



NORTH CAROLINA GENERAL ASSEMBLY

Session 2021

Legislative Fiscal Note

Short Title: Indian Trail/Stallings Occupancy Tax Auth.
Bill Number: House Bill 443 (First Edition)
Sponsor(s): Representative Arp

SUMMARY TABLE

FISCAL IMPACT OF H.B.443, V.1					
	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Local Impact					
Local Revenue	188,000	233,000	260,000	269,000	278,000
Less Local Expenditures	-	-	-	-	-
NET LOCAL IMPACT	\$188,000	\$233,000	\$260,000	\$269,000	\$278,000

FISCAL IMPACT SUMMARY

House Bill 443 (First Edition) would create a taxing district consisting of the part of the Town of Stallings located within Union County and authorize that district and the Town of Indian Trail to levy an occupancy tax of up to 5%, if approved by a majority of voters in a referendum in each respective jurisdiction.

FISCAL ANALYSIS

Currently, the Town of Indian Trail does not have any establishments that would collect a room occupancy tax. According to the Town Manager, there are proposals for possibly three hotels to be constructed within the Town of Indian Trail. However, there is no estimate for when those projects might be completed.

The portion of the Town of Stallings that's located in Union County currently has two hotels with approximately 240 rooms. The North Carolina Department of Commerce reported that hotel/motel room occupancy rates in North Carolina were 45.0% for 2020. The average room rate for that time period was \$89.26. At the current rates, it's estimated that the new taxing district consisting of the part of the Town of Stallings located within Union County would collect approximately \$188,000 in room occupancy taxes in FY 2021-22.



House Bill 443 (First Edition)
Room Occupancy Tax Revenue (5% Room Occupancy Tax Rate)

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Town of Indian Trail	-	-	-	-	-
Town of Stallings (Union County)	188,000	233,000	260,000	269,000	278,000

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

MOODY'S ANALYTICS; NORTH CAROLINA DEPARTMENT OF COMMERCE; TOWN OF INDIAN TRAIL; TOWN OF STALLINGS

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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