

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5385-08
Bill No.: HCS for SS for SCS for SB 774
Subject: Taxation and Revenue - General
Type: Original
Date: May 7, 2014

Bill Summary: This proposal modifies provisions relating to tax increment financing in certain counties.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government*	\$0	\$0	\$0

*Income and costs net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Economic Development's Division of Business and Community Services**, the **Office of State Treasurer** and the **Department of Revenue** each assume this proposal would have no fiscal impact to their respective organizations.

In response to a previous version, officials at the **State Tax Commission** assumed no fiscal impact from this proposal.

In response to a previous version, officials at **St. Louis County**, the **City of Jefferson**, the **Platte County Board of Election Commission**, the **City of Kansas City**, the **City of Columbia**, the **City of O'Fallon** and **Cole County** each assumed no fiscal impact to their respective organizations from this proposal.

Officials at Boone County, St. Charles County and Jefferson County did not respond to **Oversight's** request for fiscal impact.

§99.845 Redevelopment Projects

Officials at the **Department of Economic Development** and the **Department of Revenue** each assume there is no fiscal impact to their respective organizations from this proposal.

In response to similar legislation filed this year, HB 1504, officials at the **State Tax Commission** assumed no fiscal impact from this proposal.

In response to similar legislation filed this year, HB 1504, officials at the **St. Louis County Board of Election Commission**, the **Platte County Board of Election Commission** and the **Mississippi County Recorder of Deeds** each assumed no fiscal impact to their respective organizations from this proposal.

In response to similar legislation filed this year, HB 1504, officials at **St. Louis County**, the **City of Columbia**, the **City of Kansas City** and the **City of Jefferson** each assumed no fiscal impact to their respective organizations from this proposal.

In response to similar legislation filed this year, HB 1504, officials at **Cole County** assumed no impact from this proposal. It is unclear whether this addition applies to all counties or just that charter county with more than 600,000 and less than 700,000 inhabitants. If it applies to all

ASSUMPTION (continued)

counties, Cole County would receive a small positive fiscal impact. For 2013, Cole County would have saved \$841.14 due to not paying \$67.700 tax revenues. In the future, positive impact would likely improve because another TIF project is getting off the ground.

Oversight assumes that this proposal would have no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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LOCAL POLITICAL SUBDIVISIONS

<u>Income</u> - increase to various Local Political Subdivisions from local taxes	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Loss</u> - Local Political Subdivisions - to TIF funds from increase in local taxes	(\$0 to <u>Unknown</u>)	(\$0 to <u>Unknown</u>)	(\$0 to <u>Unknown</u>)
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

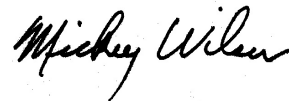
FISCAL DESCRIPTION

This bill exempts taxes imposed on sales for capital improvements in certain counties enacted after August 28, 2013, for the purpose of funding emergency communication systems from the provisions regarding tax increment financing local sales taxes.

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's
Division of Business and Community Services
State Tax Commission
Office of the Secretary of State
City of Kansas City
St. Louis County
City of O'Fallon
Cole County
City of Columbia
City of Jefferson
Platte County Board of Election Commission
Department of Revenue



Mickey Wilson, CPA
Director
May 7, 2014

Ross Strobe
Assistant Director
May 7, 2014