

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 782 – SB 853

February 15, 2017

SUMMARY OF BILL: Authorizes the Town of Kingston Springs to levy a hotel occupancy tax, not to exceed five percent of the consideration charged by the operator, subject to the adoption of an ordinance by a two-thirds vote of its governing body.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – \$87,100/Permissive

Assumptions:

- According to the Department of Health, there are three hotels in the Town of Kingston Springs, with a total of 106 rooms.
- According to the Nashville Convention and Visitors Bureau, the 2015 hotel occupancy rate in Davidson County was 74.0 percent. According to the PricewaterhouseCoopers LLP, the national hotel occupancy rate for 2015 was 65.4 percent, and is estimated to have been 65.4 percent in 2016. The national hotel occupancy rate is further estimated to be 64.9 percent in 2017.
- Estimate assumes the occupancy rate in the Town of Kingston Springs is 60.0 percent.
- There will be approximately 23,214 nightly rentals each year in Kingston Springs (106 rooms x 365 days x 60.0% occupancy rate).
- The average hotel room rate is estimated to be \$75 per night.
- The Town of Kingston Springs will impose a five percent hotel occupancy tax upon passage of this legislation.
- The permissive recurring increase in local government revenue is estimated to be \$87,053 (23,214 nightly rentals x \$75 per night x 5.0% occupancy tax rate).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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