

HCS HB 252 -- TRANSIENT GUEST TAX

SPONSOR: Fishel

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Local Government by a vote of 12 to 0.

The following is a summary of the House Committee Substitute for HB 252.

This bill authorizes certain cities, upon voter approval, to impose a transient guest tax not to exceed 6% per occupied room per night, for general purposes (Section 67.1011, RSMo.).

If enacted, this provision initially would only apply to the City of Butler.

The bill also authorizes certain cities, upon voter approval, to impose a transient guest tax of 2% up to 5% per occupied room per night, to be used solely for funding the promotion of tourism (Section 67.1360).

If enacted, this new provision would initially only apply to the City of Cameron.

The bill also changes the purpose for which a certain transient guest tax and a certain food sales tax is authorized from capital improvements to general revenue purposes, and increases the authorized rate of the food sales tax from 2% to 6% (Section 94.838).

Currently, these taxes are only authorized for the City of Lamar Heights.

The bill authorizes certain home rule cities, upon voter approval, to impose a transient guest tax not to exceed 2.5% of the charges per occupied room per night, to be used solely for capital investments that can be demonstrated to increase the number of overnight visitors (Section 94.842).

If enacted, this provision initially would only apply to the City of Springfield.

The bill also authorizes certain cities, upon voter approval, to impose a transient guest tax of up to 5% per occupied room per night, to be used for the promotion of tourism, growth of the region, economic development purposes, and public safety purposes (Section 94.1014).

If enacted, this provision initially would only apply to the City of Ashland.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this bill creates a transient guest tax of 2.5% so that the city of Springfield can use the proceeds to build a new convention center. Springfield has a lot of visitors and could attract more people to this historic city with a larger convention center. This will also create new jobs for the area.

Testifying for the bill were Representative Fishel; The City of Springfield; Governmental Services Group; and Springfield Visitors & Convention Bureau.

OPPONENTS: There was no opposition voiced to the committee.