

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 3340-02
Bill No.: HB 1324
Subject: Cities: Transient Guest Tax
Type: Original
Date: March 10, 2004

FISCAL SUMMARY

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

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

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

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

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

FISCAL ANALYSIS

ASSUMPTION

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

Officials of the **City of Pacific** stated this proposal would enable the City to promote tourism. Officials estimate in FY 2005 the guest tax at a 3% rate with an estimated 1/4 % capacity (year-round average), would generate approximately \$18,765. Income in FY 2006 is estimated to be \$19,140 and \$19, 714 in FY 2007.

Oversight assumes the guest tax is permissive and would require voter approval before the tax could be imposed.

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

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
CITY OF PACIFIC			
<u>Income</u> to City of Pacific from guest tax	\$18,765	\$19,140	\$19,714
<u>Cost</u> to City of Pacific from promotion of tourism	<u>(\$18,765)</u>	<u>(\$19,140)</u>	<u>(\$19,714)</u>
ESTIMATED NET EFFECT TO CITY OF PACIFIC	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

If the City of Pacific were to receive voter approval to impose a transient guest tax, small businesses located in the City and are in the hotel, or motel industry would be expected to collect and administer the tax.

DESCRIPTION


This bill authorizes, upon voter approval, a transit guest tax of not more than 5% on all sleeping rooms of hotels or motels in the City of Pacific.

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

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SOURCES OF INFORMATION

Department of Economic Development - Division of Tourism
City of Pacific

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

Mickey Wilson, CPA
Director
March 10, 2004