

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1588

**PRINTER'S NO.** 3346

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

May 24, 2011

**PRIME SPONSOR**

Representative Moul

**HISTORY OF BILL**

Referred to TOURISM AND RECREATIONAL DEVELOPMENT, May 24, 2011

Reported as committed, June 8, 2011

First consideration, June 8, 2011

Re-committed to RULES, June 8, 2011

Re-reported as committed, Sept. 26, 2011

Laid on the table, Sept. 26, 2011

Removed from table, Nov. 3, 2011

Laid on the table, Nov. 3, 2011

Removed from table, April 2, 2012

Second consideration, with amendments, April 3, 2012

Re-committed to APPROPRIATIONS, April 3, 2012

(Remarks see House Journal Page ), April 3, 2012

Re-reported as committed, April 4, 2012

Third consideration and final passage, April 4, 2012 (140-54)

In the Senate

Referred to COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT, April 20, 2012

Reported as committed, June 19, 2012

First consideration, June 19, 2012

Second consideration, June 20, 2012

Re-referred to APPROPRIATIONS, June 20, 2012

Re-reported as committed, June 26, 2012

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 1588 amends The County Code (Act 130 of 1955) in fiscal affairs, further providing for authorization of a five percent hotel tax in certain counties of the fifth class.

# **SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE**

Section 1770.7 of The County Code currently allows Adams County to impose a hotel tax of up to 3%. House Bill 1588 increases the maximum hotel tax rate that Adams County can impose by 2%, to a maximum of 5%.

As in current law, 75% of the tax revenues received shall be used by the county's recognized Tourist Promotion Agency. The remaining 25% which is currently used for economic development, historic preservation and grants to local municipalities having police departments will be distributed as follows: 50% shall be used for economic development and historic preservation; and 50% shall be used for grants to municipalities that have a municipal police department employing at least two full-time police officers or are a member of a regional police department.

The county may deduct and retain an administrative fee, which is the lesser of 4.5% of all taxes collected or \$95,000, adjusted biannually for inflation.

A new subsection is added which requires each operator of a hotel within county that imposes the tax to submit an audit of hotel tax revenue. The audit shall be conducted by the county commissioners or their duly authorized agent at least once per year

The act shall take effect immediately.

## **FISCAL IMPACT:**

House Bill 1588 will have no adverse fiscal impact on Commonwealth funds.

According to the 2012 Adams County Budget, the current 3% hotel tax in Adams County generated approximately \$1.1 million in 2011. If Adams County chooses to impose the additional 2% tax, additional revenue of approximately \$800,000 would be generated.