

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4894-01  
Bill No.: HB 1533  
Subject: Taxation and Revenue - Sales and Use; Tourism  
Type: Original  
Date: January 14, 2016

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Bill Summary: This proposal changes the laws regarding local tourism taxes by adding the city of Archie to the list of political subdivisions allowed to impose such taxes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of the Secretary of State**, the **Office of Administration's Division of Budget and Planning**, the **Department of Revenue**, the **Department of Economic Development** and the **Joint Committee on Administrative Rules** each assume no fiscal impact to their respective agencies from this proposal.

Officials at **Cass County** responded to Oversight's request but did not provide information on fiscal impact.

Officials at the City of Archie did not respond to **Oversight's** request for fiscal impact.

### Oversight assumptions

**Oversight** notes this proposal would allow the City of Archie to impose a transient guest tax, upon voter approval, for the promotion of tourism; however, Oversight has no information as to the number of facilities nor to the rental revenues which would be subject to the tax.

**Oversight** notes the election to approve the tax could be held as early as April 2017 (FY 2017); the earliest the tax could then become effective by certification would be 2 weeks after the election, so in this case late April or early May of 2017.

**Oversight** will assume the election would be held at the first opportunity, and will include election costs in FY 2017 for this proposal from \$0 (no election held) or Unknown. Oversight will also indicate additional tax revenues for FY 2018 and FY 2019 of \$0 (no taxable entities, no election held, or the voters disapprove the tax) or Unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (3 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (3 Mo.)	FY 2018	FY 2019
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Additional Revenues</u>			
transient guest tax			
Section 67.1360	\$0	\$0 or Unknown	\$0 or Unknown
<u>Additional Cost</u>			
Elections	\$0 or		
Section 67.1360	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISION</b>	<b>\$0 or <u>(Unknown)</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>

FISCAL IMPACT - Small Business

There could be direct fiscal impact to small businesses as a result of this proposal.

FISCAL DESCRIPTION

This bill adds the City of Archie to the list of cities and counties that may impose, upon voter approval, a transient guest tax of between 2% and 5% per occupied room per night for the promotion of 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

Department of Economic Development  
Department of Revenue  
Office of Administration  
    Division of Budget and Planning  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Cass County



Mickey Wilson, CPA  
Director  
January 14, 2016

Ross Strobe  
Assistant Director  
January 14, 2016