

HCS HB 515 -- TOURISM COMMUNITY ENHANCEMENT DISTRICTS (Wood)

COMMITTEE OF ORIGIN: Tourism

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.