Multiple Agency Fiscal Note Summary

Bill Number: 2278 HB	**Title:** Tourism promotion areas

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outloo	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Revenue	.0	3,700	3,700	3,700	.0	0	0	0	.0	0	0	0
Total $	**0.0**	**3,700**	**3,700**	**3,700**	**0.0**	**0**	**0**	**0**	**0.0**	**0**	**0**	**0**

Estimated Capital Budget Expenditures

NONE

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Revenue									
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

NONE

Prepared by: Megan Tudor, OFM	**Phone:** (360) 890-1722	**Date Published:** Final 1/21/2026

FNPID: 75478

FNS029 Multi Agency rollup

Department of Revenue Fiscal Note

Bill Number: 2278 HB	Title: Tourism promotion areas	Agency: 140-Department of Revenue

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
Account					
GF-STATE-State 001-1	3,700		3,700		
Total $	3,700		3,700		

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:	Martha Wehling	Phone: 360-786-7067	Date: 01/12/2026
Agency Preparation:	Diana Tibbetts	Phone: 360-534-1520	Date: 01/15/2026
Agency Approval:	Valerie Torres	Phone: 360-534-1521	Date: 01/15/2026
OFM Review:	Megan Tudor	Phone: (360) 890-1722	Date: 01/20/2026

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:
Tourism promotion areas (TPAs) may impose a charge of $2.00 per room, per night. An additional $3.00 per room charge may be imposed with the signatures of lodging business operators who pay 60% or more of the charge. The lodging business operators must provide proposed uses and projects to the Department of Revenue (department) for the additional charge.

The additional charge is set to expire July 1, 2027.

PROPOSAL:
This legislation removes the July 1, 2027, expiration date.

EFFECTIVE DATE:
The bill takes effect 90 days after the 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:
- Local governments will continue to impose the additional TPA charge after July 1, 2027.

DATA SOURCES:
- Department of Revenue, Excise tax data
- S&P Global Market Intelligence, November 2025 forecast for Consumer spending - Accommodations

REVENUE ESTIMATES:
This bill does not impact state revenues.

This bill increases local revenues by an estimated $1.890 million in fiscal year 2028, and by $1.930 million in fiscal year 2029.

TOTAL REVENUE IMPACT:
State Government (cash basis, $000): None.

Local Government, if applicable (cash basis, $000):
FY 2026 - $ 0
FY 2027 - $ 0
FY 2028 - $ 1,890
FY 2029 - $ 1,930
FY 2030 - $ 1,960
FY 2031 - $ 2,000

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.

FIRST YEAR COSTS:
The department will incur total costs of $3,700 in fiscal year 2026. These costs include:

Object Costs - $3,700.
- Computer system changes, including contract programming.

SECOND YEAR COSTS:
The department will not incur any costs in fiscal year 2027.

ONGOING COSTS:
There are no ongoing costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
C-Professional Service Contracts	3,700		3,700		
Total $	$3,700		$3,700		

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2278 HB	Title: Tourism promotion areas

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- [ ] Cities:
- [ ] Counties:
- [x] Special Districts: increase in lodging fee revenue for tourism promotion areas
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [ ] Legislation provides local option:
- [ ] Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 01/19/2026
Leg. Committee Contact: Martha Wehling	Phone: 360-786-7067	Date: 01/12/2026
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/19/2026
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 01/20/2026

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill would remove the July 1, 2027, expiration date for the $3 per night additional lodging charge, allowing a legislative body to continue the $3 per night charge within a tourism promotion area (TPA) beyond July 1, 2027.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This bill would not impact local government expenditures because no action is required.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

According to the Department of Revenue, this bill would increases local revenue to TPAs by an estimated $1.890 million in fiscal year 2028, and by $1.930 million in fiscal year 2029. The increased revenue breakdown to specific TPAs is unknown.

TPA REVENUE INCREASE

FY 2026 -	$ 0
FY 2027 -	$ 0
FY 2028 -	$ 1,890,000
FY 2029 -	$ 1,930,000
FY 2030 -	$ 1,960,000
FY 2031 -	$ 2,000,000

Please see the DOR fiscal note for a complete list of their data sources and assumptions.

SOURCES:

Department of Revenue fiscal note, HB 2278 (2026)
House Bill Analysis, HB 2278, Technology, Economic Development, & Veterans Committee (2026)