



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Fiscal Note

Short Title: Regulatory Reform Act of 2025.
Bill Number: House Bill 926 (Fourth Edition)
Sponsor(s): Rep. Riddell, Rep. Zenger, and Rep. Chesser

SUMMARY TABLE

FISCAL IMPACT OF HB 926 (v.4)					
	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
State Impact					
General Fund Revenues	900,000	1,300,000	1,330,000	1,350,000	1,380,000
Less Expenditures	-	-	-	-	-
General Fund Impact	900,000	1,300,000	1,330,000	1,350,000	1,380,000
NET STATE IMPACT	900,000	1,300,000	1,330,000	1,350,000	1,380,000
Local Impact					
Local Revenue	470,000	475,000	485,000	490,000	500,000
Less Local Expenditures	-	-	-	-	-
NET LOCAL IMPACT	470,000	475,000	485,000	490,000	500,000

TECHNICAL CONSIDERATIONS: See Technical Considerations Section

FISCAL IMPACT SUMMARY

HB 926 has a finance-related fiscal impact because it:

- Ends the dual licensure requirements for audiologists.
- Expands a fee within the Secretary of State's office for securities salespersons registering with multiple dealers.
- Modifies Nash County's occupancy tax, resulting in the County retaining its current share of revenues and increasing the amount for the city of Rocky Mount.¹ At least two-thirds of the proceeds would have to be used for tourism promotion and the remainder for tourism-related expenditures.

¹ For Rocky Mount, the city currently receives these funds. The bill changes this arrangement to direct funds to the Rocky Mount District R Tourism Development Authority. For the purposes of this note, they are treated as the same entity in displaying the fiscal impact of the bill.



FISCAL ANALYSIS

Fee Changes

End Dual Licensure Requirements for Audiologists. Under current law, those holding an unrestricted license as an audiologist, audiology assistant, or certified technician from the Speech and Language Pathologists and Audiologists are required to also obtain a separate license from the State Hearing Aid Dealers and Fitters Board, except for those holding a doctorate in audiology. The bill would eliminate the requirement that those with unrestricted licenses also obtain a license from the Hearing Aid Dealers and Fitters Board. The current application fee for this board is \$500 and the license renewal fee is \$250, and as of 2023 this Board supervised 375 licenses and received 108 applications. At the time of this writing, FRD had not been supplied data on the number of unrestricted audiologist-related licenses that are also licensed with the Hearing Aid Dealers and Fitters Board; therefore, the Board will see some unknown, but likely minimal, decrease in fee revenue.

Securities Salesman Registration. This section allows for securities salesmen to register with multiple dealers, so long as the dealers share common ownership. Salesmen will pay a registration fee per registered dealer. The fiscal impact was calculated by applying the current registration fee rate (\$125) to the projected number of new registrations by salesmen with multiple dealers (10,000). FRD estimates this section will generate approximately \$900,000 in FY 2025-26 and \$1.3 million in FY 2026-27, all of which will be deposited into the General Fund.

Occupancy Tax Changes

Nash County currently levies a total 5% occupancy tax; the tax applies to accommodations anywhere in the county, including inside the city limits of Rocky Mount. Revenues from the first 3% are for the county Tourism Development Authority (TDA) and revenues from the remaining 2% are for the City of Rocky Mount.

Nash County

The bill would keep the county's occupancy tax at 3% and have it still apply to accommodations anywhere in the county, including inside the City of Rocky Mount. For Nash County, the bill has no fiscal impact since it will continue receiving the 3% tax that applies to areas both in and outside city limits.

Rocky Mount

The bill repeals the 2% tax levied across the county that currently provides revenues to the City of Rocky Mount. The bill establishes a 3% occupancy tax that only applies to accommodations inside the city limits of Rocky Mount located in Nash County. The proceeds from this 3% tax would be deposited with the Rocky Mount District R Tourism Development Authority, that is established in the bill. The bill's repealing of the current 2% tax means the city would lose occupancy tax revenues of about \$950,000 on average, annually. To compute this value, FRD used data on previous current occupancy tax collections from the Department of Revenue.

As mentioned previously, the bill establishes a new 3% occupancy tax that would only apply to accommodations in Rocky Mount city limits within Nash County. Since collections from the current tax are from rentals of accommodations county-wide (not just within the city limits), FRD



could not use historical levy data to compute the city's tax revenues under the new tax. Instead, FRD used data on annual accommodation sales within the city's limits in Nash County from the N.C. Department of Commerce. These sales figures were then multiplied by the proposed rate of 3%. This results in FRD estimating the new tax would generate approximately \$1.4 million per year, adjusted for growth in the leisure and hospitality industries for the five-year estimate period.

To determine the net fiscal impact, FRD subtracted what Rocky Mount is projected to collect under current law (about \$950,000 per year, on average, when adjusted for growth) from what FRD estimates it would receive under the bill each year (about \$1.4 million).² This results in occupancy tax revenues for Rocky Mount increasing by about \$500,000 each year, on average. The estimated fiscal impact for future years is adjusted based on anticipated changes in the leisure and hospitality industry.

TECHNICAL CONSIDERATIONS

According to the Secretary of State's office, implementation of the multiple registration of securities salesmen provision will not be possible until October 1, 2025, when a national Financial Industry Regulatory Authority (FINRA) database update occurs. This would impact FY 2025-26 fee collections and is reflected in the fiscal analysis.

DATA SOURCES

NC Board of Hearing Aid Dealers and Fitters. N.C. Departments of Commerce, Revenue, and Secretary of State.

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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² Projections for future amounts collected under both current law and the proposed bill were adjusted for anticipated changes in the leisure and hospitality industry.



Fiscal Research Division
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