

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 2783 (First Edition)

SHORT TITLE: Cherokee County Occupancy Tax.

SPONSOR(S): Representative West

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
REVENUES					
Cherokee County	\$461,000	\$483,000	\$505,000	\$524,000	\$545,000
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Cherokee County					
EFFECTIVE DATE: When bill becomes law.					

BILL SUMMARY: House Bill 2783 amends GS 153-155(g) to authorize Cherokee County to levy up to a 6% room occupancy tax. The bill also amends SL 1983-1055 as title indicates and to create the Cherokee County Tourism Development Authority to expend the net proceeds of the occupancy tax. The authority is required to use at least two-thirds of the proceeds to promote travel and tourism in Cherokee County while the remainder is to be used for tourism-related expenditures.

ASSUMPTIONS AND METHODOLOGY: This bill will allow Cherokee County to levy a 6% room occupancy tax. Currently, the rate stands at 1.5% for Cherokee County. For 2007, the current rate generated \$144,366 in revenue. Adjusting for a rate of 6% would have generated \$577,464 in revenue, a difference of \$433,098. The revenues were grown using the leisure and hospitality portion of North Carolina’s gross state product as projected by Moody’s Economy.com.

SOURCES OF DATA: NC Department of the State Treasurer, Moody's Economy.com

TECHNICAL CONSIDERATIONS: None

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