

# GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

## Legislative Fiscal Note

**BILL NUMBER:** House Bill 1013 (First Edition)

**SHORT TITLE:** Haywood County Occupancy Tax.

**SPONSOR(S):** Representatives Rapp and Haire

<b>FISCAL IMPACT</b>					
	<b>Yes (x)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2007-08</u></b>	<b><u>FY 2008-09</u></b>	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>
<b>REVENUES:</b>					
Haywood County	\$229,144	\$257,475	\$265,199	\$273,155	\$281,350
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Haywood County					
<b>EFFECTIVE DATE:</b> Becomes effective when law.					

### **BILL SUMMARY:**

House Bill 1013 authorizes Haywood County to levy an additional 1% room occupancy tax and makes other administrative changes.

### **ASSUMPTIONS AND METHODOLOGY:**

The revenue generated by the additional 1% occupancy tax is calculated by dividing the current revenue from the existing 3% occupancy tax by 3 and assuming 3% growth for future years. The additional tax would bring the total occupancy tax rate to 4%. The bill directs the Tourism Development Authority (TDA) to use the first 3% as follows: At least two-thirds must be used to promote travel and tourism and the remainder must be used for tourism-related expenditures.

It directs the TDA to segregate the net proceeds of the remaining 1% into five accounts based on the collection area from which the proceeds are collected. Funds in these accounts must be spent in accordance with the guidelines. That is, at least two-thirds must be used to promote travel and tourism and the remainder must be used for tourism-related expenditures. The collection areas are as follows:

- Canton
- Clyde
- Lake Junaluska
- Maggie Valley
- Waynesville

**SOURCES OF DATA:** NC Department of State Treasurer

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

**PREPARED BY:** Rodney Bizzell

**APPROVED BY:** Lynn Muchmore, Director  
Fiscal Research Division

**DATE:** July 30, 2007



**Signed Copy Located in the NCGA Principal Clerk's Offices**