



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1588

PRINTERS NO. 3346

PRIME SPONSOR: Moul

COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	\$0

SUMMARY: House Bill 1588, Printer's Number 3346, amends the County Code in fiscal affairs, further providing for authorization of five per centum hotel tax in certain counties of the fifth class.

ANALYSIS: Section 1770.7 of the County Code currently allows Adams County to impose a maximum hotel tax of up to 3%. This legislation amends Section 1770.7 increasing the maximum rate at which Adams County can levy a hotel tax by 2%, to a maximum of 5%. As in current law, 75% of the tax will be used by the county's Tourist Promotion Agency. However, this legislation amends current law so that the remaining 25% of the tax is now split with 50% going to the county commissioners for economic development and historic preservation and 50% going to the county commissioners for grants to municipalities that have a municipal police department or are a member of a regional police department. Language is added providing that the county may deduct an administrative fee which is the lesser of 4.5% of the tax revenue or \$95,000 (adjusted every two years for inflation).

Subsection (b.1) is added providing that each operator of a hotel within a county that imposes the tax shall submit to an audit which shall be conducted by the county commissioners. The county commissioners or their duly authorized agents shall conduct at least one audit annually.

Technical changes are made to reflect the most current county class and population for Adams County as reported in the 2010 Federal Decennial Census.

The act takes effect immediately.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds. The current 3% Hotel Tax in Adams County generated a total of \$1.2 million in 2011. Should Adams County decide to levy the additional 2% tax, an estimated additional amount of approximately \$800,000 would be generated.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: April 3, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.