

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1338-01
Bill No.: HB 514
Subject: Taxation and Revenue - General; Economic Development
Type: Original
Date: February 13, 2015

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Up to \$4,000,000)	(Up to \$4,000,000)	(Up to \$4,000,000)
Total Estimated Net Effect on General Revenue	(Up to \$4,000,000)	(Up to \$4,000,000)	(Up to \$4,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Supplemental Tax Increment Financing Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

*Distribution increase (decrease) net to zero.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	Up to \$4,000,000	Up to \$4,000,000	Up to \$4,000,000

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight assumes there could be a loss to the General Revenue fund of up to \$4 million for redevelopment projects involving the former automobile manufacturing plants located in St. Louis County for incremental new state revenues generated by the project. This would be transferred upon appropriation to St. Louis County for up to 50% of incremental state revenues from sales tax and/or state income tax withheld.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Loss - Department of Economic Development - transfer of incremental new state revenues for redevelopment projects</u>	(Up to <u>\$4,000,000</u>)	(Up to <u>\$4,000,000</u>)	(Up to <u>\$4,000,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Up to <u>\$4,000,000</u>)	(Up to <u>\$4,000,000</u>)	(Up to <u>\$4,000,000</u>)
SUPPLEMENTAL TAX INCREMENT FINANCING FUND			
<u>Transfer In - from GR of incremental new state revenues for redevelopment projects</u>	Up to \$4,000,000	Up to \$4,000,000	Up to \$4,000,000
<u>Transfer Out - to St. Louis County for redevelopment project</u>	(Up to <u>\$4,000,000</u>)	(Up to <u>\$4,000,000</u>)	(Up to <u>\$4,000,000</u>)
NET EFFECT ON SUPPLEMENTAL TAX INCREMENT FINANCING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
ST. LOUIS COUNTY FUNDS			
<u>Transfer In</u> - incremental new state revenues for redevelopment projects involving former automobile manufacturing plants	Up to <u>\$4,000,000</u>	Up to <u>\$4,000,000</u>	Up to <u>\$4,000,000</u>
ESTIMATED NET EFFECT ON ST. LOUIS COUNTY FUNDS	Up to <u>\$4,000,000</u>	Up to <u>\$4,000,000</u>	Up to <u>\$4,000,000</u>

FISCAL IMPACT - Small Business

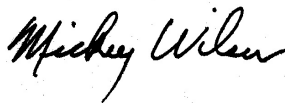
No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill authorizes tax increment financing for the redevelopment of former automobile manufacturing plants located in St. Louis County. The former automobile manufacturing plant must be a redevelopment area containing a minimum of 100 acres and was historically used primarily for the manufacture of automobiles but ceased operations after the 2007 calendar year.

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



Mickey Wilson, CPA
Director
February 13, 2015

Ross Strobe
Assistant Director
February 13, 2015