

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2095-03
Bill No.: SB 489
Subject: Cities, Towns and Villages; Motels and Hotels; Taxation and Revenue
Type: Original
Date: March 23, 2009

Bill Summary: Allows cities to impose license taxes upon hotels and motels.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume the proposal would not fiscally impact their agency.

Officials from the **City of Centralia** state the proposal would not fiscally impact their city since the proposal would still require an election and because they presently have no hotel or motel.

Numerous other cities were sent a request for fiscal impact from the proposal, but did not respond.

Oversight assumes the proposal authorizes the mayor or board of alderman of any fourth class city to impose a license tax on the gross revenues of hotels and motels not to exceed two and one half percent. Oversight assumes this license tax could be imposed without an additional vote of the people. Therefore, Oversight will reflect the potential fiscal impact to fourth class cities as \$0 to positive unknown (mayor or board of aldermen impose such a tax).

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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CITIES

<u>Income</u> - potential to impose license tax of up to 2.5% on hotels and motels	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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ESTIMATED NET FISCAL IMPACT TO CITIES	<u>\$0 TO UNKNOWN</u>	<u>\$0 TO UNKNOWN</u>	<u>\$0 TO UNKNOWN</u>
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FISCAL IMPACT - Small Business

Small business hotels or motels within cities that impose this license tax would be fiscally impacted as a result of this proposal.

FISCAL DESCRIPTION

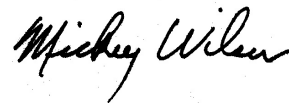
This act repeals specific authorization for the Cities of Edmundson, Woodson Terrace, and St. Peters to impose hotel and motel license taxes and authorizes the mayor or board of alderman of any city to impose a license tax on the gross revenues of hotels and motels not to exceed two and one half percent.

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
City of Centralia

NOT RESPONDING:
Numerous cities



Mickey Wilson, CPA
Director
March 23, 2009