

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1505-01
Bill No.: HB 677
Subject: Entertainment; Sports and Amusements; Kansas City; Economic Development
Type: Original
Date: February 14, 2019

Bill Summary: This proposal extends the authority to appropriate money for certain convention and sports complex funds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	\$0	\$0	(\$3,000,000)
Total Estimated Net Effect on General Revenue	\$0	\$0	(\$3,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume this proposal will have no direct impact on General and Total State Revenues or the calculation pursuant to Article X, Section 18e.

The proposal also allows for an additional ten years of appropriations for certain sports complex funds. B&P notes any such expenditures would be subject to appropriation. To the extent new appropriations are made from General Revenue, resources otherwise available for other budget priorities will be reduced. This proposal may result in additional induced revenues, which B&P cannot estimate.

Officials at the **Department of Economic Development** and the **Office of the State Treasurer** each assume there is no fiscal impact from this proposal.

Officials at the **Jackson County** did not respond to Oversight’s request for information.

Regarding changes to Section 67.641, according to the Office of Administration - Division of Accounting’s State Debt Report as of July 1, 2018, \$5,000,000 in annual state payments are authorized for thirty years and will be paid annually through FY 2021. Therefore, **Oversight** will assume this bill will extend the time frame from 30 years to 40 years (another 10 years) of \$3,000,000 annual payments from the state for the Jackson County project (Kauffman/Arrowhead Stadiums) beginning in FY 2022.

Oversight assumes this proposal does not change the \$2,000,000 annual payment for Bartle Hall which also is set to expire in 2021.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE			
<u>Costs - OA - §67.641 - extension of time for payments for projects in Jackson County from 30 years to 40 years</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$3,000,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0</u>	<u>(\$3,000,000)</u>

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

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, the state is authorized to appropriate up to \$3 million to the Jackson County Convention and Sports Complex Fund, with such authorization to expire in fiscal year 2020. This bill extends the authorization until fiscal year 2030.

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
Office of Administration Division of Budget and Planning
Office of the State Treasurer



Kyle Rieman
Director
February 14, 2019

Ross Strobe
Assistant Director
February 14, 2019