

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 4192-02  
Bill No.: HCS for HB 1456  
Subject: Cities: Transient Guest Tax  
Type: Original  
Date: March 10, 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.

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

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

## FISCAL ANALYSIS

### ASSUMPTION

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

In response to a similar proposal, officials of the **City of Marston** assumed the guest tax would generate an unknown amount of revenue, if passed by the voters. Officials assume revenue could only be spent on the promotion of tourism.

Officials from the **Cities of Matthews and Steele** did not respond to our fiscal note request.

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

FISCAL IMPACT - Local Government

FY 2005  
(10 Mo.)

FY 2006

FY 2007

**CITIES OF MARSTON, MATTHEWS  
& STEELE**

**Income** to Tourism Fund

Unknown

Unknown

Unknown

**Cost** to cities for promotion of tourism  
and infrastructure improvements

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT TO  
LOCAL GOVERNMENT\***

**\$0**

**\$0**

**\$0**

**\*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 zero fiscal impact.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal allows the cities of Marston, Steele and Matthews to impose, upon voter approval, a room tax of not more than 5% per night. This tax will be in addition to any other tax authorized by law and will be used for tourism purposes and infrastructure improvements.

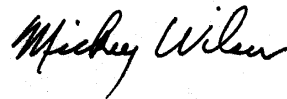
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Economic Development - Tourism  
City of Marston

NOT RESPONDING: Cities of Matthews and Steele

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