

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2203-01
Bill No.: SB 540
Subject: Education, Elementary and Secondary; Taxation and Revenue - Sales and Use
Type: Original
Date: March 9, 2007

Bill Summary: Allows the Mehlville School District to impose up to a one percent sales tax to provide revenue for the operation of the school district.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| General Revenue | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 or Unknown | \$0 or Unknown | \$0 or 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 5 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 State Treasurer** state there will be no fiscal impact to their agency resulting from this proposed legislation.

Officials from the **Department of Elementary and Secondary Education** state this proposal has no impact on the foundation formula or any other school related payments. The proposal would provide an increased local revenue opportunity for a specific district.

Officials from the **Department of Revenue (DOR)** state that if the additional sales tax were approved by the vote of the people, DOR would receive a collection/administration fee of 1%, therefore, increasing General Revenue. DOR-Division of Taxation does not anticipate an impact due to this legislation.

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 this proposal is permissive and, as written, would have no fiscal impact. Impact would only occur with action by the local governing body with voter approval.

Officials from the Mehlville School District, the County of St Louis, and the St Louis Board of Elections did not respond to a request for fiscal note.

| <u>FISCAL IMPACT - State Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|--|------------------------------|------------------------------|------------------------------|
| GENERAL REVENUE | | | |
| <u>Income</u> - DOR - 1% collection fee of sales tax collections | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|---|---|---|---|
| POLITICAL SUBDIVISIONS | | | |
| <u>Income</u> - Increased Sales Tax in a certain school district* | \$0 or Unknown - Expected to exceed \$100,000 | \$0 or Unknown - Expected to exceed \$100,000 | \$0 or Unknown - Expected to exceed \$100,000 |
| <u>Cost</u> - Operations of a certain school district* | (\$0 or Unknown - Expected to exceed \$100,000) | (\$0 or Unknown - Expected to exceed \$100,000) | (\$0 or Unknown - Expected to exceed \$100,000) |
| NET EFFECT ON POLITICAL SUBDIVISIONS* | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal allows the governing body of the Mehlville School District to put a ballot measure before the voters residing within the school district to allow the imposition of a sales tax of up to one percent for the purpose of providing revenues for the operation of the school district.

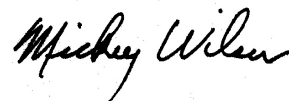
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Revenue
Office of State Treasurer

NOT RESPONDING

Mehlville School District
Saint Louis County
St Louis County Board of Elections



Mickey Wilson, CPA
Director
March 9, 2007