

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**Session 2015**

**Legislative Fiscal Note**

**BILL NUMBER:** Senate Bill 140 (First Edition)

**SHORT TITLE:** Lake Santeetlah Occupancy Tax Authorization.

**SPONSOR(S):** Senator J. Davis

<b>FISCAL IMPACT</b>					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>State Impact</b>					
General Fund Revenues:					
General Fund Expenditures:					
State Positions:					
<b>NET STATE IMPACT</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Local Impact</b>					
Revenues:	\$18,700	\$19,400	\$20,100	\$20,700	\$21,300
Expenditures:					
<b>NET LOCAL IMPACT</b>	<b>\$18,700</b>	<b>\$19,400</b>	<b>\$20,100</b>	<b>\$20,700</b>	<b>\$21,300</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED: Town of Lake Santeetlah</b>					
<b>EFFECTIVE DATE: This act is effective when it becomes law.</b>					
<b>TECHNICAL CONSIDERATIONS:</b>					
None					

**BILL SUMMARY:**

Senate Bill 140 authorizes the Lake Santeetlah Town Council to levy a room occupancy tax of up to 3 percent. It provides that the tax must be levied, administered, collected, and repealed as provided in GS 160A-215 (uniform provisions for room occupancy taxes). The bill requires the Lake Santeetlah Tourism Development Authority (TDA) to be created and requires the TDA to use at least two-thirds of the occupancy tax proceeds to promote travel and tourism in the town and the remainder for tourism-related expenditures. It mandates that at least one-third of the members of the TDA be affiliated with businesses that collect the tax in the town and at least one-half must be currently active in the town's travel and tourism promotion. The bill makes conforming changes to GS 160A-215.

**ASSUMPTIONS AND METHODOLOGY:**

Senate Bill 140 would allow the Lake Santeetlah Town Council to levy a room occupancy tax of up to 3 percent. Assuming they levy a 3 percent room occupancy tax by July 1, 2015, the town would be able to collect an estimated \$18,700 in occupancy tax revenue in FY 2015-16. Revenue is calculated using the following formula: (30 rooms \* 57.4% room occupancy rate \* \$99.26 average daily room rate \* 365 days \* 3% occupancy tax rate). Fiscal year estimates are then grown using the leisure and hospitality portion of North Carolina's gross state product.

**SOURCES OF DATA:** North Carolina Department of Commerce; Moody's Economy.com

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

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**APPROVED BY:**

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**Fiscal Research Division**

**DATE:** March 19, 2015



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