

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2104-02
Bill No.: Perfected SS for SB 477
Subject: Transportation; Transportation Department; Revenue Department; Taxation and Revenue- Sales and Use
Type: Original
Date: April 1, 2009

Bill Summary: This proposal creates special rules for transportation development districts that are formed for the operation of public mass transportation systems.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$38,614)	(\$41,086)	(\$42,317)
Total Estimated Net Effect on General Revenue Fund	(\$38,614)	(\$41,086)	(\$42,317)

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 6 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
Department of Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

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

Senate Substitute

Officials at the **Missouri Department of Transportation, Department of Economic Development** and the **Office of the State Treasurer** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Revenue (DOR)** assume DOR would be required to collect and administer Transportation Development Districts taxes involving public mass transportation systems, which is a function DOR does not currently perform. Therefore, sales tax would require one (1) Revenue Processing Technician I (Range 10, Step L) to administer these new local taxes, including obtaining business lists in any Transportation Development District, updating registrations, correcting errors on accounts, coordinating changes and updates to district businesses and implementing any new tax imposed by a new Transportation Development District.

Amendment 1

Oversight assumes this amendment has no fiscal impact.

Amendment 2

Officials at the **Missouri Department of Transportation** and the **Office of the State Courts Administrator** assume that there is no fiscal impact from this proposal.

Officials at the **Office of the State Auditor (SAO)** assume the fiscal impact of this legislation is unknown. Section 105.145.8 requires a fine to be levied on any Transportation Development District (TDD) that does not submit timely annual financial reports to the SAO. The amount this fine would generate is unknown. Unknown costs are possible if the responsibility for levying and collecting the fines is placed with the SAO.

Oversight assumes that amendment 2 adds a penalty fee to financial statements that are filed late with the Office of the State Auditor. Oversight assumes that transportation districts will file the required reports in a timely manner.

Officials at the **Department of Revenue** did not respond to Oversight's request for impact on the amendments.

Oversight assumes that the Department of Revenue will need the revenue processing technician

ASSUMPTION (continued)

originally requested as this amendment has expanded the duties of the DOR to collect the taxes for all transportation development districts.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Cost - Department of Revenue</u>			
Personal Service	(\$21,785)	(\$26,926)	(\$27,733)
Fringe Benefits	(\$10,594)	(\$13,094)	(\$13,487)
Equipment and Expense	<u>(\$6,235)</u>	<u>(\$1,066)</u>	<u>(\$1,097)</u>
<u>Total Cost - Dept. of Revenue</u>	(\$38,614)	(\$41,086)	(\$42,317)
FTE Change - DOR	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$38,614)</u>	<u>(\$41,086)</u>	<u>(\$42,317)</u>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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 act amends the Missouri Transportation Development District Act to include public mass transportation systems as transportation development district projects.

Under current law, owners of property adjacent to a TDD may petition the court to add their property to the district and such property shall be added if the property owners within the district unanimously approve of its addition. Under this act, unanimous approval is not needed to add

FISCAL DESCRIPTION (continued)

adjacent property to a TDD formed by a local transportation authority for the purpose of operating a public mass transportation system. Instead, adjacent property listed in the petition shall be added upon approval of the district's board of directors.

Under the act, the board of directors for a district formed by local transportation authorities for the purpose of operating a public mass transportation system shall consist of not less than 3 nor more than 5 persons appointed by the chief executive officers of each local transportation authority. The directors appointed by the chief executive officers may be removed by such officers at any time with or without cause. Under the act, the state highways and transportation commission is prohibited from appointing advisers to the boards of directors of these types of transportation development districts.

Under the act, districts formed by local transportation authorities for the purpose of operating a public mass transportation system do not have to submit their project plans to the state highways and transportation commission.

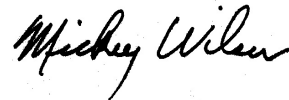
The act provides that the sales tax for a district formed by a local transportation authority for the purpose of operating a public mass transportation system shall not be considered economic activity taxes as used in the TIF statutes and that the tax revenues are not subject to allocation by the TIF statutes. The act also creates a special fund known as the "Transportation Development District Sales Tax Trust Fund" to deposit the sales tax revenues generated by these types of transportation development districts.

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

L.R. No. 2104-02
Bill No. Perfected SS for SB 477
Page 6 of 6
April 1, 2009

SOURCES OF INFORMATION

Department of Revenue
Missouri Department of Transportation
Department of Economic Development
Office of the State Treasurer
Office of the State Auditor
Office of the State Courts Administrator



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Director
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