HB 1128-FN-LOCAL – AS INTRODUCED

2010 SESSION

10-2021

09/01

HOUSE BILL ***1128-FN-LOCAL***

AN ACT relative to the distribution of meals and rooms tax revenues to cities and towns.

SPONSORS: Rep. Chandler, Carr 1; Rep. Bettencourt, Rock 4; Rep. Seidel, Hills 20; Sen. Bradley, Dist 3

COMMITTEE: Finance

ANALYSIS

This bill repeals a provision which requires that the state treasurer fund the distribution of meals and rooms tax revenues to cities and towns for fiscal year 2011 at no more than the fiscal year 2009 level of distribution.

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Explanation: Matter added to current law appears in ***bold italics.***

Matter removed from current law appears [~~in brackets and struckthrough.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

10-2021

09/01

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Ten

AN ACT relative to the distribution of meals and rooms tax revenues to cities and towns.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Repeal. 2009, 144:8, relative to meals and rooms tax distribution to cities and towns, is repealed.

2 Effective Date. This act shall take effect July 1, 2010

LBAO

10-2021

Revised 11/09/09

HB 1128 FISCAL NOTE

AN ACT relative to the distribution of meals and rooms tax revenues to cities and towns.

FISCAL IMPACT:

The New Hampshire State Treasury states this bill will increase state general fund expenditures and local revenues by $5.0 million in FY 2011 and each year thereafter. There will be no fiscal impact on state and county revenue or county and local expenditures.

METHODOLOGY:

The State Treasury states this bill will repeal a provision which requires that the state treasurer fund the distribution of meals and rooms tax revenues to cities and town for FY 2011 at no more than the FY 2009 level of distribution.

The State Treasury cannot estimate future annual increases in meals and rooms tax revenues, but assumes the increase in the distribution amount for FY 2011 will be the maximum allowed under law, $5.0 million per fiscal year. Therefore, general fund expenditures and local revenue will increase $5.0 million in FY 2011, which will result in a $5 million higher distribution base in each of the years thereafter.

The Treasury further states that current law sets the statutory maximum annual increase at $5.0 million until the meals and room distribution to towns is 40% of the prior year's meals and room tax revenues. The 40% tax revenue threshold will not be reached during the FY 2011 through FY 2014 period.