



NORTH CAROLINA GENERAL ASSEMBLY

2023 Session

Legislative Fiscal Note

Short Title: Avery County Occupancy Tax.
Bill Number: Senate Bill 154 (First Edition)
Sponsor(s): Sen. Ralph Hise

SUMMARY TABLE

FISCAL IMPACT OF S.B. 154, V.1 (\$ in millions)

	<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	1.6	1.7	1.8	1.8	1.8
Less Local Expenditures	-	-	-	-	-
NET LOCAL IMPACT	1.6	1.7	1.8	1.8	1.8

FISCAL IMPACT SUMMARY

Senate Bill 154 would authorize Avery County to levy a 6% room occupancy tax. At least two-thirds of the proceeds would have to be used for tourism promotion and the remainder for tourism-related expenditures.

FISCAL ANALYSIS

Avery County does not currently levy an occupancy tax. County staff provided Fiscal Research with information from a private consulting firm that studied county vacancies and room rates. We adjusted these values for actual and forecasted changes in the leisure and hospitality industry to determine the fiscal impact. Using this information, we estimate Avery County would generate approximately \$1.6 million in Fiscal Year 2023-24 room occupancy tax collections at a 6% rate.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

Avery County staff; data from a consultant for Avery County; Moody's Analytics; N.C. Department of Revenue.

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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June 19, 2023



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