

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2523-01
BILL NO.: Perfected SB 789
SUBJECT: Jail Districts: Sales Tax
TYPE: Original
DATE: February 28, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All</u> State Funds	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Department of Corrections (DOC) assumes no fiscal impact.

Officials from the **Department of Revenue** assume this proposal would have no fiscal impact provided Jail District boundaries include the area within each member county.

Oversight assumes this proposal is permissive and would require Jail Districts that wanted to impose a sales tax, (that could not exceed 1%), to receive voter approval.

Jail Districts that would submit the question of levying a sales tax would have election costs.

Oversight assumes the state would retain a 1% collection fee which would be deposited in the States' General Revenue Fund. The amount of revenue that would be generated in a given year is unknown. Currently there are no Regional Jail Districts.

This proposal would result in an increase in Total Sales Revenues since Collection Fees are included in the General Revenue Fund and general revenues are included in the calculation of Total State Revenue.

<u>Fiscal Impact - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Income - Department of Revenue</u> 1% collection fee	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>UNKNOWN</u>	<u>UNKNOWN</u>	<u>UNKNOWN</u>
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<u>FISCAL IMPACT - Local Government</u>	<u>FY 2001</u> <u>(10 Mo.)</u>	<u>FY 2002</u>	<u>FY 2003</u>
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LOCAL GOVERNMENTS

<u>Income - Regional Jail Districts</u>			
Sales Tax Trust Fund	Unknown	Unknown	Unknown

<u>Cost - Regional Jail Districts</u>			
Operations	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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***Oversight assumes this proposal to be permissive. Jail Districts whose governing body would submit to the voters the question of implementing a local sales tax would have election cost. Oversight assumes that costs would not exceed income resulting in either zero or positive fund balances.**

FISCAL IMPACT - Small Business

Small business located within a Regional Jail District, that would receive voter approval to impose a sales tax would expect to be fiscally impacted to the extent that they would collect and pay the sales tax within those districts.

DESCRIPTION

This proposal would authorize Regional Jail Commissions to have a 1/8%, 1/4%, 3/8% and 1/2% regional sales tax for the purpose of operating a Regional Jail District, if approved by qualified voters of the district. The proposal contains further provisions, which include: ballot language; implementation and effective date of the tax depositing revenue; use of funds collected; and establishment of the Regional Jail District Sales Tax Trust Fund and its operation. The provisions of this proposal will expire August 28, 2015

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

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SOURCES OF INFORMATION

Department of Revenue
Department of Corrections

NOT RESPONDING: Nodaway County, Dunklin County, Atchison County, Worth County,
Dade County, Stoddard County, Scott County, Lawrence County and Vernon County.



Jeanne Jarrett, CPA
Director
February 28, 2000