

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4476-01
BILL NO.: SB 998
SUBJECT: Business and Commerce; Economic Development Department; Licenses - Misc..
TYPE: Original
DATE: February 28, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$0	\$0	\$0
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

Officials from the **Office of Secretary of State (SOS)** state this proposal creates the Missouri Business and Industrial Development Companies Act. The SOS assumes there would be costs due to additional publishing duties related to the Department of Economic Development's authority to promulgate rules, regulations, and forms. SOS estimates the division could require approximately 22 new pages of regulations in the Code of State Regulations at a cost of \$26.50 per page, and 33 new pages in the Missouri Register at a cost of \$22.50 per page. Costs due to this proposal would be \$1,326, the actual fiscal impact would be dependent upon the actual rulemaking authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal; however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **State Treasurer's Office**, the **Office of the State Courts Administrator**, and the **Attorney General's Office** assume this proposal will not fiscally impact their respective agencies.

Officials of the **Department of Economic Development (DED)** did not respond to our request for fiscal impact.

Oversight assumes the Department of Economic Development will charge fees sufficient to cover their costs of administering the Missouri BIDCO act.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Income</u> - Department of Economic Devel.			
Missouri BIDCO fees	unknown	unknown	unknown

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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>Costs - Department of Economic Devel.</u> Costs associated with Missouri BIDCO	<u>(unknown)</u>	<u>(unknown)</u>	<u>(unknown)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small businesses may be fiscally impacted as a result of this proposed legislation.

DESCRIPTION

This act authorizes the creation of Business and Industrial Development Companies (BIDCOs) to provide financing assistance and management assistance to business firms.

The Business and Industrial Development Company (BIDCO) is licensed by the Director of the Department of Economic Development. Rules and licensing requirements are set by the Director to ensure that the BIDCO operates to provide such financing assistance and a return on investments in a sound manner.

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

Office of the Secretary of State
Office of the State Courts Administrator
State Treasurer's Office
Attorney General's Office

NOT RESPONDING: DEPARTMENT OF ECONOMIC DEVELOPMENT

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is cursive and somewhat stylized, with the first name "Jeanne" written in a larger, more prominent script than the last name "Jarrett".

Jeanne Jarrett, CPA
Director
February 28, 2000