

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 1586-01  
BILL NO.: SB 430  
SUBJECT: Entertainment, Sports and Amusements; St. Louis; Taxation and Revenue.  
TYPE: Original  
DATE: February 17, 2001

**FISCAL SUMMARY**

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

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government *</b>	<b>\$0</b>	<b>\$1,361,854 to \$5,447,416</b>	<b>\$1,361,854 to \$5,447,416</b>

**\* This proposal is permissive and would require an act by the Mayor and City Council of St. Louis and/or a vote of the people to be imposed.**

Numbers within parentheses: ( ) indicate costs or losses This fiscal note contains 4pages.

**FISCAL ANALYSIS**

ASSUMPTION

In response to identical legislation from last session the following agencies submitted their fiscal impact estimates:

Officials from the **Department of Revenue** state this proposal would establish a band fund in St. Louis. The DOR assumes they will not be fiscally impacted since they would not be involved in the administration or collection of this fund.

Officials from the **City of St. Louis** assume the proposal is permissive and would allow the City to establish a public band fund. The tax authorized under the proposal can be calculated:

Authorized tax levy not to exceed ½ mill:	.0005
City of St. Louis Estimated Property Assessment (1999):	<u>\$2,723,707,053</u>
Estimated proceeds from ½ mill levy:	\$ 1,361,854

City officials state a second scenario would allow for submission of voters upon initiation by petition. If approved, the levy could be set at a rate of up to 2 mills, which would calculate as follows:

Authorized tax levy not to exceed 2 mills:	.002
City of St. Louis Estimated Property Assessment (1999):	<u>\$2,723,707,053</u>
Estimated proceeds from 2 mills levy:	\$ 5,447,414

Officials from the **State Tax Commission** assume this proposal would not fiscally impact their agency.

The **Office of Administration, Budget and Planning** assume this proposal should not result in additional costs or savings to their agency.

For purposes of this fiscal note, **Oversight** assumes the fiscal impact to the City of St. Louis would be in a range of the ½ mill (\$1,361,854) that could be levied by the mayor and council to the 2 mills (\$5,447,414) that could be approved by the voters in St. Louis. Oversight assumes this proposal would not fiscally impact the state. Oversight also assumes this proposal would not impact the local political subdivisions in FY 2002, and are projecting a flat growth rate for FY's 2003 and 2004. This proposal is permissive and would require an act of the Mayor and City Council of St. Louis and/or a vote of the people to be enacted.

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

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Revenue - City of St. Louis</u>		\$1,361,854 to	\$1,361,854 to
Increased levy for band fund	\$0	\$5,447,416	\$5,447,416

**\* This proposal is permissive.**

FISCAL IMPACT - Small Business

Small businesses may have to pay more in property taxes as a result of this proposal.

DESCRIPTION

This proposal allows the City of St. Louis to levy a local property tax for the purposes of funding free concerts. The levy requires a vote of the people before being enacted. The maximum rate of the levy cannot exceed 2 mills on each one dollar of assessed valuation.

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

Department of Revenue  
Office of Administration  
Budget and Planning  
State Tax Commission  
City of St. Louis



Jeanne Jarrett, CPA  
Director  
February 17, 2001