

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: Senate Bill 140 (Second Edition)
SHORT TITLE: Lake Santeetlah Occupancy Tax Authorization.
SPONSOR(S): Senator J. Davis

FISCAL IMPACT					
	<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
State Impact					
General Fund Revenues:					
General Fund Expenditures:					
State Positions:					
NET STATE IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Impact					
Revenues:	\$18,700	\$19,400	\$20,100	\$20,700	\$21,300
Expenditures:					
NET LOCAL IMPACT	\$18,700	\$19,400	\$20,100	\$20,700	\$21,300
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Town of Lake Santeetlah					
EFFECTIVE DATE: This act is effective when it becomes law.					
TECHNICAL CONSIDERATIONS:					
None					

BILL SUMMARY:

Senate Bill 140 authorizes the Lake Santeetlah Town Council to levy a room occupancy tax of up to 3 percent of the gross receipts from the rental of an accommodation within the town that is subject to sales tax imposed by the state under GS 105-164.4(a)(3). It provides that the tax must be levied, administered, collected, and repealed as provided in GS 160A-215 (uniform provisions for room occupancy taxes).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

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