

SB 358 -- TOURISM COMMUNITY ENHANCEMENT DISTRICTS

SPONSOR: Taylor (Richard)

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

Currently, each tourism community enhancement district has a board of directors with at least five members. This bill 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 bill prohibits the tourism tax from being assessed on the sale of food. 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 allows an economic development sales tax to be levied within Branson's tourism district which the area sorely needs for marketing. Branson's ability to effectively market the area as a tourist destination is of vital importance to the entire state. Branson needs the ability to do better marketing, and the bill will allow that to happen.

Testifying for the bill were Senator Taylor; Herschend Family Entertainment, Incorporated; and Branson/Lakes Area Chamber of Commerce and Convention and Visitors Bureau.

OPPOSERS: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst