

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 442 (First Edition)

SHORT TITLE: Caswell County Occupancy Tax.

SPONSOR(S): Senator Foriest

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
REVENUES:					
Caswell County	\$3,133	\$3,231	\$3,305	3,381	3,459
EXPENDITURES:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Caswell County					
EFFECTIVE DATE: When bill becomes law					

BILL SUMMARY: Senate Bill 442 authorizes Caswell County to levy a 3% occupancy tax. At least two-thirds of the proceeds would be used to promote travel and tourism and the remainder would be used for tourism-related expenditures. This bill conforms to the guidelines supported by the North Carolina Travel and Tourism Coalition and adhered to by the House Finance Committee.

ASSUMPTIONS AND METHODOLOGY:

Caswell County

The bill allows Caswell County to levy a 3% occupancy tax. According to the county manager for Caswell County, there is one motel in the county. The motel is located in Yanceyville and is expected to generate approximately \$3,000 each year for Caswell County based on the proposed occupancy tax rate of 3% each for the county and the town. Applying the General Consumer Price Index rate of increase for future years provides the following revenue estimate:

Fiscal Year	Proposed 3% Tax	Each 1%
2007-08	\$3,133	\$1,044
2008-09	\$3,231	\$1,077
2009-10	\$3,305	\$1,102
2010-11	\$3,381	\$1,127
2011-12	\$3,459	\$1,153

SOURCES OF DATA: Caswell County and NC Dept. of State Treasurer

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Joseph Futima and Rodney Bizzell

APPROVED BY: Lynn Muchmore, Director
Fiscal Research Division

DATE: March 28, 2007



Signed Copy Located in the NCGA Principal Clerk's Offices