

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0114-01
Bill No.: SB 250
Subject: Economic Development Department; Tourism
Type: Original
Date: January 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0 to (unknown)	\$0 to (unknown)	\$0 to (unknown)
Total Estimated Net Effect on <u>All</u> State Funds *	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

* Subject to Appropriation, costs expected to exceed \$100,000 annually

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED)** state this proposal would establish the “Cultural Tourism Development Program”, wherein the Department of Economic Development (Community Development, Division of Tourism and the Missouri Arts Council), the Department of Transportation, the Department of Natural Resources and the Secretary of State’s Office would collaborate to award grants and loans to qualifying projects, for the purpose of increasing, developing and enhancing visitor experiences in Missouri which are involved with artistic, heritage or historical offerings and are important to the state’s economy.

The DED assumes that this proposal would be implemented in their office. The DED also assumes that the grant and loan program would be established at up to \$2 million annually. The DED requests three (3) FTEs to administer this program; one (1) Community Development Program Specialist (at \$40,716 annually) to oversee the new program by developing guidelines, managing the program and supervising staff, one (1) Community Development Field Representative II (at \$36,012 annually) to assist in promoting this new program, and one (1) Clerk Typist II (at \$20,472 annually) to provide clerical support.

Officials from the **Department of Natural Resources (DNR)** assume their involvement as described in the proposed legislation would be providing input for the grant and loan program, developing criteria for technical assistance from the program and developing criteria for awards from the grant and loan program. It is assumed that this level of activity could be handled with existing resources.

The DNR also states, however, if the program requires a substantial increase in workload for the current staff of the Division of State Parks, Historic Preservation Program, the department may need to request additional resources.

Officials from the **State Treasurer's Office**, **Department of Revenue** and the **Department of Transportation** assume this proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of Secretary of State (SOS)** assume 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 32 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 48 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal would be \$1,968, however, the actual fiscal impact would be dependent upon the actual rule-making 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

ASSUMPTION (continued)

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.

Oversight assumes additional rental space would not be required by the DED. Oversight also assumes that funding is subject to appropriation and the amount is unknown at this time.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Loss</u> - General Revenue Fund	\$0 to	\$0 to	\$0 to
Appropriations of Grant/Loan funds	(unknown)	(unknown)	(unknown)
<u>Costs - DED</u>			
Personal Service (3 FTE)	\$0 to (\$83,025)	\$0 to (\$102,121)	\$0 to (\$104,674)
Fringe Benefits	\$0 to (\$27,672)	\$0 to (\$34,037)	\$0 to (\$34,888)
Expense and Equipment	\$0 to (\$44,905)	\$0 to (\$33,353)	\$0 to (\$34,353)
Total <u>Costs</u> - DED	\$0 to (\$155,602)	\$0 to (\$169,511)	\$0 to (\$173,915)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0 to <u>(UNKNOWN)</u>	\$0 to <u>(UNKNOWN)</u>	\$0 to <u>(UNKNOWN)</u>

---SUBJECT TO APPROPRIATION---

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

One of the proposal's goals is to increase tourism expenditures in the state, which could have a positive direct fiscal impact to small businesses that cater to the tourism industry.

DESCRIPTION

This proposal creates the "Cultural Tourism Development Program" within the Department of Economic Development. The goal of the program is to increase visitor enjoyment and visitor expenditures associated with artistic, heritage and historical offerings in the state.

The Department of Economic Development will work in conjunction with the Division of Tourism, Missouri Humanities Council, Missouri Arts Council, Department of Transportation, Department of Natural Resources, Secretary of State's office, and other entities to administer the grant and loan program. No single award for a project shall exceed ten percent of the total awards for a single year.

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 Revenue
Office of the Secretary of State
Department of Natural Resources
Office of the State Treasurer
Department of Transportation



Jeanne Jarrett, CPA
Director
January 26, 2001