



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Legislative Fiscal Note

Short Title: Graham County Occupancy Tax.
Bill Number: House Bill 7 (First Edition)
Sponsor(s): Representative Corbin

SUMMARY TABLE

	FISCAL IMPACT OF H.B.7, V.1				
	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
Local Impact					
Local Revenue	97,101	98,667	101,681	104,625	107,555
Less Local Expenditures	-	-	-	-	-
NET LOCAL IMPACT	\$97,101	\$98,667	\$101,681	\$104,625	\$107,555

FISCAL IMPACT SUMMARY

House Bill 7 creates a special taxing district consisting of that part of Graham County that is located outside the incorporated areas of the county and authorizes that special taxing district to levy a 3% room occupancy tax. The Authority must deposit the proceeds into a special fund and must use at least two-thirds for tourism promotion and the remainder for tourism-related expenditures.

FISCAL ANALYSIS

Currently, Graham County has the authority to levy a 3% room occupancy tax. Additionally, the Towns of Fontana Dam, Lake Santeetlah, and Robbinsville, all of which are located in Graham County, have the authority to levy a 3% room occupancy tax.

In their most recent available data, fiscal year 2015-16, the North Carolina Department of Revenue reports the following occupancy tax collections:



Graham County Occupancy Tax Collections

	Rate	2015-16 Collections
Graham County	3%	\$207,534
Fontana Dam	3%	\$70,694
Lake Santeetlah*	3%	\$20,000
Robbinsville	3%	\$28,576

* Lake Santeetlah began levying a 3% occupancy tax in January 2018. Collections for 2018 were approximately \$10,000, however, the town estimates about \$20,000 with full compliance.

Assuming Lake Santeetlah's 2015-16 collections would have been \$20,000, the unincorporated areas of Graham County would have amounted to \$88,264 of the County's \$207,534 in occupancy tax collections. Growing collections by the Leisure and Hospitality portion of North Carolina's Gross State Product, it's estimated that collections for a 3% occupancy tax in the unincorporated portion of Graham County would be approximately \$97,101 in FY 2019-20.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

NORTH CAROLINA DEPARTMENT OF REVENUE; MOODY'S; TOWN OF LAKE SANTEEHLAH; LEGISLATIVE ANALYSIS DIVISION'S BILL SUMMARY

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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