

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0394-02  
Bill No.: SB 108  
Subject: Taxation and Revenue - General; Tax Incentives; Political Subdivisions  
Type: Original  
Date: January 9, 2019

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume this proposal has no direct impact on B&P, has no direct impact on General and Total State Revenues and will not impact the calculation pursuant to Art. X, Sec. 18(e)

Officials at the **State Tax Commission** and the **Department of Revenue (DOR)** each assume there is no fiscal impact from this proposal.

Officials at the **Department of Economic Development (DED)** anticipates no fiscal impact from this proposal to the Department.

Officials at the **Metropolitan Zoological Park** assume a negligible financial impact.

Officials at the **Kirksville R-III School District** assume any time a TIF is given, it has a negative fiscal impact on the district.

Officials at the **Francis Howell School District** assume they are unable to determine a fiscal impact.

Officials at the **Wellsville-Middleton R-I School District** assume this would have little impact on the district.

Officials at the **Jackson County Board of Election Commissioners**, the **Mississippi County Recorder of Deeds**, **Springfield School District**, **St. Louis County Board of Election Commissioners** and the **St. Louis Collector of Revenue** each assume there is no fiscal impact from this proposal to their organization.

**Oversight** notes that B&P, DOR and DED have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

**Oversight** notes this proposal changes the definitions of “blighted area” and “conservation area” in regards to tax increment financing. This proposal would change the requirements for retail area tax increment financing projects to meet additional standards. Currently, according to DOR’s “2017 Tax Increment Financing in Missouri” report there are 327 “blight” designation projects and 73 “conservation area” designation projects and 6 “blight and conservation area” designation projects out of the 468 current tax increment financing projects in the State.

ASSUMPTION (continued)

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties and school districts were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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	<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

The proposed legislation appears to have no direct 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

Department of Economic Development  
Department of Revenue  
Francis Howell School District  
Jackson County Board of Election Commission  
Kirksville R-III School District  
Metropolitan Zoological Park  
Mississippi County Recorder of Deeds  
Office of Administration Division of Budget and Planning  
Springfield School District  
State Tax Commission  
St. Louis Collector of Revenue  
St. Louis County Board of Election Commission  
Wellsville-Middleton R-I School District

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yle Rieman  
Director  
January 9, 2018

Ross Strobe  
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January 9, 2019