

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1531-01
Bill No.: Perfected SB 386
Subject: Counties; Taxation and Revenue - Sales and Use
Type: Original
Date: March 30, 2009

Bill Summary: This proposal authorizes the creation of exhibition center and recreational facility districts in certain counties.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume the proposal will not fiscally impact their agency. DOR states due to the Statewide Information Technology Corporation, their response to a proposal will now also reflect the cost estimates prepared by OA-IT for impact to various systems. As a result, the impact shown may not be the same as previous fiscal notes submitted. In addition, if the legislation is Truly Agreed To and Finally Passed the OA-IT costs shown will be requested through appropriations by OA-IT.

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. The ITSD DOR estimates that this legislation could be implemented utilizing 1 existing CIT III for 1 month for system modifications to MITS. The estimated cost is \$4,441 if approved by a vote of the people.

Officials from **Clinton County** assume they may incur costs of elections.

Officials from **DeKalb County** state the proposal could create costs in 2010 for the county-wide sales tax election and the two publications totaling \$1,560.

Oversight assumes this proposal is permissive and would require voter approval before any fiscal impact would be realized by the state or the new district. If the governing body of the county approves the creation of an Exhibition Center and Recreation Facility District and the voters within the district approve a sales tax to operate the district, the Department of Revenue would collect the sales tax and would withhold a 1% collection fee. The collection fee would be deposited in the State's General Revenue Fund.

If the counties attempt to establish a district, they would realize the cost of an election, which is required to establish a district, and the district would realize income generated by the sales tax, and would have costs related to the operation and maintenance of the district. All amounts of income and costs are indeterminable and based upon the desire and action taken to set up such a district.

Officials from **Daviess** and **Caldwell Counties** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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**EXHIBITION CENTER AND
 RECREATION FACILITY
 DISTRICT FUND**

<u>Income</u> to Exhibition Center and Recreation Facility District from voter approved sales tax	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Cost</u> to Exhibition Center and Recreation Facility District from operation and maintenance of the district, election cost, etc.	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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ESTIMATED NET EFFECT TO EXHIBITION AND RECREATION FACILITY DISTRICT FUND *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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***Oversight assumes costs would not exceed income resulting in either an annual positive fund balance or a zero fund balance.**

FISCAL IMPACT - Small Business

Small businesses within any newly created district may have to collect and remit additional sales taxes to the Department of Revenue.

FISCAL DESCRIPTION

This act allows real property owners in Caldwell, Clinton, Daviess, and DeKalb counties to seek voter approval for the creation of exhibition center and recreational facility districts. If such a district is created, it may seek voter approval for the imposition of a one-quarter of one percent sales tax, for a period not to exceed twenty-five years, to fund the 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 Revenue
DeKalb County
Clinton County

NOT RESPONDING:

Daviess County
Caldwell County



Mickey Wilson, CPA
Director
March 30, 2009