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FISCAL IMPACT REPORT

SPONSOR: HBIC DATE TYPED: 3/17/03 HB CS/1005/HFI #1

SHORT TITLE: Tourism Revenue Enterprise Fund SB _____

ANALYST: Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI		See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
		See Narrative	Recurring	Tourism Enterprise Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From
Tourism Department

SUMMARY

Synopsis of HFI Amendment #1

The first House Floor Amendment to House Bill 1005 makes a technical adjustment to delete "MAKING AN APPROPRIATION" from the bill.

Synopsis of Original Bill

House Bill 1005 creates the "tourism enterprise fund" to be maintained by the state treasurer and administered by the Tourism Department. The fund will consist of sales of souvenirs and sundries at visitors' centers, web-site related sales, television special program rights, gifts, grants, fees, penalties, bequests, money appropriated to the fund by the legislature, or any other source of money. The department may use the fund to carry out the duties of the department through a

voucher signed by the Secretary of Tourism and upon warrant drawn by the Secretary of Finance and Administration.

FISCAL IMPLICATIONS

While there is no appropriation associated with this bill, the Tourism Department anticipates an increase in the budget with the use of this fund. The department currently has no way of estimating fund revenues, as this money is not currently collected. The money in the tourism enterprise fund shall not revert to the general fund at the end of any fiscal year.

Possible Continuing Appropriations

This bill creates a new fund and, through language, provides for possible appropriations. The LFC supports a self-generating fund, but objects to possible continuing appropriations, as earmarking reduces the ability of the legislature to establish spending priorities.

ADMINISTRATIVE IMPLICATIONS

The Tourism Department indicates the fund will help the department operate with its partners in promotion and advertising. The department notes the bill and the fund could increase access to the department web site and increase sales of links and other programming. The department anticipates administering the fund with existing staff and infrastructure.

TECHNICAL ISSUES

It should be noted that on page 1, lines 25 and page 2, line 1, the money will be appropriated from the tourism enterprise fund to the Tourism Department “for the purpose of carrying out the duties of the department.” It is unclear if the fund is intended to be used for other costs, such as advertising and promotion, or if personal services and employee benefits can be paid with fund dollars.

It should also be noted on page 1, line 13, the bill states, “MAKING AN APPROPRIATION,” when the bill does not appropriate any money to the tourism enterprise fund.

KBC/yr