

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6195-01  
Bill No.: SB 984  
Subject: Libraries and Archives  
Type: Original  
Date: March 8, 2016

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Bill Summary: This proposal allows Cedar County to establish, if approved by voters, a local sales tax for the purpose of funding libraries.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<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 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0 or up to \$115,500</b>	<b>\$0 or up to \$462,000</b>	<b>\$0 or up to \$462,000</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

**Oversight** was unable to receive 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

In response to a similar proposal (HB 2271), officials from the **Office of Administration - Division of Budget and Planning** assumed the proposal allows the voters in Cedar County to impose a sales tax up to 0.5% for library funding purposes. According to information published by Department of Revenue, taxable sales in Cedar County totaled \$92.3 million in fiscal year 2015. Therefore, this sales tax might generate \$462,000 annually.

**Oversight** assumes an effective date of April 1, 2017 for the effective date of the proposal, assuming voter approval on a November 2016 election date.

**Oversight** will use a range of \$0 (rejected by voters) or up to \$462,000 (voters could decide to adopt a 0.25% or 0.5% local sales tax).

Officials from the **Department of Revenue (DOR)** assume programming costs of \$5,195 and revenue due to the 1% collection fee. DOR estimates revenue of \$1,155, \$4,620 and \$4,620 for FYs 2017, 2018 and 2019 respectively. Due to the immaterial amounts, the fiscal note will not include the DOR amounts for costs and revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>LOCAL GOVERNMENTS - CEDAR COUNTY</b>			
<u>Revenue</u>			
Cedar County Library Sales Tax	<u>\$0 or up to</u> <u>\$115,500</u>	<u>\$0 or up to</u> <u>\$462,000</u>	<u>\$0 or up to</u> <u>\$462,000</u>
<b>ESTIMATED NET EFFECTS ON LOCAL GOVERNMENTS - CEDAR COUNTY</b>			
	<u>\$0 or up to</u> <u>\$115,500</u>	<u>\$0 or up to</u> <u>\$462,000</u>	<u>\$0 or up to</u> <u>\$462,000</u>

FISCAL IMPACT - Small Business

This proposal may impact small businesses with purchases subject to sales tax.

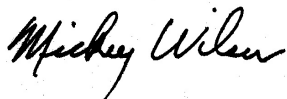
FISCAL DESCRIPTION

The proposed legislation authorizes Cedar County to impose a local sales tax, if approved by voters, for the purpose of funding a public library.

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

Office of Administration - Division of Budget and Planning  
Department of Revenue



Mickey Wilson, CPA  
Director  
March 8, 2016

Ross Strobe  
Assistant Director  
March 8, 2016