

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2536-01
BILL NO.: SB 561
SUBJECT: Economic Development, Tobacco-Dependent Communities Revitalization.
TYPE: Original
DATE: January 14, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Tobacco-Dependent Communities Revitalization Fund	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on <u>All</u> State Funds*	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

* Subject to appropriation from the General Assembly.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
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 *	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

* Subject to appropriation from the General Assembly

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

The **Department of Economic Development (DED)** officials state the proposal creates a grant program to provide assistance to communities with economies dependent on tobacco production. Grants would be issued by DED to assist with creating new sources of income for communities affected by loss of tobacco related revenue, due to the Tobacco Settlement. DED assumes personnel, equipment and expenses would be needed to implement the proposal, but the amount of operations budget would depend on clarifying language.

Oversight assumes unknown revenues from the tobacco master settlement agreement will be collected and appropriated to the Tobacco-Dependent Communities Revitalization Fund. Oversight also assumes unknown expenditures in grants to the sponsoring organizations and ultimately to the tobacco-dependent communities.

The **Department of Agriculture, State Treasurer's Office, University of Missouri - Outreach & Extension, and the Department of Health** assume this proposal will not fiscally impact their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Tobacco-Dependent Communities Revitalization Fund	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

L.R. NO. 2536-01
BILL NO. SB 561
PAGE 3 OF 3
January 14, 2000

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	Unknown	Unknown	Unknown
	to (Unknown) to (Unknown) to (Unknown)		

FISCAL IMPACT - Small Business

A fiscal impact to small businesses would be expected in those communities that are awarded the grant.

DESCRIPTION

This proposal would create a Tobacco-Dependent Communities Revitalization Fund to diversify the economy of communities dependent upon tobacco production. The fund would consist of moneys appropriated to it from the general assembly and from Missouri's portion of the master tobacco settlement agreement. Grants shall be awarded by the Rural Economic Development Council and administered by the Office of Rural Development. Not more than three tobacco-dependent communities may apply for and receive a grant of an amount from \$300,000 to \$900,000 per year for five years. The program shall terminate on August 28, 2010.

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

Department of Economic Development
Department of Agriculture
State Treasurer's Office
University of Missouri (extension service)
Department of Health



Jeanne Jarrett, CPA
Director
January 14, 2000

L.R. NO. 2536-01
BILL NO. SB 561
PAGE 4 OF 3
January 14, 2000