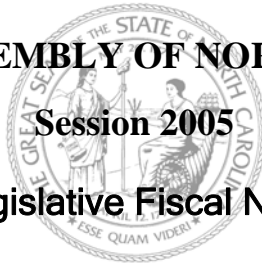


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 350 (Third Edition)

SHORT TITLE: Martin County Occupancy Tax Changes.

SPONSOR(S): Representative Stiller

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
REVENUES:					
Martin Co.	\$145,462	\$155,644	\$166,539	\$178,197	\$190,670
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Martin County					
EFFECTIVE DATE: Becomes effective when law.					

BILL SUMMARY:

AN ACT TO AUTHORIZE MARTIN COUNTY TO LEVY AN ADDITIONAL THREE PERCENT ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND MAKE OTHER ADMINISTRATIVE CHANGES. Amends SL 1991-80 to authorize the Board of County Commissioners to levy an additional room occupancy and tourism development tax of up to 3 percent of the gross receipts from room rentals. Provides that both the existing and additional tax must be levied, administered, collected, and repealed as provided in GS 153A-155 (Uniform provisions for room occupancy taxes). Changes the name of the Martin County Travel and Tourism Authority to the Martin County Tourism Development Authority and deletes the provision allowing the Board of Commissioners to abolish the Authority and take over its duties. Requires the Authority to use at least two-thirds of its funds to promote travel and tourism (primarily marketing activity) in Martin County and the remainder for other tourism-related expenditures (may include tourism-related capital expenditures). Provides that the Authority receive the gross proceeds of the two taxes minus the cost to the county of administering and collecting the tax (not to exceed 3 percent of the first \$500,000 of gross proceeds and 1% of the remaining gross receipts collected each year). Mandates that at least one-third of the Authority's members must be affiliated with businesses that collect the tax in the county and at least one-half must be currently active in county's travel and tourism promotion. Makes other conforming changes

Source: Bill Digest H.B. 350 (02/23/0200).

ASSUMPTIONS AND METHODOLOGY:

Martin County currently levies a 3% occupancy tax, and no city in the county levies an occupancy tax. The table below provides collections data for the current tax for the last five years.

Fiscal Year	Martin County 3% (Existing)	Each 1%
2000	\$93,095	\$31,032
2001	\$88,631	\$29,544
2002	\$88,222	\$29,407
2003	\$90,575	\$30,192
2004	\$118,740	\$39,580

Extending this trend for the proposed 3% tax suggests the following revenue stream:

Fiscal Year	Proposed 3% Tax	Each 1%
2007	\$145,462	\$48,487
2008	\$155,644	\$51,881
2009	\$166,539	\$55,513
2010	\$178,197	\$59,399
2011	\$190,670	\$63,556

SOURCES OF DATA: NC Department of State Treasurer

TECHNICAL CONSIDERATIONS: None

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DATE: July 17, 2006



Signed Copy Located in the NCGA Principal Clerk's Offices