Multiple Agency Fiscal Note Summary

Bill Number: 1258 HB	**Title:** Tourism marketing

Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Revenue	(2,700,000)	(2,700,000)	0	(3,100,000)	(3,100,000)	0	(3,500,000)	(3,500,000)	0
Total $	**(2,700,000)**	**(2,700,000)**	**0**	**(3,100,000)**	**(3,100,000)**	**0**	**(3,500,000)**	**(3,500,000)**	**0**

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	Fiscal note not available											
Department of Revenue	.0	13,200	13,200	13,200	.0	0	0	0	.0	0	0	0
Total $	**0.0**	**13,200**	**13,200**	**13,200**	**0.0**	**0**	**0**	**0**	**0.0**	**0**	**0**	**0**

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Fiscal note not available								
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	**Phone:** (360) 790-1166	**Date Published:** Preliminary

Individual State Agency Fiscal Note

Bill Number: 1258 HB	Title: Tourism marketing	Agency: 090-Office of State Treasurer

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☒ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Cassie Jones	Phone: 360-786-7303	Date: 01/12/2023
Agency Preparation:	Dan Mason	Phone: (360) 902-8990	Date: 01/17/2023
Agency Approval:	Dan Mason	Phone: (360) 902-8990	Date: 01/17/2023
OFM Review:	Amy Hatfield	Phone: (360) 280-7584	Date: 01/18/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

HB 1258 increases the revenue collected from the tax on retail sales of lodging, car rentals, and restaurants deposited into the statewide tourism marketing account, up to $26 million per biennium.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the sales and use taxes deposited into the general fund and earnings from investments credited to the general fund will change, by an equal amount, general state revenues.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 1258 HB	Title: Tourism marketing	Agency: 140-Department of Revenue

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax		(2,700,000)	(2,700,000)	(3,100,000)	(3,500,000)
Statewide Tourism Marketing Account-State 01 - Taxes 01 - Retail Sales Tax		2,700,000	2,700,000	3,100,000	3,500,000
Total $					

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
GF-STATE-State 001-1	13,200		13,200		
Total $	13,200		13,200		

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Cassie Jones	Phone: 360-786-7303	Date: 01/12/2023
Agency Preparation:	Diana Tibbetts	Phone: 360-534-1520	Date: 01/16/2023
Agency Approval:	Valerie Torres	Phone: 360-534-1521	Date: 01/16/2023
OFM Review:	Cheri Keller	Phone: (360) 584-2207	Date: 01/16/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

CURRENT LAW:
Since 2018, 0.2% of state retail sales tax revenues generated from sales from lodging, car rentals and restaurants fund the Tourism Marketing Authority. The Department of Revenue transfers up to $3 million of these revenues to the tourism marketing account per biennium.

A two-to-one match of non-state or non-general fund state fund must be provided for the tourism marketing account expenditures.

PROPOSAL:
This legislation decreases the matching funds from two-to-one to one-to-one.

This legislation increases the $3 million per biennium cap to $26 million.

EFFECTIVE DATE:
The bill takes effect 90 days after final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS
-Taxable sales growth mirrors the Economic and Revenue Forecast Council's November 2022 forecast of taxable retail sales growth.
- Matching funds will be met.

DATA SOURCES
- Department of Revenue excise tax return data - lodging tax, rental car, and restaurant data
- Economic and Revenue Forecast Council, November 2022 forecast

REVENUE ESTIMATES
This bill decreases state revenues by an estimated $2.7 million in fiscal year 2025 since the cap is based on a biennium.

TOTAL REVENUE IMPACT:

State Government (cash basis, $000):
FY 2024 - $ 0
FY 2025 - $ 0
FY 2026 - $ 0
FY 2027 - $ 0
FY 2028 - $ 0
FY 2029 - $ 0

Local Government, if applicable (cash basis, $000): None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:
This legislation will affect 17,000 taxpayers subject to allocation of taxes to the statewide tourism marketing account.

FIRST YEAR COSTS:
The department will incur total costs of $13,200 in fiscal year 2024. These costs include:

Object Costs - $13,200.
- Contract computer system programming to update the cap on distribution of taxes to the statewide tourism marketing account.

SECOND YEAR COSTS:
The department will not incur any costs in fiscal year 2025.

ONGOING COSTS:
There are no ongoing costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
C-Professional Service Contracts	13,200		13,200		
Total $	$13,200		$13,200		

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required