

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4226-01  
Bill No.: SB 513  
Subject: Cities, Towns & Villages; Counties; Economic Development; Economic Development Department; Taxation and Revenue - Property; Taxation and Revenue- Sales and Use  
Type: Original  
Date: December 23, 2011

Bill Summary: This proposal prohibits the approval of new applications under the Missouri Downtown Economic Stimulus Act after August 28, 2012.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials at the **Department of Revenue** assume that there is no fiscal impact from this proposal.

Officials at the **Budget and Planning (BAP)** assume this proposal would not result in additional costs or savings to BAP. This proposal would prohibit new applications under the Missouri Downtown Economic Stimulus Act approximately four months earlier than is currently designated in statute. Depending upon how many projects could have been approved during these four months, there could be a positive impact to general revenue based on the projects that could have been approved but were not.

Officials at the **Department of Economic Development** assume an unknown negative fiscal impact over \$100,000 as a result of the sunset of the MODESA program effective August 28, 2012. The MODESA program diverts 50% of the incremental new state sales and withholding tax to eligible project costs and the other 50% is paid to state general revenue; therefore, notwithstanding other economic benefits created by the project, there would at a minimum be a neutral benefit. Also, the MODESA statute requires as a condition for approval that a positive fiscal benefit is created. Therefore, the sunset of the MODESA program will have a negative fiscal impact to state revenues. The exact amount of the negative impact is unknown due to the number of projects that would be approved and the amount of positive fiscal benefit generated for each approved project.

**Oversight** assumes that it is unclear if any projects would be completed in these areas without this program. Therefore Oversight assumes there is no impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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.

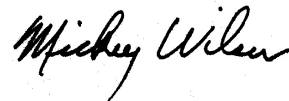
FISCAL DESCRIPTION

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

Budget and Planning  
Department of Economic Development  
Department of Revenue



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Director  
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