

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2098-01  
Bill No.: HB 809  
Subject: Cities, Towns and Villages; Revenue Department; Taxation and Revenue;  
Tourism.  
Type: Original  
Date: March 25, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<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 2006	FY 2007	FY 2008
<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 2006	FY 2007	FY 2008
<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 from the **Department of Revenue** assume the proposal would have no fiscal impact on their agency.

Officials from **Pemiscot County** as well as the cities of **Hayti, Steele** and **Caruthersville** did not respond to Oversight's request for fiscal impact.

**Oversight** assumes the guest tax is permissive and would require voter approval before the tax could be imposed. Oversight will range the fiscal impact to the local governments as \$0 to Unknown and assume that all of the revenue generated by the transient guest tax will be spent in the same year. Oversight also assumes the changes to the distribution requirements of the transient guest tax proceeds will be a wash fiscally to the local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>MUNICIPALITIES WITHIN PEMISCOT COUNTY</b>			
<b><u>Income</u></b> to Tourism Tax Trust Fund	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b><u>Cost</u></b> to cities for promotion of tourism and infrastructure improvements	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT*</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**\*Requires voter approval. 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

If municipalities within Pemiscot County were to receive voter approval to impose a transient guest tax, small hotel/motel businesses located in the municipality would be expected to collect and administer the tax.

#### DESCRIPTION

This proposal authorizes, upon voter approval, a transient guest tax in any municipality in Pemiscot County and changes the distribution of the funds deposited into the tourism tax trust fund for cities with a population of less than 7,500 inhabitants.

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 Revenue

**NOT RESPONDING: Pemiscot County, cities of Hayti, Steele and Caruthersville.**

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

Mickey Wilson, CPA  
Director  
March 25, 2005