

**DEPARTMENT OF TAXATION
2004 Fiscal Impact Statement**

1. Patron Richard L. Saslaw

3. Committee Senate Finance

4. Title Local Government Taxing Authority

2. Bill Number SB 643

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would grant to counties the same taxing powers now granted to municipalities.

Under current law, counties are not authorized to impose certain taxes that may be imposed by municipalities and are limited in the tax rates that they may impose for other taxes.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Not available. (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. The immediate impact on local revenues is uncertain because counties may or may not expand or increase the taxes they impose. Counties may experience an increase in revenues to the extent that they use their increased powers in imposing taxes on meals, admissions, transient occupancy and other local taxes.

9. Specific agency or political subdivisions affected:

All counties.

10. Technical amendment necessary: No.

11. Other comments:

This bill would give counties additional taxing powers formerly reserved to municipalities. Examples of limitations which currently apply to counties (except for specifically identified counties and counties excepted under a specific grandfather clause), but not municipalities, include the following:

- The tax rate which counties may impose on food and beverages is limited and the tax may only be levied if approved in a referendum; and
- The tax rate which counties may impose on transient occupancies is limited and the resulting revenue must be designated for certain purposes.

House Bill 1349 and **Senate Bill 453** would also equalize the taxing authorities of counties and cities.

cc : Secretary of Finance

Date: 1/30/2004 JEM