

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0259-05
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 81
Subject: Counties: Tourism, Culture, Entertainment, Taxation and Revenue
Type: Original
Date: June 1, 2007

Bill Summary: This proposal permits the creation of theater, cultural arts, and entertainment districts in certain counties and authorizes transient guest taxes in certain cities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on General Revenue Fund	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume the proposal would not have a fiscal impact on the courts.

Officials from the counties of **Clay, Jackson, Boone, Franklin** and **Jasper** as well as the cities of **Gladstone** and **Sullivan** did not respond to our request for fiscal impact.

Officials from the **Department of Revenue (DOR)** state this legislation will not have a fiscal impact on their agency. However, the department has included some comments from Office of Administration ITSD - DOR .

Office of Administration Information Technology (ITSD DOR) estimates the IT portion of this request can be accomplished within existing resources, however; if priorities shift, additional FTE/overtime would be needed to implement. Office of Administration Information Technology (ITSD DOR) estimates that this legislation could be implemented utilizing 2 existing CIT III for 2 months at a rate of \$16,744.

Oversight assumes the proposal is permissive in nature. It allows local political subdivisions to create a theater, cultural arts and entertainment districts as well as allows certain cities to impose a transient guest tax. Oversight will assume a \$0 to unknown fiscal impact to local political subdivisions. These taxes are subject to voter approval. Oversight assumes DOR may retain 1 percent of the potential sales tax revenue generated within the new theater, cultural arts and entertainment districts, or in the City of Independence if voter approve a sales tax to fund police services.

Oversight assumes that in both the districts allowed by this proposal that the annual costs of promoting allowed projects would not exceed annual income from either a sales tax or a transient guest tax resulting in either an annual positive fund balance or a zero fund balance. For purposes of this fiscal note annual fund balances will be shown as zero.

This proposal could increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Income</u> - Department of Revenue 1 percent collection fee on sales tax revenue of new theater, cultural arts and entertainment districts, or City of Independence Police services sales tax.			
	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities and Counties for sales tax in Theater, Cultural Arts, and Entertainment District or for police services.			
	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> - Cities and Counties Promotion of Educational, Cultural, Musical, Civic, or for police services.			
	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT TO LOCAL GOVERNMENT *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Income</u> - Cities for transient guest tax			
	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> - From promotion of tourism			
	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT TO LOCAL GOVERNMENT *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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*** Oversight assumes annual costs of programs would not exceed annual income resulting in either a positive fund balance or a zero fund balance.**

FISCAL IMPACT - Small Business

Small businesses within new taxing districts or small business that offer sleeping rooms in certain cities may be required to collect an account for the additional tax, dependent upon governing body action and with voter approval.

FISCAL DESCRIPTION

This bill authorizes the cities of Augusta, Carrollton, Chillicothe, Gladstone, Hollister, Liberty, Miami, Missouri City, and Pleasant Hill to impose, upon voter approval, a transient guest tax of up to 5% per room per night to be used for the promotion of tourism. Franklin County is also authorized to impose, upon voter approval, a transient guest tax between 2% and 5% per room per night in the part of the Sullivan C-II School District that is located in Franklin County to be used for the promotion of tourism.

The governing body of any county or city that has adopted transect-based zoning under Chapter 89, RSMo, and the counties of Boone, Clay, Franklin, Jackson, or Jasper and their municipalities are authorized to form a theater, cultural arts, and entertainment district. Currently, only St. Charles County and its municipalities are allowed to form a district.

The City of Independence is authorized to impose, upon voter approval, a sales tax of up to 1% of gross retail receipts to be used for funding police services provided by the municipal police department.

Repeals the duplicate of Section 67.2505.

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

Office of the State Courts Administrator
Department of Revenue

RWB:LR:OD (12/02)

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Page 6 of 6
June 1, 2007

NOT RESPONDING

Counties of :

Boone

Jasper

Clay

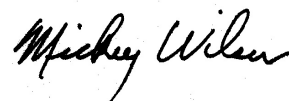
Jackson

Franklin

Cities of :

Gladstone

Sullivan



Mickey Wilson, CPA

Director

June 1, 2007