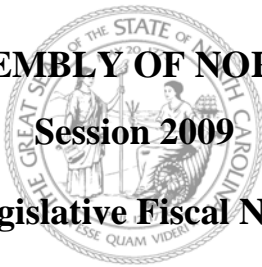


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 1895 (First Edition)

SHORT TITLE: Increase Montgomery Co. Occup. Tax.

SPONSOR(S): Representative Goodwin

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					
Montgomery County	\$27,782	\$28,707	\$30,097	\$31,307	\$32,211
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Montgomery County					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY:

House Bill 1895 amends SL 2001-434 to authorize the Montgomery County Board of Commissioners to levy an additional room occupancy tax of up to 3%. It provides that both the existing and additional tax be levied, administered, collected, and repealed as provided in GS 153A-155 (uniform provisions for room occupancy taxes). And the bill requires Montgomery County to levy the original occupancy tax in order to also levy the additional tax authorized in this act.

ASSUMPTIONS AND METHODOLOGY:

Currently, Montgomery County levies a 3% room occupancy tax. House Bill 1895 would allow the county to levy an additional 3%, bringing the combined room occupancy tax rate to 6%.

According to Montgomery County’s Financial Information, as reported by the North Carolina Department of the Treasurer, the county collected \$27,174 in occupancy taxes in calendar year 2009. Adjusting this number for fiscal year data, and growing by the leisure and hospitality portion of North Carolina GSP, yields an estimated \$27,782 in FY10-11 revenues. Since HB1895 will double the current tax rate of 3%, this would reflect the increase in revenue.

SOURCES OF DATA: North Carolina Department of the Treasurer, Moody's Economy.com

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

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DATE: June 22, 2010



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