

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 1620 (2nd Edition)

**SHORT TITLE:** Jonesville Occupancy Taxes

**SPONSOR(S):** Rep. Holmes

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<u><b>FY 2002-03</b></u>	<u><b>FY 2003-04</b></u>	<u><b>FY 2004-05</b></u>	<u><b>FY 2005-06</b></u>	<u><b>FY 2006-07</b></u>
<b>REVENUES</b>					
<b>General Fund</b>			<b>* No General Fund Impact *</b>		
<b>Jonesville</b>	11,111	40,800	42,432	44,129	45,892
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Town of Jonesville					
<b>EFFECTIVE DATE:</b> When it becomes law.					

**BILL SUMMARY:** The bill authorizes the Town of Jonesville to levy a 3% room occupancy tax, and applies all the standard provisions regarding the collection and use of the funds.

**ASSUMPTIONS AND METHODOLOGY:** The Jonesville town manager indicated that he believes a 3% room tax would generate approximately \$40,000 per year, for a full year. However, he also indicated the town expects to initiate the tax at 1%. This analysis assumes the town gleans 10 months of revenue during this fiscal year at 1%, and then increases the tax to the maximum amount of 3%. Additionally, the 4% annual growth rate in hotel/motel sales from the U.S. Census Bureau is used to inflate out year projections, although a 2% figure is used for the first year's growth, because of the recent economic slowdown. Actual growth will vary with construction plans and other local trends.

**SOURCES OF DATA:** Town of Jonesville and U.S. Census Bureau

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**DATE:** July 23, 2002



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