

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1298 (First Edition)

SHORT TITLE: Town of Pembroke Occupancy Tax.

SPONSOR(S): Senator Walters

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
REVENUES					
Town of Pembroke	\$28,576	\$29,528	\$30,958	\$32,202	\$33,132
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Town of Pembroke					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY:

Senate Bill 1298 would authorize the Town of Pembroke to levy a room occupancy tax of up to three percent (3%) of the gross receipts collected from the rental of any eligible room. SB1298 would also create the Pembroke Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in the Town of Pembroke and shall use the remainder for tourism-related expenditures.

ASSUMPTIONS AND METHODOLOGY:

The Town of Pembroke is located in Robeson County. According to the NC Department of Commerce, the average daily room rate for hotels located in this economic region is \$76.81, with a room occupancy rate of 54.8%. Pembroke has only one existing hotel with 62 rooms. Using these assumptions (\$76.81 room * 62 rooms * 54.8% occupancy * 365 days * 3% occupancy tax), the city would collect \$28,576 in occupancy taxes in FY10-11. This number was then grown using the Leisure and Hospitality growth rates from Moody's Economy.com.

SOURCES OF DATA: Town of Pembroke; Moody's Economy.com; NC Department of Commerce

TECHNICAL CONSIDERATIONS: None

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