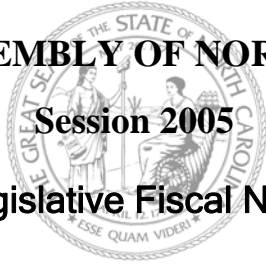


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 882 (Second Edition)

SHORT TITLE: Ocracoke Township Occupancy Tax.

SPONSOR(S): Representative Sutton

	FISCAL IMPACT				
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
REVENUES:					
Ocracoke Special District	\$200,000	\$204,600	\$209,101	\$213,283	\$217,549
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Ocracoke Special District					
EFFECTIVE DATE: Becomes effective when law.					

BILL SUMMARY:

Authorizes the Ocracoke Township Taxing District to levy a room occupancy and tourism development tax of up to 2 percent of the gross receipts from room rentals. Provides that the tax must be levied, administered, collected, and repealed as provided in GS 153A-155 (Uniform provisions for room occupancy taxes). Requires the taxing district to adopt a resolution creating a Tourism Development Authority at the time it adopts a resolution levying a room occupancy tax. Directs the Authority to use at least two-thirds of its funds to promote travel and tourism in the district (primarily marketing activity) and the remainder for other tourism-related expenditures (may include tourism-related capital expenditures). Provides that the Authority receive the gross proceeds of the tax minus the cost to the district of administering and collecting the tax (not to exceed 3% of the first \$500,000 of gross proceeds and 1% of the remaining gross receipts collected each year). Mandates that at least one-third of the Authority's members must be affiliated with businesses that collect the tax in the district and at least one-half must be currently active in the district's travel and tourism promotion. Requires the Hyde County Finance Officer to be the Authority's ex officio finance officer. Makes other conforming changes.

Source: Bill Digest H.B. 882 (03/24/0200)

ASSUMPTIONS AND METHODOLOGY:

The 3% occupancy tax currently levied in Hyde County generated \$316,080 in 2004. Of this amount, the county manager estimates that approximately \$300,000 was generated within the

boundaries of the proposed Ocracoke special district. Based on this estimate and the General Consumer Price Index rate of increase, the following revenue stream is projected for the proposed 2% occupancy tax:

Fiscal Year	Proposed 2% Tax	Each 1%
2007	\$200,000	\$100,000
2008	\$204,600	\$102,300
2009	\$209,201	\$104,551
2010	\$213,283	\$106,642
2011	\$217,549	\$108,774

SOURCES OF DATA: Hyde County

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Rodney Bizzell

APPROVED BY: Lynn Muchmore, Director
Fiscal Research Division

DATE: July 17, 2006



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