

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0768-08
Bill No.: Perfected SS for SCS for 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: March 30, 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 7 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	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Revenue, Department of Public Safety, and Department of Transportation** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Department of Economic Development – Missouri Arts Council, Office of Administration – Administrative Hearing Commission**, in response to a previous version of this proposal (FN#0768-04/SCS for SB 269), assumed this proposal would have no fiscal impact on their agency.

Officials with the **Office of Administration – Division of Accounting**, in response to a previous version of this proposal (FN #0768-02/SB 269), 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 \$25.5 million in entertainer and athlete tax receipts will be collected by the state in FY06, which could reduce General Revenue if such funds are placed in the Nonresident ASSUMPTION (continued)

Entertainer and Athlete Fund.

Officials with the **State Treasurer's Office (STO)** assume this proposal creates a subaccount, segregated from the primary fund for specific purposes. STO assumes it would need 1 Analyst I FTE to monitor such disbursements. **Oversight** assumes STO could monitor such a fund with existing personnel.

Officials from the **Office of Secretary of State (SOS)**, in response to a previous version of this proposal (FN #0768-02/SB 269), assume the proposal may result in the Department of Revenue 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.

Officials with the **Missouri State Library**, in response to a previous version of this proposal (FN #0768-04/SCS for SB 269), assumed the proposal—by reducing from 10% to 4% the amount of funds allocated for the public library network fund—could reduce assistance to public libraries.

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 24% of the proceeds
ASSUMPTION (continued)

from this tax annually and the four other agencies listed above would receive 4% each per year,

except for the Historic Preservation Revolving Fund, which would be replaced by a “Missouri Sports Authority Subaccount”, which would allocate funds to sports authorities in Springfield, Joplin, Branson, St. Charles County, and other cities. The remaining 60% would be divided annually among these entities: the Jackson County Sports Authority, for the purpose of repair, maintenance, renovation, and replacement of existing sports facilities; the City of St. Louis, for payment of principal, interest, and maintenance of debt service for the Edward Jones Dome, and also to fund other facilities; and each county commission that contributes to the fund with revenue generated from nonresident entertainers and athletes, to be used for sports and recreation purposes. Each entity would receive pro rata share of the this 60% of the taxes collected, based upon each’s proportionate share of revenue generated by the tax.

Oversight assumes that such funding distributions would be subject to appropriation. Such appropriations could result in an increase of revenues to the Jackson County Sports Authority, City of St. Louis, and other local sports authorities. Any distributions under this section to the Edward Jones Dome would reduce any other appropriations the Dome would receive from General Revenue, thus negating any fiscal impact for that purpose, but not relating to other facilities in St. Louis as outlined in this proposal. The various state funds currently receiving monies from this tax—with the exception of the Historic Preservation Revolving Fund, which is removed from the allocation—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
NONRESIDENT ENTERTAINER AND ATHLETE FUND	<u>\$0</u>	<u>\$0**</u>	<u>\$0**</u>
MISSOURI SPORTS AUTHORITY SUBACCOUNT	<u>\$0</u>	<u>\$0**</u>	<u>\$0**</u>
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>
<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008

**MISSOURI PUBLIC TELEVISION
 BROADCASTING CORPORATION
 SPECIAL FUND**

**\$0 (Unknown) to (Unknown) to
Unknown* Unknown***

**MISSOURI HISTORIC
 PRESERVATION REVOLVING
 FUND**

**\$0 \$0 to \$0 to
(Unknown)* (Unknown)***

* – Estimated to exceed \$100,000 (subject to appropriation)
 ** – Net of potential transfers to and from funds

FISCAL IMPACT - Local Government

FY 2006 FY 2007 FY 2008
 (10 Mo.)

Jackson County Sports Authority	\$0	\$0 to Unknown	\$0 to Unknown
City of St. Louis	\$0	\$0 to Unknown	\$0 to Unknown
Other Cities & Counties – Sports and Recreation Funds	<u>\$0</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

**ESTIMATED NET EFFECT ON
 LOCAL GOVERNMENT**

\$0 \$0 to Unknown \$0 to Unknown

FISCAL IMPACT - Small Business

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

DESCRIPTION

This 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.

For fiscal year 2007 and each fiscal year thereafter, an annual allocation of twenty-four percent of DESCRIPTION (continued)

the total annual estimate of revenue derived from the tax shall be made to the Missouri Arts Council Trust Fund.

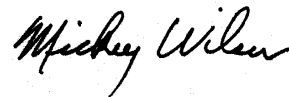
For fiscal year 2007 and each fiscal year thereafter, annual allocations of four percent of the total annual estimate of revenue derived from the tax will be made to each of the four remaining funds currently provided for in statute. As a result, the Missouri Humanities Council Trust Fund, Missouri State Library Networking Fund, Missouri Public Television Broadcasting Corporation Special Fund, and the Missouri Sports Authority Subaccount will each be allocated four percent of the annual estimate.

The act further provides for the pro rata annual distribution of the remaining sixty percent of the annual estimate of revenue derived from the tax to the Jackson County Sports authority, three sports facilities in St. Louis including the Edward Jones Dome and to each county commission in an amount proportionate to each entities contribution to the fund. These distributions will start in fiscal year 2007. Any distributions under this section to the Edward Jones Dome will reduce any other appropriations the Dome would receive from General Revenue.

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
 Administrative Hearing Commission
 Division of Accounting
 Division of Budget and Planning
Office of Secretary of State
 Missouri State Library
State Treasurer's Office



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Director
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