

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note

BILL NUMBER: House Bill 469 (Second Edition)

SHORT TITLE: Addl. Lumberton & St. Pauls Occup. Tax.

SPONSOR(S): Representatives Pierce, Graham, and Pridgen

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
REVENUES					
Lumberton	\$479,896	\$511,344	\$540,352	\$563,104	\$ 582,252
St. Pauls	\$19,864	\$21,165	\$22,366	\$23,308	\$24,100
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: City of Lumberton, Town of St. Pauls					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY:

House Bill 469 amends Section 2 of Part IX of SL 1983-908, as amended, to authorize the Lumberton City Council to levy an additional room occupancy tax of up to (3%) three percent, as specified. The city may not levy the tax under subsection (a1) unless it also levies the (3%) three percent occupancy tax authorized under subsection (a) of this section.

It amends SL 1998-112, as amended by SL 2006-34, authorizing the board of commissioners of the Town of St. Pauls to levy an additional room occupancy tax up to (3%) three percent of the gross receipts derived from the rental of accommodations taxable under the section. The town may not levy a tax as authorized unless it also levies taxes under subsection (a) and (a1) of the section

ASSUMPTIONS AND METHODOLOGY:

The City of Lumberton currently levies a (3%) three percent room occupancy tax. House Bill 469 would allow the city to levy an additional (3%) three percent room occupancy tax. According to the North Carolina Department of State Treasurer, the City of Lumberton collected \$441,368 in occupancy tax revenues for Tax Year 2010. Assuming that doubling the tax rate would double the amount of occupancy tax collected, and growing by the leisure and hospitality portion of North Carolina's Gross State Product, it's estimated that an additional (3%) three percent occupancy tax would yield \$479,896 for FY11-12.

The Town of St. Pauls currently levies a (3%) three percent room occupancy tax. House Bill 469 would allow the town to levy an additional (3%) three percent room occupancy tax. According to the North Carolina Department of State Treasurer, the Town of St. Pauls collected \$18,722 in occupancy tax revenues for Tax Year 2010. Assuming that doubling the tax rate would double the amount of occupancy tax collected, and growing by the leisure and hospitality portion of North Carolina's Gross State Product, it's estimated that an additional (3%) three percent occupancy tax would yield \$19,864 for FY11-12.

SOURCES OF DATA: North Carolina Department of State Treasurer; Moody's Economy.com

TECHNICAL CONSIDERATIONS: None

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