



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

## Fayetteville Considers Social District

The article below was excerpted from the Fayetteville Observer published on July 20.

Fayetteville officials are expected to consider the creation of a social district that would allow people to walk around an area of downtown with alcoholic drinks they buy from businesses there.

Downtown business owners have discussed the idea in recent months and seem generally supportive, according to the head of a nonprofit group that supports the area.

A state law intended to help urban areas recover from the COVID-19 pandemic allows cities to create social districts, said Bianca Shoneman, president and CEO of the Cool Spring Downtown District.

The law revises the state's open container rules, she said.

Fayetteville Mayor Mitch Colvin said the City Council could discuss the issue when it starts meeting again next month.

The council does not have meetings scheduled in July. Colvin said Fayetteville officials have been monitoring the creation of social districts in other cities. He said the districts seem to be working out well in those cities.

## Op-ed: Tourism's Effect on Local Economy

The op-ed, written by Wilkesboro Tourism Development Authority Director Thomas Salley, was excerpted from The Tribune published on July 27. [Click to read the entire article.](#)

It is often said that tourism is the "first date" in a long-term relationship with economic development. On Aug. 2, our county commissioners will take a big step towards economic development by holding a public hearing to discuss what's known as an occupancy tax.

Yes, a TAX! Let me tell you why this is a good thing.

An occupancy tax is collected on short term lodging—hotels, motels, cabins, AirBnB's, VRBO's etc. Therefore, the tax is nearly 100% paid by visitors. It is not a tax on Wilkes County residents. Unlike sales tax, none of the occupancy tax collected is directed to the state. 100% of the profit from occupancy collections would remain in Wilkes County for further tourism development.

What could this mean? In 2021, NC Department of Revenue reported that \$12.9 million in taxable lodging sales were collected by short-term rentals in Wilkes County. Taxed at the average rate of 6%, that would yield roughly \$775,000 in visitor-paid funding that could be reinvested into marketing Wilkes County and developing our tourism infrastructure. Overnight stays in Wilkes have increased by 30% since last August, so these numbers could be even larger. Occupancy tax profits go toward creating amenities that are available to Wilkes County residents 24 hours a day, 7 days a week, 365 days a year.

Currently, only Wilkesboro collects an occupancy tax on its four hotels at 3%. As a result, our efforts are focused on driving traffic into Wilkesboro. We are hoping to expand that.

Since its inception in 2009, the Wilkesboro Tourism Development Authority has reinvested more than \$2.5 million dollars in visitor-paid hotel and short-term rental lodging revenue back into the local economy. We have used this funding to build biking, hiking, historic and arts trails, enhance outdoor signage and infrastructure (such as park amenities and river accesses).

Funds have also been used to actively market and promote Wilkesboro as a vibrant mountain destination. An affirmative vote by our County Commissioners would create funding explicitly for marketing and improving our entire county's assets, of which there are many, incredible, one-of-a-kind cultural icons and destinations, known the world over, and enjoyed by tourists and locals alike.

To read the entire op-ed in its entirety, [click here.](#)