

HCS HB 306 -- LAKE AREA BUSINESS DISTRICT TAX COLLECTION

SPONSOR: Brown, 30 (Schad)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Local Government by a vote of 11 to 0.

Currently, the board of directors of a lake area business district must enter into an agreement with the county collector where the district is located for the collection of a transient guest tax within the district. This substitute requires the board to enter into a superseding agreement with the Department of Revenue to collect the tax with the department retaining not less than 1% or more than 3% for the cost of collection.

FISCAL NOTE: Estimated Income on General Revenue Fund of \$9,000 in FY 2010, \$18,000 in FY 2011, and \$18,000 in FY 2012. No impact on Other State Funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that because some businesses are not paying this tax and the county collectors are not diligent in collecting it, the Tri-County Lodging Association has had to enforce it, putting the association in a bad position. The bill will provide a stronger and more effective collection process, which will generate more revenue for the association.

Testifying for the bill were Representative Schad; and Jim Divincen, Tri-County Lodging Association.

OPPOSERS: There was no opposition voiced to the committee.