



A weekly newsletter on North Carolina General Assembly news relevant to the North Carolina tourism industry

Currituck Co OT Lawsuit Analysis

The article below was excerpted from the UNC School of Government's NC Local Government Law section published on April 4. [Click to read the entire article.](#)

Nearly 200 North Carolina counties and municipalities levy occupancy taxes.

Almost all of them are required to use some percentage of their occupancy tax revenues for "tourism-related" expenditures.

Last week our state courts issued their first appellate opinion examining exactly what types of expenditures qualify as "tourism related."

In *Costanzo v. Currituck County*, the county's use of occupancy tax funds was challenged by residents and businesses from Corolla, the town that generates a large majority of the county's occupancy tax revenues.

The plaintiffs argued that the county's occupancy tax expenditures on public safety services and equipment, water treatment facility construction, park facilities maintenance, and historic building restoration were not related to tourism.

[Click to read the entire article published by the UNC School of Government on April 4.](#)

Short Legislative Session Underway

The General Assembly kicked off the 2024 legislative session this past Wednesday and is expected to stay in Raleigh at least through the end of June. In the meantime, legislators are expected to make tweaks to last year's state budget and take up unfinished legislation.

NCTIA lobbyists Skye Davie and Brian Lewis are working on several tourism issues this legislative session, including occupancy tax legislation, school calendar, workforce development, and line-items in the budget promoting tourism in the state.

One issue of concern going into the short session was possible legislation sponsored by [Sen. Julie Mayfield \(D-Buncombe\)](#) altering the occupancy tax in Buncombe County.

"To our relief, Sen. Mayfield informed Brian on Wednesday that she was not running legislation regarding the occupancy tax," said NCTIA Executive Director Vince Chelena. "We appreciate Sen. Mayfield not proposing changes this session. We vowed to continue our dialogue with her moving forward with a hope to reach a resolution that will create more affordable housing in Asheville without upending the occupancy tax."

Strong Summer Travel Season Expected

According to the latest Longwoods International tracking study of American travelers, 92% have travel plans during the next six months. Thirty percent of travelers plan to spend more on summer travel this year compared to last summer, 56% plan to spend about the same as last year, while only 14% plan to spend less.

"With significant summer travel planning underway, early indications look positive for this travel season," said Amir Eylon, President and CEO of Longwoods International. "However, inflation remains a concern for some, with a quarter of travelers indicating inflation will greatly impact their travel decisions in the next six months."

Regarding the recent total solar eclipse, this cosmic occurrence was truly a special event for destinations along its path. Seven percent of travelers reported traveling at least 50 miles to observe the eclipse. On those trips, 7% spent more than 5 nights away from home, 9% were away 3 to 5 nights, 39% spent 1 to 2 nights away, and 44% traveled and returned on the same day.

The survey, supported by Miles Partnership, was fielded April 10, 2024 using a national sample randomly drawn from a consumer panel of 1,000 adults, ages 18 and over.