

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3116S.01I  
 Bill No.: SB 782  
 Subject: Entertainment, Sports and Amusements; Political Subdivisions; Taxation and Revenue - General  
 Type: Original  
 Date: April 15, 2025

Bill Summary: This proposal modifies provisions relating to community improvement districts.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2032)
General Revenue	\$0	\$0 or up to (\$2,500,000)	\$0 or up to (\$2,500,000)	\$0 or up to (\$4,500,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0 or up to (\$2,500,000)</b>	<b>\$0 or up to (\$2,500,000)</b>	<b>\$0 or up to (\$4,500,000)</b>

\*Appropriations to an entertainment district in the City of St. Louis.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2032)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Fully Implemented (FY 2032)</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Fully Implemented (FY 2032)</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>

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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Fully Implemented (FY 2032)</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0 or up to \$2,500,000</b>	<b>\$0 or up to \$2,500,000</b>	<b>\$0 or up to \$4,500,000</b>

\*Appropriations to an entertainment district in the City of St. Louis.

## FISCAL ANALYSIS

### ASSUMPTION

#### **Sections 67.1401 & 67.1421 - Petition for the Creation of Entertainment Districts**

**Oversight** notes current law requires a petition for the creation of a community improvement district to be signed by more than fifty percent of all owners of real property within the boundaries of a district. This act provides that such requirement shall not apply if the district is to be designated as an entertainment district.

**Oversight** assumes this provision will have no fiscal impact.

#### **Section 67.1461 - Entertainment District Laws**

**Oversight** notes this provision provides that any district which is an entertainment district shall have powers in addition to the powers currently granted to community improvement districts, including the ability to restrict or prohibit the carrying of weapons, to enforce curfews, and to hire and train public safety and security personnel to enforce the laws of the municipality and rules of the district

**Oversight** assumes this provision will have no fiscal impact.

#### **Section 67.1535 – Funds for Entertainment Tourism**

Officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal allows, subject to appropriation, the Department of Economic Development (DED) to expend funds for promoting, developing, and supporting entertainment tourism in entertainment districts in the city of St. Louis. Applications for such a program shall be made and approved no later than August 28, 2027. Any agreements DED enters into with an entertainment group shall not exceed 27 years and expenditures shall be limited to a portion of tax revenues derived directly or indirectly from any such promotion. Appropriations for this program are capped at \$2.5M per year and can be made beginning in FY 2027 and end in FY 2031. Beginning in FY 2032, appropriations for this program are capped at \$4.5M per year.

Therefore, to the extent appropriations are made, the fiscal impact of the program is \$2.5M beginning in FY 27, and \$4.5M beginning in FY 32.

Officials from the **Department of Economic Development (DED)** note 67.1535 creates a new program subject to appropriation that gives DED authority to expend funds for the purposes of promoting, developing, and supporting entertainment tourism within any entertainment district that applies through this program and is approved. The expenditures are limited to a portion of tax revenues derived directly or indirectly from any such promotion, development, and support of entertainment tourism as noted in an agreement with DED that is limited to 27 years in length.

67.1535.1(2) states the annual amount of state appropriation shall not exceed \$2.5M per year for any fiscal year ending on or before June 30, 2031, and \$4.5M for any fiscal year thereafter.

No appropriation shall be made prior to July 1, 2026.

**Oversight** notes these funds would be subject to appropriation by the General Assembly and that localities must be approved by the department of economic development no later than August 28, 2027.

**Oversight** will show a range of \$0 up to the maximum amount of funds allowed to be expended by DED for this proposal.

Responses regarding the proposed legislation as a whole

Officials from the **City of Kansas City, Branson Police Dept, Kansas City Police Dept.,** and the **St. Louis County Police Dept** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2032)
<b>GENERAL REVENUE FUND</b>				
<u>Cost - §67.1535 - DED - funds for promoting, developing, &amp; supporting entertainment tourism within qualifying entertainment districts</u>	\$0	\$0 or up to (\$2,500,000)	\$0 or up to (\$2,500,000)	\$0 or up to (\$4,500,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	\$0	\$0 or up to (\$2,500,000)	\$0 or up to (\$2,500,000)	\$0 or up to (\$4,500,000)

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2032)
<b>LOCAL POLITICAL SUBDIVISIONS</b>				
<u>Revenue</u> - §67.1535 – Entertainment District in the City of St Louis - funds for promoting, developing, & supporting entertainment tourism	\$0	<u>\$0 or up to \$2,500,000</u>	<u>\$0 or up to \$2,500,000</u>	<u>\$0 or up to \$4,500,000</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0</b>	<b><u>\$0 or up to \$2,500,000</u></b>	<b><u>\$0 or up to \$2,500,000</u></b>	<b><u>\$0 or up to \$4,500,000</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Current law requires a petition for the creation of a community improvement district to be signed by more than fifty percent of all owners of real property within the boundaries of a district.

This act provides that such requirement shall not apply if the district is to be designated as an entertainment district. An "entertainment district" is defined as an area located in the city of St. Louis, within the area locally known as the city's downtown or central business district, which contains a minimum of one hundred acres and a combination of entertainment venues, including, but not limited to, arenas, amusement centers, auditoriums, athletic facilities, bars, hotels, concert halls, convention facilities, music venues, nightclubs, restaurants, and other entertainment facilities. (Sections 67.1401 and 67.1421)

The act provides that any district which is an entertainment district shall have powers in addition to the powers currently granted to community improvement districts, including the ability to restrict or prohibit the carrying of weapons, to enforce curfews, and to hire and train public safety and security personnel to enforce the laws of the municipality and rules of the district. (Section 67.1461)

Finally, subject to appropriation, the act authorizes the Department of Economic Development to expend funds for the purpose of promoting, developing, and supporting entertainment tourism, as such term is defined in the act, within any entertainment district, and for which application is made and approved by the Department no later than August 28, 2027. Any annual expenditure

by the Department for entertainment tourism shall be limited to a portion of tax revenues derived directly or indirectly from any such promotion, development, and support of entertainment tourism supported by such annual expenditure within the designated entertainment district, as stated in an agreement entered into between the district and the Department. The term of state appropriations under any such agreement shall not exceed twenty-seven years, and the annual amount of the state appropriation authorized under the act shall not exceed \$2.5 million per year for any fiscal year ending on or before June 30, 2031, and \$4.5 million per year for any fiscal year thereafter. No such appropriation shall be made prior to July 1, 2026.

Any promotion, development, and support of entertainment tourism shall be determined to produce a positive net fiscal impact for the state over the term of the agreement, with such public or private assurances as the Department may reasonably require.

The Department shall make an annual report to the Governor and the General Assembly within ninety days of the end of each fiscal year detailing whether such promotion, development, and support of entertainment tourism produced a positive net fiscal impact for the state in the prior fiscal year and projecting the overall net fiscal impact to the state over the term of such agreement.

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 Economic Development  
City of Kansas City  
Branson Police Dept  
Kansas City Police Dept.  
St. Louis County Police Dept



Julie Morff  
Director  
April 15, 2025



Jessica Harris  
Assistant Director  
April 15, 2025