

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note

BILL NUMBER: House Bill 1087 (First Edition)

SHORT TITLE: Fontana Dam Occupancy Tax.

SPONSOR(S): Representative West

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
REVENUES					
Town of Fontana Dam	\$100,600	\$106,800	\$112,700	\$117,800	\$121,800
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Town of Fontana Dam, Town of Fontana Dam Tourism Development Authority					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY:

House Bill 1087 would authorize the Town of Fontana Dam to levy a room occupancy tax of up to 3%, the proceeds of which would be remitted to a Tourism Development Authority. The Authority would be required to use at least two-thirds of the proceeds to promote travel and tourism and the remainder for tourist-related expenditures.

ASSUMPTIONS AND METHODOLOGY:

The Town of Fontana Dam has one resort with approximately 200 rentable rooms. In 2011, the North Carolina Department of Commerce estimated a room occupancy rate of 56.1%, with an average daily room rate of \$81.86. Using this information (200 rooms * 365 days * 56.1% occupancy rate * \$81.86 room rate * 3% occupancy tax) yields a revenue estimate of \$100,600 for 2012-13. Future fiscal year impacts were forecast using the Leisure and Tourism portion of the North Carolina Gross State Product, as forecast by Moody's.

SOURCES OF DATA: Committee Counsel Report, Fontana Village, Moody's Economy.com, North Carolina Department of Commerce Division of Tourism, Film and Sports Development

TECHNICAL CONSIDERATIONS: None

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