

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/10/2019**

Revised  
 Bill/Resolution No.: SB 2192

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2192 enables a county to impose a county-wide lodging tax, and/or a restaurant and lodging tax.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of SB 2192 enables counties to impose a lodging tax of up to two percent of the gross receipts of retailers within the county in the business of renting hotel/motel rooms. Section 1 also enables counties to impose a restaurant and lodging of up to one percent of the gross receipts of retailers renting hotel/motel rooms or selling prepared foods in restaurants within the county. This new county tax cannot be put in place to be collected by any establishment that is located in a city that imposes a city lodging and/or a city restaurant and lodging tax. If any city within the county imposes these taxes, the county tax will not apply.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

While many cities in North Dakota impose a city lodging tax, there are a number of hotels/motels located outside of these cities. Based on FY 2018 statistics, there were \$16.5 million in taxable sales reported by hotels and motels that do not have a city lodging tax in effect. If all of these hotels were located within counties that chose to impose a county lodging tax of two percent, there would have been approximately \$330,000 in county revenue generated for that year. (City restaurant/lodging tax is less frequently imposed than the city lodging-only tax).

The actual fiscal impact of SB 2192, if enacted, is not known and is dependent upon if any county chooses to impose one or both of these new local taxes.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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