

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2516-02
BILL NO.: SB 596
SUBJECT: Cities; Tourism, Taxes
TYPE: Original
DATE: January 18, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
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 Economic Development- Division of Tourism stated that this proposal would have no fiscal impact to their department.

Officials of the Department of Revenue assumes that the City of St. James would collect their own tax, therefore, the Department of Revenue would have no administrative responsibility or fiscal impact.

Officials of the City of St. James estimate the sleeping room tax would generate income of \$25,000 for 10 months of FY 2001; \$30,000 in FY 2002; and \$30,000 in FY 2003. Officials estimate administrative costs of collection for 10 months of FY 2001 at \$500; \$600 in FY 2002 and \$600 in FY 2003. Officials assume this proposal is permissive and would require voter approval before the tourism tax could be imposed.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>City of St. James</u>			
<u>Income to Tourism Fund</u>			
Voter authorized tourism tax (less collection costs)	\$0 or \$24,500	\$0 or \$29,400	\$0 or \$29,400
<u>Costs to Tourism Fund</u>			
for Promotion of Tourism	\$0 or _____ <u>(\$24,500)</u>	\$0 or _____ <u>(\$29,400)</u>	\$0 or _____ <u>(\$29,400)</u>
Total Estimated Net Effect to the City of St. James Tourism Fund*			
	\$0	\$0	\$0

***Oversight for the purposes of this fiscal note assumes all tourism tax collected would be spent resulting in an annual fund balance of zero. This proposal is permissive and would require voter approval to impose a tourism tax.**

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FISCAL IMPACT - Small Business

If the voters of the City of St. James were to approve the imposition of a tourism tax, small businesses of the hotel, motel and sleeping room industry would be expected to be fiscally impacted to extent that they may incur additional administrative costs related to collection of the tax.

DESCRIPTION

This act allows the City of St. James to impose tourism taxes not to exceed five percent per occupied room per night for the promotion of tourism. The tax is subject to a vote of the people in each community.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Economic Development- Division of Tourism
Department of Revenue
City of St. James



Jeanne Jarrett, CPA
Director
January 18, 2000