



NORTH CAROLINA GENERAL ASSEMBLY

Session 2021

Legislative Fiscal Note

Short Title: Graham County Occupancy Tax.
Bill Number: House Bill 94 (First Edition)
Sponsor(s): Representative Gillespie

SUMMARY TABLE

	FISCAL IMPACT OF H.B.94, V.1				
	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Graham County TDA Impact					
Graham County TDA Revenue	125,000	156,000	174,000	180,000	185,000
Less Graham County TDA Expenditures	-	-	-	-	-
NET GRAHAM COUNTY TDA IMPACT	\$125,000	\$156,000	\$174,000	\$180,000	\$185,000

FISCAL IMPACT SUMMARY

Currently, Graham County is authorized to levy a 3% countywide room occupancy tax. House Bill 94 would create a special taxing district consisting of the part of Graham County that is located outside the incorporated areas of the county. It would authorize the special taxing district to levy a 3% room occupancy tax. The proceeds from this tax would be deposited into a special fund, and at least two-thirds of the proceeds would have to be used for tourism promotion with the remainder for tourism related expenditures.

FISCAL ANALYSIS

According to the Graham County Travel and Tourism Authority, Graham County collected approximately \$240,000 in countywide occupancy taxes in FY 2019-20. Collections in Robbinsville were about \$41,000. Lake Santeetlah collections were approximately \$12,000. And collections for Fontana Dam were about \$43,000. Therefore, the unincorporated areas of Graham County were responsible in approximately \$144,000 in occupancy tax collections for FY 2019-20.

Using the growth in the leisure and hospitality portion of North Carolina's Gross State Product, as forecast by Moody's Analytics, occupancy tax collections for the unincorporated area of Graham County are estimated to be around \$125,000 in FY 2021-22. By FY 2025-26, the proposed 3% occupancy tax rate would yield approximately \$185,000 in occupancy tax collections for the unincorporated portion of Graham County.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

GRAHAM COUNTY TRAVEL AND TOURISM AUTHORITY; MOODY'S ANALYTICS

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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