

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3868-01
Bill No.: HB 1567
Subject: Cities, Towns, and Villages; Motels and Hotels; Taxation and Revenue - General
Taxation and Revenue - Sales and Use
Type: Original
Date: February 8, 2010

Bill Summary: This proposal allows the City of Grandview to impose a transient guest tax.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume the proposal would not fiscally impact their agency.

In response to a similar proposal from 2008 (SB 1089), officials from the **City of Grandview (Grandview)** estimated the proposal will have no fiscal impact in the first year; \$100,000 in the second year; and \$100,000 in the third year. Grandview has never had a hotel/motel tax before and officials state they are seeing an increase in traffic now that the Triangle project is complete. They estimate there are now 70,000 to 75,000 cars a day along Highway 71. This will increase with the opening of the National Nuclear Security Administration complex in 2010 and the intermodal facility at the former Richards-Gebaur Airport that opened in the spring of 2008. Grandview has no funding for marketing, public relations, tourism, or infrastructure related to completing the Downtown Corridor Plan.

Costs associated with this proposal would relate to an election and voters have to authorize the tax. Grandview officials were not aware of any revenue losses associated with this proposal.

Oversight assumes this proposal increases the tax to 5% that Grandview could charge a guest of hotels and motels and other businesses that offer sleeping rooms. Oversight assumes the tax could not be implemented without voter approval. Therefore, Oversight assumes this proposal to be permissive and there would be no state or local fiscal impact

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

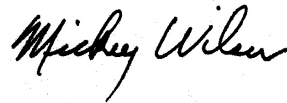
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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
City of Grandview

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

Mickey Wilson, CPA
Director
February 8, 2010