
OLR Bill Analysis

sHB 5481

AN ACT PROVIDING GRANTS FOR TOURISM PUBLIC SAFETY FROM REVENUE COLLECTED FROM THE OCCUPANCY AND MEALS TAX.

SUMMARY

This bill establishes a separate, non-lapsing “tourism public safety account” in the General Fund for the Department of Emergency Services and Public Protection (DESPP) to make grants to municipalities for fire, police, and emergency services to support and manage tourism in the municipality.

The bill diverts 25% of the quarterly sales and use tax revenue for room occupancy (i.e., at hotels, lodging houses, and bed and breakfasts) and meals and beverages to the fund. By law, the state imposes a room occupancy tax of 15% for hotels and lodging houses, an 11% room occupancy tax for bed and breakfasts, and a 1% meals and beverages tax. The fund must contain any money the law requires to be deposited into it.

Beginning by August 1, 2025, the bill requires the Department of Revenue Services (DRS) commissioner to annually (1) determine the amount of room occupancy and meal and beverage taxes collected in the prior fiscal year that is attributable to each municipality based on sales location and (2) report the results to the DESPP commissioner. And beginning by September 1, 2025, the DESPP commissioner must annually distribute a grant to each municipality identified in DRS’s report that is equal to 25% of the amount identified as tax attributable to the municipality.

EFFECTIVE DATE: July 1, 2024, with the tax provisions applicable to sales occurring on or after that date.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable

Yea 25 Nay 0 (03/19/2024)