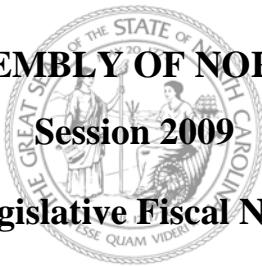


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: Senate Bill 40 (First Edition)

SHORT TITLE: Murfreesboro Occupancy Tax.

SPONSOR(S): Senator Jones

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>	<b><u>FY 2013-14</u></b>
<b>REVENUES</b>					
Town of Murfreesboro	\$11,148	\$52,954	\$56,987	\$60,644	\$63,019
<b>EXPENDITURES</b>					
<b>POSITIONS (cumulative):</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Town of Murfreesboro					
<b>EFFECTIVE DATE:</b> This act is effective when it becomes law.					

**BILL SUMMARY:**

Senate Bill 40 authorizes the Town of Murfreesboro to levy a room occupancy tax up to 3%. It provides that the tax must be levied, administered, collected, and repealed as provided in GS 160A-215 (Uniform provisions for room occupancy taxes for cities and towns). The bill requires the Murfreesboro Tourism Development Authority (TDA) to expend the occupancy tax proceeds to promote travel, tourism, and conventions in town; sponsor tourist-related events and activities; and finance tourist-related capital projects, with two-thirds of the funds being used to promote travel and tourism in Murfreesboro and the remainder for tourism-related expenditures. It also mandates that at least one-third of the members of the TDA must be affiliated with businesses that collect taxes in the town and at least one-half must be currently active in the town's travel and tourism promotion.

**ASSUMPTIONS AND METHODOLOGY:**

The Town of Murfreesboro currently has 16 rooms that would be subject to the proposed 3% local room occupancy tax. There is also a 60 room hotel slated to open in the middle of 2010. According to the North Carolina Division of Tourism, Film and Sports Development, the region Murfreesboro is located in has a 60.2% hotel occupancy rate and an average daily room rate of \$105.70.

Using these assumptions, the 3% room occupancy tax would generate \$11,148 (16 rooms \* .602 occupancy rate \* 365 days/year \* \$105.70 average daily rate \* .03 occupancy tax) in FY2009-10. With the additional 60 rooms beginning in FY2010-11, the estimated revenue would increase to \$52,954. This amount was then grown using the leisure and hospitality portion of North Carolina's gross state product as projected by Moody's Economy.com.

**SOURCES OF DATA:** Town of Murfreesboro; North Carolina Division of Tourism, Film and Sports Development; Moody's Economy.com

**TECHNICAL CONSIDERATIONS:** None

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

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**APPROVED BY:** Marilyn Chism, Director  
Fiscal Research Division

**DATE:** March 23, 2009



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