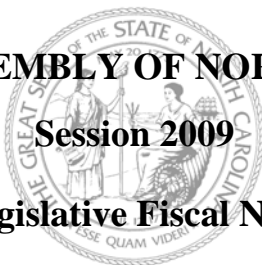


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 1667 (Second Edition)

SHORT TITLE: Davie County Omnibus Occupancy Tax.

SPONSOR(S): Representative Howard

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
REVENUES					
Bermuda Run	\$29,912	\$30,908	\$32,405	\$33,708	\$34,680
Cooleemee	\$0	\$0	\$0	\$0	\$0
Mocksville	\$65,363	\$67,539	\$70,810	\$73,657	\$75,783
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Bermuda Run, Cooleemee and Mocksville					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY:

House Bill 1667 (Second Edition) authorizes the Mocksville Board of Commissioners, the Bermuda Run Town Council, and the Cooleemee Board of Commissioners to levy a room occupancy tax of up to 3% within their respective towns. It provides that the taxes must be levied, administered, collected, and repealed as provided in GS 160A-215 (uniform provisions for room occupancy taxes).

The bill requires that the Tourism Development Authorities of Mocksville, Bermuda Run, and Cooleemee use at least two-thirds of the occupancy tax proceeds to promote travel and tourism in their respective towns, and use the remainder for tourism-related expenditures. It mandates that at least one-third of the members of each Tourism Development Authority be affiliated with businesses that collect the tax in that town, and at least one-half of the members be currently active in that town's travel and tourism promotion.

ASSUMPTIONS AND METHODOLOGY:

According to the Davie Chamber of Commerce, Bermuda Run currently has 81 rooms that would be subject to a room occupancy tax. Cooleemee has no rooms that would be subject. And there are 177 rooms in Mocksville where a room occupancy tax would be levied.

According to the NC Department of Commerce, the average daily room rate for hotels located in the Triad economic region, where Davie is located, is \$75.11. The room occupancy rate of 44.9%. Using these assumptions (\$75.11 room * number of rooms * 44.9% occupancy * 365 days * 3% occupancy tax), Bermuda Run would collect \$29,912 in occupancy taxes in FY2010-11. Cooleemee would collect \$0, as they do not have any eligible rooms. And Mocksville would collect \$65,363 in FY2010-11 based on 177 rooms. These numbers were then grown using the Leisure and Hospitality growth rates from Moody's Economy.com.

SOURCES OF DATA: Davie County Chamber of Commerce, Moody's Economy.com, NC Department of Commerce

TECHNICAL CONSIDERATIONS: None

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