

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1749

PRINTER'S NO. 2238

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

June 28, 2011

PRIME SPONSOR

Representative Staback

HISTORY OF BILL

Referred to TOURISM AND RECREATIONAL DEVELOPMENT, June 28, 2011

Reported as committed, Nov. 2, 2011

First consideration, Nov. 2, 2011

Laid on the table, Nov. 2, 2011

Removed from table, Dec. 19, 2011

Laid on the table, Dec. 19, 2011

Removed from table, April 2, 2012

Second consideration, April 3, 2012

Re-committed to APPROPRIATIONS, April 3, 2012

Re-reported as committed, April 4, 2012

Third consideration and final passage, April 4, 2012 (136-57)

(Remarks see House Journal Page), April 4, 2012

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 1749 amends The County Code (Act 130 of 1955) in fiscal affairs, further providing for authorization of hotel tax.

Section 1770.4 of The County Code currently allows Lackawanna County to impose a hotel tax of up to 4%. House Bill 1749 increases the maximum hotel tax rate that Adams County can impose by 3%, to a maximum of 7%.

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

Presently, The County Code provides that at least 20% of the proceeds from the hotel tax shall be distributed to the Tourist Promotion Agency ("TPA"). No more than 80% of the hotel tax revenue currently must be distributed to the county for collection and enforcement of the tax, tourist and recreational facilities, sports facilities, visitor centers, or other tourism-related activities. House Bill 1749 changes the distribution so that the Tourist Promotion Agency receives at least 40% of the revenues and the county receives no more than 60% of the revenues.

In addition to the uses specified in current law, the legislation provides that hotel tax revenue may be used by the county for other expenditures, debts or liabilities related to tourism or recreational facilities incurred by municipal authorities as determined by the county commissioners.

The act shall take effect in 60 days.

FISCAL IMPACT:

House Bill 1749 will have no adverse fiscal impact on Commonwealth funds.

According to the 2012 Lackawanna County Budget, the current 4% hotel tax was expected to generate approximately \$1.46 million in 2011. If Lackawanna County chooses to impose the additional 3% tax, additional revenue of approximately \$1.1 million would be generated for the TPA and county.