

HCS SB 1391 -- TRANSIENT GUEST TAX

SPONSOR: Foster (Black)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Local Government by a vote of 12 to 0.

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

The substitute also allows Lamar Heights to impose, upon voter approval, a room tax not to exceed 6% and a sales tax not to exceed 1% on retail food sales in food establishments for capital improvements.

FISCAL NOTE: Estimated Effect on General Revenue Fund of an income of \$0 to a cost of less than \$230,330 in FY 2005, an income of \$0 to a cost of less than \$136,835 in FY 2006, and an income of \$0 to a cost of less than \$140,303. No impact on Other State Funds in FY 2005, FY 2006, and FY 2007.

PROPONENTS: Supporters say that the bill will provide revenue to promote tourism and make infrastructure improvements.

Testifying for the bill were Senators Foster and Griesheimer.

OPPONENTS: There was no opposition voiced to the committee.

Julie Jinkens McNitt, Legislative Analyst