

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4855H.02T
Bill No.: Truly Agreed To and Finally Passed HB 1867
Subject: Political Subdivisions; Taxation and Revenue - Sales and Use; Motels and Hotels;
Capital Improvements; Tourism; Cities, Towns, and Villages
Type: Original
Date: June 16, 2026

Bill Summary: This proposal modifies provisions relating to transient guest taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0 or Up to \$648,437	\$0 or Up to \$648,437

FISCAL ANALYSIS

ASSUMPTION

§67.1000 – Transient Guest Tax for the City of Joplin

Officials from the **City of Joplin** did not respond to **Oversight’s** request for fiscal impact for this proposal.

Oversight assumes the proposal allows the City of Joplin to impose a transient guest tax on hotels and motels of not more than 6% per occupied room per night. The governing body of the city would submit this question to voters of the city at an election. If approved by the voters, the proceeds would be used for the construction and maintenance of new capital projects to promote tourism in the city.

Oversight notes according to the Department of Revenue’s Taxable Sales and Use Tax by NAICS Code Report, the City of Joplin has the following taxable sales for hotels and motels from calendar years (CY) 2021 to 2025. Oversight notes CY 2025 is a partial year of 6 months.

CY 2021	\$29,506,341
CY 2022	\$32,246,912
CY 2023	\$33,653,358
CY 2024	\$33,513,298
CY 2025	\$16,978,525
TOTAL	\$145,898,434

Oversight notes the 4 ½ year average of the taxable sales for the City of Joplin is \$32,421,874. The City of Joplin currently uses a 4% transient guest tax according to their ordinance #2000-148. Using the average above and applying an additional tax up to 2% for the transient guest tax, this would generate \$648,437 annually of additional revenue for the City of Joplin. Therefore, Oversight will show a \$0 (no voter approval) or a revenue gain up to \$648,437 (ballot passed by the voters) for the City of Joplin. Assuming the voters of the city pass this ballot issue, the proposal does not specify when the start of the revenue would be collected on hotels and motels. Oversight will assume the earliest collection year will begin in FY28.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – City of Joplin (\$67.1000) Potential income from transient guest tax, if approved by voters p.3	<u>\$0</u>	\$0 or Up to <u>\$648,437</u>	\$0 or Up to <u>\$648,437</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0 or Up to \$648,437</u>	<u>\$0 or Up to \$648,437</u>

FISCAL IMPACT – Small Business

Small businesses who operate hotels or motels within the City of Joplin may be impacted by this proposal.

FISCAL DESCRIPTION

Currently, a number of cities and counties are authorized by statute to impose a tax on charges paid by transient guests of hotels and motels of up to 5% per occupied room per night. The proceeds of this tax are to be used solely for funding a convention and visitors bureau.

This bill allows one city included in the authorization described above to, upon voter approval, increase this authorized tax to up to 6% per occupied room per night. The proceeds of an increase authorized by this bill must be used by the city for the construction and maintenance of new capital projects to promote tourism. Upon enactment, this bill will apply to Joplin.

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

The City of Joplin did not respond to Oversight's request for impact.



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Director
June 16, 2026



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June 16, 2026