

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: H.B.1568

SHORT TITLE: St. Pauls Occupancy Tax

SPONSOR(S): Rep. Yongue

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	Dollars				
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
	NO GENERAL FUND IMPACT				
Town of St. Pauls	\$60	\$61	\$63	\$64	\$67
St. Pauls Tourism Dev. Authority	\$5940	\$6100	\$6271	\$6441	\$6614
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Town of St. Pauls.					
EFFECTIVE DATE: When it becomes law.					

BILL SUMMARY: The bill authorizes the Town of St. Pauls to levy an occupancy tax. The tax applies to the rental of any room, lodging, or accommodation within the city limits. The occupancy tax rate is 1% of gross receipts from the rental of accommodations. The tax does not apply to lodging provided by a nonprofit, if it is furthering the purpose of the nonprofit. The town must forward the net proceeds of the occupancy tax to the Tourism Development Authority. The Authority must use at least 2/3 of the funds to promote travel and tourism. The Authority may spend the remainder on tourism-related expenses. The Town of St. Pauls may charge a 1% fee for administration. The bill directs the Board of Commissioners to create a Tourism Development Authority and set its membership. The bill also directs the Commission to set compensation for the Authority members. Under the bill, at least 1/3 of the members of the Tourism Development Authority must be associated with businesses who levy the tax, and 3/4 of the members must be active in the town's tourism promotion efforts. The bill directs the town finance officer to serve as the ex officio finance officer of the Authority. The Authority must submit quarterly and annual reports to the County Commission.

ASSUMPTIONS AND METHODOLOGY: Currently St. Pauls does not levy an occupancy tax. According to the Town Manager, there is one motel inside the city limits. No motel development is expected in the next five years. Based on receipts from that establishment, the Town Manager estimates total occupancy tax receipts of \$6,000 annually. Because no historic data is available, the General Consumer Price Index estimated rate of increase is used to estimate future growth in occupancy tax receipts.

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: Linda Struyk Millsaps

APPROVED BY: Tom Covington

DATE: August 3, 1998



Signed Copy Located in the NCGA Principal Clerk's Offices