

HCS HB 186 -- TRANSIENT GUEST TAX AND SALES TAX ON FOOD FOR THE CITY OF LAMAR HEIGHTS

SPONSOR: Sutherland (Emery)

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 14 to 0.

This substitute authorizes the City of Lamar Heights to impose, upon voter approval, a room tax of not more than 6% per night and a local sales tax on food of not more than 2%. These taxes will be in addition to any other taxes authorized by law and used solely for capital improvements.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Income on General Revenue Fund of Unknown in FY 2006, FY 2007, and FY 2008. No impact on Other State Funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the City of Lamar Heights would like the opportunity to vote on authorizing a transient guest and a local sales tax on food to fund a major capital improvement. There are 206 residents, two motels, and five restaurants in the city. The town has been working with the Department of Natural Resources for two years and needs a sewer system. Because of the makeup of the community, grants are not available for this project.

Testifying for the bill was Representative Emery.

OPPOSERS: There was no opposition voiced to the committee.

Karla Strobel, Legislative Analyst