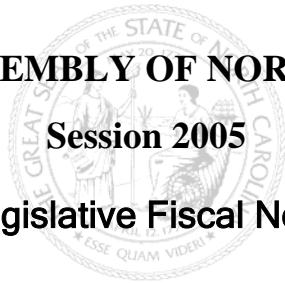


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: Senate Bill 525 (First Edition)

SHORT TITLE: NASCAR Hall of Fame Financing.

SPONSOR(S): Senator Clodfelter

FISCAL IMPACT (\$ in millions)					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:					
General Fund	No General Fund Impact				
Mecklenburg County	\$5.8	\$6.1	\$6.4	\$6.7	\$7.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Mecklenburg County					
EFFECTIVE DATE: Becomes effective when law.					

BILL SUMMARY:

The bill authorizes Mecklenburg County to levy an additional 2% room occupancy tax upon receiving written confirmation from NASCAR that it will locate the NASCAR Hall of Fame Museum facility in Charlotte. The additional tax would be levied, administered, and collected in accordance with the procedures currently in place for the existing 6% occupancy tax. With this authority, the total occupancy tax rate in Mecklenburg would be 8%.

The net proceeds of the additional 2% occupancy tax must be distributed to the City of Charlotte and used only for the acquisition, construction, repair, maintenance, and financing of a NASCAR Hall of Fame Museum facility and an ancillary and adjacent NASCAR convention center ballroom facility.

The bill provides that the additional 2% occupancy tax may be repealed, by resolution of the county board of commissioners, upon final satisfaction of all debt instruments or obligations issued by the City of Charlotte (or a related special purpose entity) in connection with the financing or refinancing of the NASCAR Hall of Fame Museum facility. The repeal would not become effective until July 1 following the date of final satisfaction.

ASSUMPTIONS AND METHODOLOGY:

Historically, Mecklenburg County's collections have been as follows:

Year	Amount	Each 1%
2001-02	\$15,248,147	\$2,541,357
2002-03	\$15,774,948	\$2,629,158
2003-04	\$16,707,195	\$2,784,532

Extending this trend suggests the following increase in total occupancy tax revenue as a result of a 2% increase in the rate:

Year	Amount	Each 1%
2005-06	\$5,829,823	\$2,914,911
2006-07	\$6,103,307	\$3,051,653
2007-08	\$6,389,892	\$3,194,946
2008-09	\$6,689,792	\$3,344,896
2009-10	\$7,004,212	\$3,502,106

SOURCES OF DATA: NC Department of Revenue; Mecklenburg County Finance Department

TECHNICAL CONSIDERATIONS: None

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DATE: May 23, 2005

Signed Copy Located in the NCGA Principal Clerk's Offices