

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0768-02
Bill No.: SB 269
Subject: Capital Improvements; Economic Development; Entertainment, Sports, and Amusements; Historic Preservation; Housing; Kansas City; Libraries and Archives; Saint Louis; Taxation and Revenue – Income; Television; Tourism
Type: Original
Date: February 23, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Various State Funds	\$0	(Unknown) to Unknown	(Unknown) to Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(Unknown) to Unknown*	(Unknown) to Unknown*

* – Estimated to exceed \$100,000 (subject to appropriation)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	Up to \$20,500,000	Up to \$22,500,000

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Economic Development – Missouri Arts Council, Department of Public Safety – Missouri State Highway Patrol, Department of Revenue, Department of Transportation, and Office of Administration – Division of Accounting** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Office of Administration – Division of Budget and Planning** assume that an estimated \$24 million in entertainer and athlete tax receipts will be collected by the state in FY05.

Officials from the **Office of Secretary of State (SOS)** assume the proposal may result in the Attorney General’s Office rescinding, amending, or promulgating rules to implement the provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 20 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based

on these costs, the estimated cost of the proposal is \$1,230 in FY 06 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes this proposal would adjust the allocation of proceeds from the nonresident entertainer and athlete tax. Under the current statute, the Missouri Arts Council Trust Fund is to receive 60% of the proceeds, and the Missouri Humanities Council Trust Fund, Missouri State Library Networking Fund, Missouri Public Television Broadcasting Corporation Special Fund, and the Missouri Historic Preservation Revolving Fund each receive 10% of the proceeds.

Under this proposal, the Missouri Arts Council Trust Fund would receive \$7.5 million per year from this tax and the four other agencies listed above would receive \$2 million each from FY07 to FY30. In addition, the Jackson County Sports Authority would receive \$12 million per year from this tax from FY07 to FY30 for the purpose of repair, maintenance, and renovation of existing sports facilities. The City of St. Louis would receive \$8.5 million in FY07, \$10.5 million in FY08, \$12.5 million in FY09, and \$12 million per year from FY10 to FY30 for payment of principal, interest, and maintenance of debt service for the Edward Jones Dome.

Oversight assumes that such funding distributions would be subject to appropriation and that full funding of this proposal could not be reached unless nonresident entertainer and athlete tax receipts reach \$36 million in FY07, \$38 million in FY08, \$40 million in FY09, and \$39.5 million in subsequent fiscal years through FY30. Therefore, while the Jackson County Sports Authority and City of St. Louis would see an increase in revenues as a result of this proposal, the various state funds currently receiving monies from this tax could realize either an unknown increase or a decrease in funding as a result of this act.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
MISSOURI ARTS COUNCIL TRUST FUND	<u>\$0</u>	(Unknown) to <u>Unknown*</u>	(Unknown) to <u>Unknown*</u>
MISSOURI HUMANITIES COUNCIL TRUST FUND	<u>\$0</u>	(Unknown) to <u>Unknown*</u>	(Unknown) to <u>Unknown*</u>
MISSOURI STATE LIBRARY NETWORKING FUND	<u>\$0</u>	(Unknown) to <u>Unknown*</u>	(Unknown) to <u>Unknown*</u>
MISSOURI PUBLIC TELEVISION BROADCASTING CORPORATION SPECIAL FUND	<u>\$0</u>	(Unknown) to <u>Unknown*</u>	(Unknown) to <u>Unknown*</u>
MISSOURI HISTORIC PRESERVATION REVOLVING FUND	<u>\$0</u>	(Unknown) to <u>Unknown*</u>	(Unknown) to <u>Unknown*</u>

* – Estimated to exceed \$100,000 (subject to appropriation)

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
Jackson County Sports Authority	\$0	Up to \$12,000,000	Up to \$12,000,000
City of St. Louis – Edward Jones Dome	<u>\$0</u>	Up to <u>\$8,500,000</u>	Up to <u>\$10,500,000</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$0</u>	Up to <u>\$20,500,000</u>	Up to <u>\$22,500,000</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This act amends provisions of the nonresident entertainer and athlete tax relating to allocation of funds. The act requires the department of revenue to annually estimate the amount of revenue collected from the athletes and entertainers tax . Once collected, the revenue from such tax will be deposited in the "Nonresident Entertainer and Athlete Fund", which is created by this act.

The act further provides for the annual distribution of twelve million dollars to the Jackson County Sports authority starting in fiscal year 2007 and ending fiscal year 2030. These funds are to be used exclusively for the repair, maintenance, and renovation of existing sports facilities.

Starting in fiscal year 2007, eight and one half million dollars are to be allocated from the fund to the city of St. Louis for payment of principal, interest and maintenance of debt service for the Edward Jones Dome. In fiscal year 2008, the amount of the allocation is increased to ten and one half million dollars. For fiscal year 2009, the amount of the allocation is further increased to twelve and one half million dollars. For fiscal year 2010 and any subsequent fiscal year up to FY 2030, the amount of the allocation will be twelve million dollars. Upon payoff of the principal, interest, and maintenance of debt services associated with the Edward Jones Dome, all money allocated from the fund to the city of St. Louis will be used for a variety of investment expenses outlined in the bill.

From fiscal year 2007 to FY 2030, an annual allocation of seven and one half million dollar shall be made to the Missouri Arts Council Trust Fund.

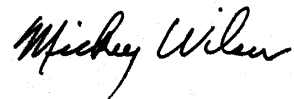
For fiscal year 2007 to FY 2030, annual allocations of two million dollars will be made to each of the four remaining funds currently provided for in statute. As a result, the Missouri Humanities Council Trust Fund, Missouri State Library Networking Fund, Missouri Public Television Broadcasting Corporation Special Fund, and the Missouri Historic Preservation Revolving Fund, will each be allocated two million dollars of the annual estimate.

For fiscal year 2007 and any subsequent fiscal year up to FY 2030, if there is any remaining revenue in the "Nonresident Entertainer and Athlete Fund",such revenue will be divided and allocated proportionately among each of the seven aforementioned funds, except that money allocated to the city of St. Louis will be used for a variety of investment expenses instead of debt service expenses incurred by the Edward Jones Dome.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
 Missouri Arts Council
Department of Public Safety
 Missouri State Highway Patrol
Department of Revenue
Department of Transportation
Office of Administration
 Division of Accounting
 Division of Budget and Planning
Office of Secretary of State



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