

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0268-04
Bill No.: SB 20
Subject: Cities, Towns and Villages; Counties; Economic Development; Taxation and Revenue
Type: Original
Date: January 23, 2007

Bill Summary: This proposal modifies the laws relating to tax increment financing.

FISCAL SUMMARY

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

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 4 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 **Department of Revenue** assume the proposal would not fiscally impact their agency.

Officials from the **Department of Economic Development (DED)** state the bill should have no immediate fiscal or administrative impact on their agency. It modifies Missouri's tax increment financing law. Section 99.865 4. RSMo. adds language to fine municipalities, \$10/day, for noncompliance of required reports and hearings payable to DED; however, DED does not believe this will have any fiscal impact or a need for additional FTE. If the volume grows to a point where funding or personnel are needed, this will be sought through the normal budget process.

Oversight assumes municipalities will report timely to the Department of Economic Development and not incur the new \$10 per day noncompliance penalty. Oversight also assumes the new TIF restrictions will not result in a direct fiscal impact to municipalities. Oversight also assumes the changes in the TIF laws regarding submitting projects before the voters of a municipality are permissive, and therefore, Oversight has not reflected the associated costs in the fiscal note.

Officials from the **School District of Kansas City** assume this will result in not losing as much incremental revenue from new redevelopments, which is positive.

Officials from the **St. Louis Public Schools, Parkway School District**, cities of **Independence, Fulton, Kansas City, St. Louis, Lee's Summit, St. Peters** and **North Kansas City** as well as the counties of **Franklin, St. Charles, St. Louis** and **Platte** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses within potential TIF projects may be fiscally impacted as a result of this proposal.

FISCAL DESCRIPTION

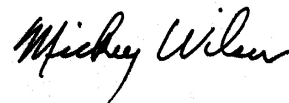
The proposed legislation appears to have no fiscal impact.

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
Department of Revenue
Kansas City School District

NOT RESPONDING: St. Louis Public Schools, Parkway School District, cities of Independence, Fulton, Kansas City, St. Louis, Lee's Summit, St. Peters and North Kansas City as well as the counties of Franklin, St. Charles, St. Louis and Platte



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