

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0459H.01I
Bill No.: HB 171
Subject: Political Subdivisions; Taxation and Revenue - Sales and Use
Type: Original
Date: December 30, 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 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 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** 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.

Oversight assumes this proposal permits New Madrid County 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 a 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 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
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.

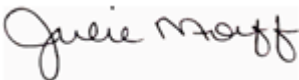
FISCAL DESCRIPTION

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

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
December 30, 2024



Jessica Harris
Assistant Director
December 30, 2024