

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0789S.01I
Bill No.: SB 215
Subject: Economic Development; Political Subdivisions; Counties; Cities, Towns and Villages
Type: Original
Date: March 1, 2021

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

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).

Officials from the **Missouri Department of Revenue (DOR)** state this proposed legislation eliminates the Regional Economic Development District Law. The law allows regional economic districts to be created and to levy future tax revenues. DOR does not anticipate this proposed legislation will result in a fiscal impact as none of these districts levied tax revenues.

Officials from the **Missouri Department of Economic Development, the University of Missouri's Economic & Policy Analysis Research Center, the City of Ballwin, the City of Claycomo, the City of Corder, the City of Hale, the City of Hughesville, the City of Kansas City, the City of Springfield, and the St. Louis Budget Division** do not anticipate this proposed legislation will cause a fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will not report a fiscal impact for these organizations.

Oversight notes this proposed legislation repeals provisions in law that authorize the development of regional economic development districts. Oversight notes regional economic development districts may be established by two (2) 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 jurisdiction 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 Missouri Department of Revenue. Therefore, for purposes of this fiscal note, Oversight will report a zero fiscal impact from its elimination.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

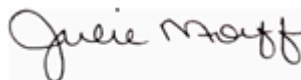
FISCAL DESCRIPTION

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 Economic Development
Missouri Department of Revenue
University of Missouri’s Economic & Policy Analysis Research Center
City of Ballwin
City of Claycomo
City of Corder
City of Hale
City of Hughesville
City of Kansas City
City of Springfield
St. Louis Budget Division



Julie Morff
Director
March 1, 2021



Ross Strope
Assistant Director
March 1, 2021