



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2019 Biennium

**Bill #** SB0331

**Title:** Local option infrastructure investment and property tax relief act

**Primary Sponsor:** Phillips, Mike

**Status:** As Introduced

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** SB 331 would authorize a county, city, or consolidated city-county to adopt a local option infrastructure tax of no more than 4% on luxury goods and services. There is no direct fiscal impact to the state.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department Revenue**

- SB 331 allows local governments to adopt a local option sales tax on luxury goods and services. The revenue generated by the local option sales tax must be used for critical infrastructure projects and is limited to a maximum rate of 4 %.
- Sales taxes allowed under SB 331 would be administered and collected at the local level. Any new local sales tax created under the proposed bill would not have a direct impact on the state.

#### Effect on County or Other Local Revenues or Expenditures:

- This bill would authorize a county, city, or consolidated city-county to adopt a local option infrastructure tax of no more than 4% on luxury goods and services. The tax would be levied on, and collected by lodging, food service, bar, and destination resort establishments. The local option infrastructure tax may be presented to the electors, either by a petition of the electors or by a resolution of the governing body. Property tax relief, equivalent to 10% or more of the collected revenue during the preceding tax year, would be provided to class 4 property taxpayers. This bill could have significant fiscal impact on local governments that adopt a local option infrastructure tax.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*