

HCS HB 515 -- TOURISM COMMUNITY ENHANCEMENT DISTRICTS

SPONSOR: Marsh (Wood)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Tourism by a vote of 13 to 0.

Currently, each tourism community enhancement district has a board of directors with at least five members. This substitute increases the number to seven directors and changes the membership so that it is based on the amount of sales tax revenue collected by each district rather than population. A simple majority vote is required for the removal of a board member instead of the current two-thirds vote of the appointing governing body.

Currently, the board is allowed to levy, upon voter approval, a tourism tax of up to 1% on all sales within the district. The substitute prohibits the tourism tax from being assessed on the sale of food, utilities, and telephone services. The manner in which the revenue from the tax is distributed is changed so that 98% of the revenue is used for the marketing, advertising, and promotion of tourism; the administration of these activities; and a reasonable reserve. One percent of the revenue must be held in reserve, and another 1% can be retained by the Department of Revenue for the collection of the sales tax.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill will make it easier to implement a retail sales tax in the Branson-area tourism community enhancement district. This tax is already authorized but it has not been implemented. The revenue from the tax will be used exclusively for marketing the Branson area. Branson competes with several other states, including Wisconsin, Tennessee, and South Carolina for tourism; and those states spend significantly more to market their tourist destinations. Branson is unable to reach essential target markets because they do not have enough revenue for extensive marketing.

Testifying for the bill were Representative Wood; Branson Lakes Area Chamber of Commerce and Visitors Bureau; Branson-Area Tourism Enhancement District Tax Board; Herschend Family Entertainment; and Kent Turner.

OPPOSERS: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst