

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4053-01  
Bill No.: SB 722  
Subject: Economic Development; Political Subdivisions; Counties; Cities, Towns and Villages  
Type: Original  
Date: February 17, 2020

---

Bill Summary: This proposal repeals provisions authorizing regional economic development districts.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
	\$0	\$0	\$0
<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>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<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 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration - Budget & Planning Division (B&P)** state this proposed legislation would not have a direct impact on B&P, would have no direct impact on General Revenue (GR) and Total State Revenues (TSR) and will not impact the calculation pursuant to Article X, Section 18(e).

**Oversight** notes B&P does not anticipate this proposed legislation to have a fiscal impact on B&P or GR or TSR. Oversight does not have any information to the contrary. Therefore, Oversight will report a zero fiscal impact for B&P.

Officials from the **Missouri Department of Revenue**, the **Missouri Department of Economic Development**, and the **City of Springfield** have stated the proposed legislation would not have a direct fiscal impact on their respective entities. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in this fiscal note for these entities.

Officials from the **University of Missouri's Economic & Policy Analysis Research Center (EPARC)** state "current law authorizes two or more counties or municipalities to form a regional economic development district to plan, formulate, develop, promote, fund, and conduct or cause to be conducted programs to encourage the economic development of the district. This act repeals such authority."

EPARC does not currently possess data on regional economic development districts. Therefore, EPARC is unable to estimate the impact this bill may have on GR.

**Oversight** notes this proposed legislation repeals provisions in law that authorize for the development of regional economic development districts. Oversight notes regional economic development districts may be established by two or more governing bodies in order to plan, formulate, develop, promote, fund and conduct or cause to be conducted, programs to encourage the economic development of the district.

A regional economic development district, by resolution of the governing body of a city or county, may impose a sales tax on all retail sales made in the city which are subject to sales tax under Chapter 144 for the benefit of the regional economic development district.

Oversight is unaware of any existing regional economic development districts having implemented a sales tax collected through the Department of Revenue. Therefore, for purposes of this fiscal note, Oversight will report a zero fiscal impact.

ASSUMPTION (continued)

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other local law enforcement agencies were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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

The proposed legislation appears to have no direct fiscal impact.

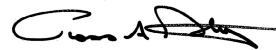
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Budget & Planning Division  
Missouri Department of Revenue  
Missouri Department of Economic Development  
City of Springfield  
University of Missouri's Economic & Policy Analysis Research Center



Julie Morff  
Director  
February 17, 2020



Ross Strobe  
Assistant Director  
February 17, 2020