

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0279H.01I
Bill No.: HB 228
Subject: Cities, Towns, and Villages; Tax Credits; Taxation and Revenue - General;
Political Subdivisions; Tourism
Type: Original
Date: December 23, 2024

Bill Summary: This resolution authorizes Harrisonville and Jackson to impose a transient guest tax for tourism purposes upon voter approval.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Section 67.1013 - Transient Guest Tax for the Cities of Harrisonville & Jackson

Officials from the **Office of Administration - Budget and Planning**, the **Department of Revenue** and the **Office of the Secretary of State** 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.

Oversight assumes the proposal permits the City of Harrisonville and the City of Jackson to impose a transient guest tax, upon voter approval, of not more than 6% per occupied room, per night. The transient guest tax would be used for the promotion of tourism.

Oversight does not have information regarding the number of sleeping rooms, occupancy rates and charges. Therefore, **Oversight** will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to Harrisonville and Jackson for this proposal.

Oversight only reflects the responses received from state agencies and political subdivisions; however, the City of Jackson was requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

Oversight notes the City of Harrisonville did not sign up for the MOLIS database to receive requests for fiscal impact and therefore could not provide a response for this fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Potential Revenue Gain</u> - §67.1013 - City of Harrisonville - Potential income from transient guest tax, if approved by voters	\$0	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1013 - City of Jackson - Potential income from transient guest tax, if approved by voters	\$0	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

There could be a direct fiscal impact to hotels/motels in the cities of Harrisonville and Jackson. The cities would be subject to the transient guest tax upon voter approval as a result of this proposal.

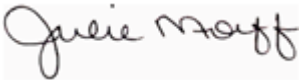
FISCAL DESCRIPTION

This resolution authorizes Harrisonville and Jackson to impose a transient guest tax for tourism purposes upon voter approval.

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
Office of the Secretary of State



Julie Morff
Director
December 23, 2024



Jessica Harris
Assistant Director
December 23, 2024