

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 0643-03  
Bill No.: Truly Agreed to and Finally Passed HCS for SB 228  
Subject: Cities: Transient Guest Tax  
Type: Original  
Date: May 28, 2003

---

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on General Revenue Fund</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 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

**Section 67.1360- Transient Guest Tax:**

Officials of the **Department of Revenue** assume no fiscal impact from this proposal.

Officials of the **Department of Economic Development- Division of Tourism** assume no fiscal impact.

**City of Warrenton did not respond.**

**Oversight** assumes this proposal is enabling legislation. Certain cities would have no fiscal impact unless the voters would approve the imposition of the guest tax provided for in this proposal. Cities that would impose the tax would realize income for the purpose of promoting tourism. The City Collector or some official designated to collect the tax would have some additional duties related to administration and collection of the tax. Because this proposal does not mandate the imposition of the tax, fiscal impact will be shown as \$0.

ASSUMPTION (continued)

**Section 67.2015 - Shannon County- Tourism Surcharge:**

**Oversight** assumes this section would have no fiscal impact unless the County Commission of Shannon County would receive **voter approval** to impose a surcharge on the sale of tickets to a private tourist attraction and on the daily rental of rooms or accommodations paid by transient guest of hotels, motels or campgrounds in the county. The rate could not exceed 5% of the admission amount For purposes of this fiscal note fiscal impact will be shown as \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Section 67.1360 - This proposal as written would have no fiscal impact on small businesses. If a transient guest tax were adopted by the voters of the city of Warrenton, small businesses of the hotel/motel industry could expect to be fiscally impacted to the extent that they may incur additional administrative duties and costs related to collection of the tax.

Section 67.2015 - Small businesses in the tourist industry (hotels, motels, campgrounds, or tourist attractions ) would have some administrative impact if the voters would approve the imposition of a surcharge on tourist related business. Businesses subject to the surcharge would be liable for the administration, collection and payment of surcharges due.

DESCRIPTION

This act would enable the City of Warrenton to levy a room tax on hotels and motels of between 2% and 5% per night. The governing body of the city would select the tax rate within this range and would submit the tax to its qualified voters for approval. The ballot language provided for this tax is the ballot language provided in current law for hotel taxes of this type. The proceeds

from this tax would be dedicated to the promotion of tourism.

DESCRIPTION (continued)

The substitute also allows Shannon County, upon voter approval, to levy a tax no greater than 5% on lodging, campgrounds, canoe rental, and trail rides. All revenues derived from these taxes must be used 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 Revenue  
Department of Economic Development- Division of Tourism



Mickey Wilson, CPA  
Director  
May 28, 2003

LR No. 0643-03  
Bill No. Truly Agreed to and Finally Passed HCS for SB 228  
Page 5 of 4  
May 28, 2003