



June 2, 2020

Your Feedback Needed

Due to North Carolina's forecasted \$4 billion revenue shortfall, lawmakers are cautiously exploring areas to cut back on funding. This could include removing excess reserves used for shallow draft inlet funding projects. If there are there any outstanding projects in your area that could be impacted by this, please [let us know](#).

Occupancy Tax Legislation

During last week's call, we discussed bills ([SB 831](#) & [SB 705](#)) that have been filed to supplement local revenue shortfalls since federal guidance still doesn't allow CARES Act funding to be used for this purpose. The North Carolina Travel and Tourism Coalition (NCTTC) and the NC Restaurant and Lodging Association (NCRLA) oppose SB 831, filed by Senator Wiley Nickel (D-Wake), a proposal to authorize certain municipalities to levy an additional one percent room occupancy tax, which could be used for any public purpose in the municipality. Under the bill, this would apply to all cities that levy an occupancy tax, plus a list of other cities. Coastal cities/towns included in the list are North Topsail Beach, Wrightsville Beach, and Wilmington.

Senator Chuck Edwards' (R-Henderson/Buncombe) Buncombe County Job Recovery Act would authorize the use of occupancy tax proceeds credited to the Tourism Product Development Fund to be used in Buncombe County for economic assistance to businesses significantly affected by the COVID-19 epidemic. Since Senator Edwards' proposal does not increase the tax or change the intent of the funding, the two groups are not opposing this specific bill.

Tourism Polls: Visit NC

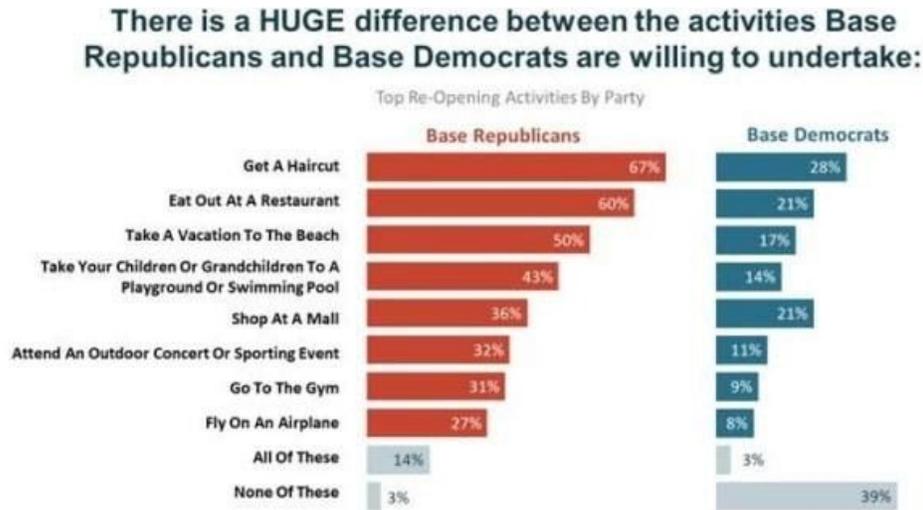
According to Visit NC's newsletter last week (attached), research and data company Tourism Economics determined the state had lost \$2.2 billion in visitor spending through April 18, which equates to a loss of about \$100 million in state and local taxes that won't get collected.

The newsletter also highlights a recent Harris Poll indicating that travel is the 'battleground between fear and desire in America' and predicting that travel will be a key indicator that Americans think normal life can resume. While the poll reported that 95 percent of Americans stayed home over the Memorial Day weekend, pent up demand for travel is increasing, with nearly a third of Americans planning a trip when things return to normal.

Visit NC will be providing frequent research updates through Newslink each week with links to available studies. To subscribe to receive the weekly e-newsletter, click [here](#).

North Carolinians' Stance on Reopening

Results from a [recent statewide survey](#) illustrate that North Carolinians have mixed feelings about the shutdown and reopening, but stances are divided by political party on how the state should proceed with reopening.



60% of North Carolinians feel safe or somewhat safe going back to work or out in public NOW. At the same time, people are very divided on what activities they'd engage in when the lockdown is lifted:

Haircuts, dining out and beach vacations top people's agenda when state reopens. Air travel and gym visits, not so much.

"If North Carolina's shutdown order is lifted in June or July as currently planned, please tell me if you personally would do any of the following when the shutdown order is lifted:"

