

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2929-01
BILL NO.: SB 619
SUBJECT: Political Subdivisions; Neighborhood Improvement Districts
TYPE: Original
DATE: January 13, 2000

FISCAL SUMMARY

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

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

The **City of Raytown** assumes any cost to the city would be captured by the Improvement Districts and would have no fiscal impact.

The **Cities of Bridgeton and Mexico** assume no fiscal impact.

In response to similar legislation from past sessions, the **City of Poplar Bluff** and the **County of Cass** assumed no fiscal impact.

Oversight assumes this proposal is permissive and would not impact state funds. Cities and counties would have no fiscal impact, unless their governing bodies would receive voter approval for the establishment of a Neighborhood Improvement District or approval of a maintenance tax.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0*	\$0*	\$0*

***This proposal revises the law used by cities and counties that desire to establish a NID and would have no fiscal impact without voter approval.**

FISCAL IMPACT - Small Business

Small businesses located within a Neighborhood Improvement District that receives voter approval to levy a property tax not to exceed twenty cents per one hundred dollars, would have the additional costs of the maintenance tax.

DESCRIPTION

This act makes four changes in the law regarding Neighborhood Improvement Districts (NIDSs):

1) Any NID formed pursuant to a petition shall be designated as such if 2/3 of area property owners agree to the district.

Current law establishes the NID by petition if the owner(s) of 2/3 of the impacted area approve of the district formation.

2) The bonded indebtedness authorized, pursuant to a vote or authorized by the residents in the NID is limited to 50% of the assessed valuation in the NID area. If the bonded indebtedness is approved by the required majority of voters in the city or county in which the NID is situated, the bonded indebtedness may equal 100% of the assessed valuation of the NID area.

Current law limits bonded indebtedness of the NID to 10% of the assessed valuation of the property within the city or county.

3) A separate maintenance levy, not to exceed twenty cents per one hundred dollars of assessed valuation, may be adopted by petition or included on the ballot question as part of the question of project debt or as a separate issue.

4) Any project requiring issuance of one million dollars or more of bonded indebtedness requires a financial advisor or underwriter to be selected by the governing body through a competitive process.

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

L.R. NO. 2929-01
BILL NO. SB 619
PAGE 4 OF 4
January 17, 2000

City of Raytown
City of Bridgeton
City of Mexico
City of Poplar Bluff
County of Cass

NOT RESPONDING:

Cities of: St. Joseph, Fulton, St. Charles, Florissant, Chesterfield, Blue Springs, Springfield, Branson, Cape Girardeau, and St. Louis

Counties of: Cole, Boone, Cooper, Greene, Taney, Atchison, Callaway, Buchanan, St. Louis County, and Jackson County



Jeanne Jarrett, CPA
Director
January 13, 2000