

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2799-01
Bill No.: SB 683
Subject: Tourism: Sleeping Room Tax
Type: Original
Date: January 2, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue (DOR)** assume if a sleeping room tax were adopted by the City of Festus, that the Department of Revenue would not collect the tax, therefore, there would be no fiscal impact. Officials stated if the DOR would be required to collect the tax then they would have fiscal impact.

Officials of the **Department of Economic Development- Division of Tourism (DED)** stated there would be no fiscal impact to their department.

Officials of the **City of Festus** assume there would be no fiscal impact unless the city's governing body would ask and receive voter approval to impose a sleeping room tax. Officials stated that if the voters would approve the tax the city would realize approximately \$60,347 annually if the tax were 2%. Officials assume there would be some costs associated with collection of the tax.

Oversight assumes this proposal is enabling legislation and would have no state or local fiscal impact. The City of Festus would have no fiscal impact without action of their governing body and with voter approval. Oversight will show fiscal impact as \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small businesses of the hotel/motel industry or bed and breakfast, campgrounds, or who operates a docking facility which rents slips to recreational boats which are used by transients for sleeping could be fiscally impacted to the extent that they may incur additional administrative duties and costs related to collection of the tax.

DESCRIPTION

This act authorizes the governing body of the City of Festus (Jefferson County) to place a question before the voters regarding imposition of a hotel-motel tax of between 2% and 5% 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
City of Festus

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
January 2, 2002