

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 0369-03
BILL NO.: Perfected SS for SB 14
SUBJECT: Jail Districts: Sales Tax
TYPE: Original
DATE: March 7, 2001

FISCAL SUMMARY

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

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

Revenue Officials stated if a new jail district is established and the district lines do not follow current city/county boundary lines the Division of Taxation would need one Tax Processing Tech I for each 1,000 businesses located within the district. The MITS system would also need 882 hours of contract programming at a cost of \$ 19,616, in order to implement the new taxing district. **Oversight** assumes that boundary lines would be the same as existing county boundaries, therefore, there would be no additional cost to the DOR.

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 could result in an increase in Total State 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 2002	FY 2003	FY 2004
	(10 Mo.)		

GENERAL REVENUE FUND

<u>Income - Department of Revenue</u>			
1% collection fee	\$0 or unknown	\$0 or unknown	\$0 or unknown

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 or UNKNOWN</u>	<u>\$0 or UNKNOWN</u>	<u>\$0 or UNKNOWN</u>
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<u>FISCAL IMPACT - Local Government</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
	<u>(10 Mo.)</u>		

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 an annual zero or positive fund balance.**

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 of certain counties to impose a 1/8%, 1/4%, 3/8% or 1/2 of 1% district 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 would 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.

SOURCES OF INFORMATION

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Department of Revenue

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with some loops and flourishes.

Jeanne Jarrett, CPA
Director
March 7, 2001