

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 1027 (Second Edition)

SHORT TITLE: Yadkin County Occupancy Tax.

SPONSOR(S): Representative Holmes

	FISCAL IMPACT				
	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
REVENUES:					
Yadkin County and Jonesville TDAs	\$225,523	\$230,034	\$234,634	\$239,327	\$244,114
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Yadkin County					
EFFECTIVE DATE: Becomes effective when law.					

BILL SUMMARY:

House Bill 1027 authorizes Yadkin County to levy a 3% room occupancy tax. Proceeds derived from accommodations in the Town of Jonesville would be remitted to the Jonesville TDA. The remaining proceeds would be remitted to the Yadkin County TDA. Of the total net proceeds, wherever derived, at least two-thirds would be used to promote travel and tourism and the remainder would be used for tourism-related expenditures. This bill conforms to the guidelines supported by the North Carolina Travel and Tourism Coalition and adhered to by the House Finance Committee.

The second edition clarifies how the Jonesville TDA must spend the net proceeds remitted to it under this act.

ASSUMPTIONS AND METHODOLOGY:

The estimated collections from the 3% occupancy tax are based on Economic Census estimates for lodging sales in Yadkin County. Projections for future years are based on the consumer price index rates of increase from Economy.com.

SOURCES OF DATA: US Economic Census, Economy.com

TECHNICAL CONSIDERATIONS: None

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