy tax levied by the District, as well as any associated penalties.
4. **ALLOCATION OF RECEIPTS:** At the end of each calendar month, the County will analyze the month's deposit of funds collected to determine the dollar amount of occupancy taxes which are allocable to the District. On or before the tenth (10<sup>th</sup>) day of the next month, the County will remit to the District, via electronic funds transfer (EFT), the District's share of the occupancy taxes, as well as any associated penalties, collected for the previous month. Any discrepancies that are found after the remittance date will be adjusted in the next remittance date for the District.
5. **MONTHLY COLLECTION REPORTS:** A collection report detailing all occupancy taxes, and any associated penalties, collected will be provided to the District on or before the fifteenth (15<sup>th</sup>) day of each month for the period ending with the last calendar day of the previous month (see attached Exhibit A as to the form of the monthly collection report).
6. **FEES TO BE PAID BY THE DISTRICT TO THE COUNTY:** The District will compensate the County for the services provided in this Agreement on a percentage rate equal to one and one-quarter percent (1.25%) of the total amount of occupancy taxes, and any associated penalties, collected by the County on behalf of the District in accordance with this Agreement.
7. **ANNEXATIONS:** In the event property is annexed into the District, the District shall be responsible for notifying the County at a reasonable time prior to any annexation in order to allow the County sufficient time to determine whether any occupancy taxes need to be collected as a result of the annexation.
8. **TERMINATION:** The District or the County shall have the right to terminate this Agreement effective July 1 of each year, beginning with July 1, 2027. The decision to

terminate shall be made by the respective governing bodies of the District and the County. Notice to terminate must be given in writing no later than March 1 of any year.

**9. MISCELLANEOUS:**

- (a) All decisions involving collection methods, including, without limitation, attachment, garnishment, and levy, and other collection proceedings are delegated to the County, including the determination of applicability of any claimed deduction made under General Statute § 160A-215(c). The County agrees to use its best efforts in accurately collecting the District's occupancy taxes. The District's governing body retains the right to waive penalties for occupancy taxes as set forth in under General Statute § 160A-215(e). Upon the waiver of any such penalties, the District shall promptly notify the County of such waiver.
- (b) The Tax Administrator of the County is, by this Agreement, designated as a representative of the Finance Officer of the District to whom those owing occupancy taxes levied by the District should pay such occupancy tax and return any prescribed form in accordance with General Statute § 160A-215(d). All duties of the District's Finance Officer for administration and collection of the District's occupancy taxes under General Statute §160A-215, are transferred to the County Tax Administrator.
- (c) A room occupancy tax return filed with the County is not a public record and may not be disclosed except in accordance with General Statutes §§ 153A-148.1 or 160A-208.1.
- (d) This Agreement may be amended in writing at any time by mutual agreement of the parties.

This Agreement is executed in duplicate originals as of the day and year first above stated by authority duly granted by the Stallings District S governing body and the Union County Board of Commissioners.

Attest:

Stallings District S

\_\_\_\_\_  
TITLE

By:

\_\_\_\_\_  
TITLE

[SEAL]

Attest:

Union County

\_\_\_\_\_  
Clerk to the Board of Commissioners

By:

\_\_\_\_\_  
County Manager

[SEAL]

This instrument has been pre-audited in the manner required by the local government Budget and Fiscal Control Act

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Director of Finance, Stallings District S

Approved as to form: \_\_\_\_