

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5461-05
Bill No.: Truly Agreed To and Finally Passed CCS for SS for SCS for HB 1504
Subject: Capital Improvements; Emergencies; Taxation and Revenue - General; Taxation and Revenue - Sales and Use
Type: Original
Date: June 4, 2014

Bill Summary: This proposal exempts certain taxes from tax increment financing.

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 6 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

*Net Effect equals zero

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Economic Development's Division of Business and Community Services**, the **State Tax Commission** and the **Department of Revenue** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **St. Louis County Board of Election Commission**, the **City of Columbia, Platte County** and the **Mississippi County Recorder of Deeds** each assume no fiscal impact to their respective organizations from this proposal.

In response to a previous version, officials at **St. Louis County**, 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 a previous version, 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 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 net fiscal impact, but could impact tax revenues and TIF funds between Local Political Subdivisions.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for 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
<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>)

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.

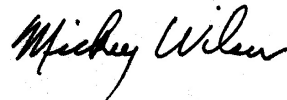
FISCAL DESCRIPTION

This bill exempts taxes imposed on sales for capital improvements in certain counties enacted after August 28, 2014, for the purpose of funding emergency communication systems from the provisions regarding tax increment financing local sales taxes. The bill exempts any additional revenues derived from increased rates on property tax that are approved after the adoption of a redevelopment project. The bill exempts any additional revenues derived from increased sales and use tax rates that are approved after the adoption of a redevelopment project.

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
 Division of Business and Community Services
Cole County
St. Louis County
City of Columbia
Kansas City
City of Jefferson
St. Louis County Board of Election Commission
Platte County
Mississippi County Recorder of Deeds
Department of Revenue
State Tax Commission



Mickey Wilson, CPA
Director
June 4, 2014

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