

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 2543-01  
Bill No.: HB 824  
Subject: Cities: Transient Guest Tax  
Type: Original  
Date: February 25, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials of the **Department of Economic Development- Division of Tourism** assume no fiscal impact.

Officials of the **City of Concordia** assume the guest tax would generate revenues as follows:

FY 2005 - \$34,605; FY 2006 - \$47,525; and FY 2007 - \$48,950. Officials assume revenue could only be spent on the promotion of tourism. Officials stated there estimates were based on a 5% tax.

<u><b>FISCAL IMPACT - State Government</b></u>	<b>FY 2005 (10 Mo.)</b>	<b>FY 2006</b>	<b>FY 2007</b>
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<b>CITY OF CONCORDIA</b>			
<b><u>Income</u></b> to City of Concordia Tourism Fund	\$34,605	\$47,525	\$48,950
<b><u>Cost</u></b> to City of Concordia Tourism Fund from promotion of tourism.	<u>(\$34,605)</u>	<u>(\$47,525)</u>	<u>(\$48,950)</u>
<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT *</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**\* Oversight assumes annual cost would not exceed annual income resulting in either a \$0 or a positive annual fund balance. For purposes of this fiscal note Oversight assumes \$0 fiscal impact.**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill allows the City of Concordia to impose a tourism tax on all hotel and motel rooms within the city. The tax cannot exceed 5% per room per night, and all proceeds from the tax must be used to promote tourism.

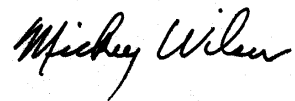
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development - Tourism  
City of Concordia

NOT RESPONDING

None

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 25, 2004