

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0803S.10P
 Bill No.: Perfected SS No. 2 for SB 145
 Subject: Cities, Towns, and Villages; Taxation and Revenue - General
 Type: Original
 Date: February 20, 2025

Bill Summary: This proposal modifies provisions relating to the licensure of certain businesses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Sections 71.610 & 92.045 - Local Business Licenses

Officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal will not impact:

- TSR
- The calculation under Article X, Section 18(e)
- B&P

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **City of O'Fallon** assume this would decrease revenue of more than \$100,000 per year for the City of O'Fallon.

Officials from the **City of Kansas City** assume the proposal will have no fiscal impact on their organization.

Oversight notes this proposal states that no city shall require a business license for any enterprise owned by a person aged 18 years or younger.

Oversight notes [local business license fees](#) vary from \$25-\$200 depending upon the location throughout the state. Oversight is unable to determine the number of qualifying businesses, therefore, Oversight will show an unknown negative fiscal impact to local political subdivisions.

Oversight received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Reduction</u> - §71.610 & §92.045 - Removal of local business license requirement for qualifying businesses	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT – Small Business

Certain small businesses owned by a person aged eighteen years or younger could be impacted by this proposal.

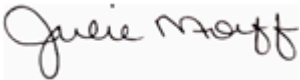
FISCAL DESCRIPTION

Current law authorizes cities to impose a business license tax upon businesses. This act provides that no city shall require a business license for any enterprise owned by a person aged 18 years or younger.

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 and Planning
Department of Revenue
City of O'Fallon
City of Kansas City



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February 20, 2025



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February 20, 2025