

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4904H.011
Bill No.: HB 2246
Subject: Political Subdivisions; Taxation and Revenue - Sales and Use
Type: Original
Date: January 19, 2024

Bill Summary: This proposal authorizes a transient guest tax upon voter approval for the purposes of law enforcement and tourism.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§67.1018 – Transient Guest Taxes in New Madrid County

Officials from the **Office of Administration - Budget and Planning (B&P)** state this proposal allows New Madrid County to impose a transient guest tax of not more than 5.0%. B&P defers to the County of New Madrid on the transient guest tax for specific estimates of actual collection costs.

This proposal:

- Has no direct impact on B&P.
- Has no direct impact on general or total state revenues.
- Will not impact the calculation pursuant to Art. X, Sec. 18(e)

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight assumes this proposal permits New Madrid County (Subdivision 2) the ability to vote in a transient guest tax (of not more than 5% per occupied room, per night) for the purposes of law enforcement and tourism. **Oversight** notes New Madrid County is not currently on-boarded with Oversight to receive legislation for response. The transient guest tax for New Madrid County would be used by the county with 50% of the proceeds to fund law enforcement and the remaining 50% of the proceeds to fund the promotion of tourism. **Oversight** does not have enough information regarding sleeping rooms in New Madrid County to provide an estimate of the additional revenue (if approved). Therefore, **Oversight** will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to New Madrid County for this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
NEW MADRID COUNTY			
<u>Revenue</u> – transient guest taxes – if approved by the voters §67.1018	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON NEW MADRID COUNTY	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

There could be a direct fiscal impact to New Madrid County small businesses who are in the hotel/motel industry and would be subject to the transient guest tax upon voter approval as a result of this proposal.

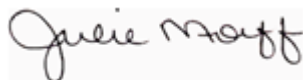
FISCAL DESCRIPTION

This bill authorizes, upon voter approval, a transient guest tax of not more than 5% per occupied room per night for any county with more than 15,700 but fewer than 17,000 inhabitants and with a county seat with more than 2,000 but fewer than 3,000 inhabitants, with half of the proceeds for funding law enforcement and half for the promotion of tourism. Upon enactment, the bill will add New Madrid County.

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

Office of Administration - Budget and Planning
 Department of Revenue



Julie Morff
 Director
 January 19, 2024



Ross Strobe
 Assistant Director
 January 19, 2024