



NORTH CAROLINA GENERAL ASSEMBLY

2023 Session

Legislative Fiscal Note

Short Title: Lansing/Jefferson/Stokes Occ. Tax Auth.
Bill Number: House Bill 220 (Third Edition)
Sponsor(s): Rep. Pickett

SUMMARY TABLE

FISCAL IMPACT OF H.B.220, V.3

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
Local Impact					
Local Revenue	\$220,000	\$230,000	\$235,000	\$242,000	\$250,000
Less Local Expenditures	-	-	-	-	-
NET LOCAL IMPACT	\$220,000	\$230,000	\$235,000	\$242,000	\$250,000

FISCAL IMPACT SUMMARY

House Bill 220 would authorize the towns of Lansing and Jefferson to each levy up to a 3% room occupancy tax. The bill would also authorize Stokes County to levy up to a 6% room occupancy tax. At least two-thirds of the proceeds from each tax would have to be used for tourism promotion and the remainder for tourism-related expenditures.

FISCAL ANALYSIS

Lansing town staff report there are currently 15 rooms for rent within town limits. The Fiscal Research Division (FRD) relied on this data, other information on occupancy rates, room costs, and adjusted for actual and forecasted changes in the leisure and hospitality industry. FRD estimates Lansing will collect approximately \$16,000 beginning in Fiscal Year 2023-24 at a 3% occupancy tax rate.

Jefferson town staff report there are 50 rooms for rent in town limits. Using the same method discussed above, it is estimated that the town would collect approximately \$52,000 in Fiscal Year 2023-24 room occupancy tax collections at a 3% rate.

Neither Stokes County nor any municipalities within the county's borders levy an occupancy tax. Using data from the Department of Commerce on the traveler and accommodations industry and adjusting for forecasted changes in the leisure and hospitality industry, FRD estimates the County will collect approximately \$150,000 beginning in Fiscal Year 2023-24 at a 6% rate.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

N.C. Department of Commerce; N.C. Department of Revenue; Towns of Lansing and Jefferson.

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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