

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0643-01
Bill No.: SB 228
Subject: Cities: Transient Guest Tax
Type: Original
Date: January 27, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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.

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

	<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

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.

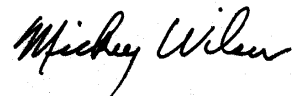
DESCRIPTION

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.

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



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