

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5641H.011  
Bill No.: HB 2687  
Subject: Political Subdivisions; Cities, Towns, and Villages; Taxation and Revenue - Sales and Use  
Type: Original  
Date: February 25, 2024

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Bill Summary: This proposal authorizes certain cities to impose transient guest taxes for tourism purposes upon voter approval.

**FISCAL SUMMARY**

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

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

Numbers within parentheses: () indicate costs or losses.

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

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

- 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.

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

**FISCAL ANALYSIS**

**ASSUMPTION**

**§67.1003 – Transient Guest Tax for the City of Cottleville**

Officials from the **Office of Administration - Budget and Planning** and the **Department of Revenue** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from St. Charles County did not respond to **Oversight’s** request for fiscal impact for this proposal. Oversight tried to send a request for response to the City of Cottleville, however, they are currently not on-boarded to receive and respond to legislation for this year.

**Oversight** assumes this proposal authorizes the City of Cottleville, upon voter approval, to enact a transient guest tax of not more than 5% per occupied room per night for tourism purposes. Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the governing body and approval by the majority of voters. If the majority of voters approve this issue on the ballot, then there would be potential tax revenue for the City of Cottleville. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact for this proposal.

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

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>CITY OF COTTLEVILLE</b>			
<u>Revenue</u> – potential income from transient guest tax upon voter approval §67.1003	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<b>ESTIMATED NET EFFECT ON THE CITY OF COTTLEVILLE</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>

FISCAL IMPACT – Small Business

Small hotel/motel businesses may be expected to collect and remit this tax.

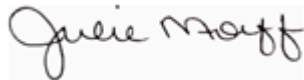
FISCAL DESCRIPTION

This bill authorizes certain cities to impose, upon voter approval, a transient guest tax of not more than 5% per occupied room per night for tourism purposes. Upon enactment, the bill will add the City of Cottleville.

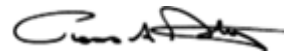
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Budget and Planning  
Department of Revenue



Julie Morff  
Director  
February 25, 2024



Ross Strobe  
Assistant Director  
February 25, 2024