

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4122-03
Bill No.: SB 1084
Subject: Law Enforcement: Sales Tax, Counties
Type: Original
Date: February 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All</u> State Funds *	Unknown	Unknown	Unknown

* 1% collection fee is indeterminable.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Treasurer's Office** assume no fiscal impact.

Officials of the **Department of Revenue** assume this proposal would have no administrative impact, however, should the voters approve the imposition of the sales tax, there would be revenue generated from a 1% collection fee that would be retained by the Director of Revenue. The amount of revenue that would be deposited into the State's General Revenue Fund is Unknown. This proposal allows for a sales tax to be imposed, but the tax could not exceed 1%. The rate of sales tax that voters might adopt is not known.

Officials of the **Office of Prosecution Services** stated that if a sales tax were adopted, for law enforcement purposes, twelve and one-half percent would go into a special fund for Prosecutors. The amount of revenue is Unknown.

Officials of **Jefferson County** assume no fiscal impact.

Oversight assumes this proposal is enabling legislation and would have no fiscal impact without action of the governing body with voter approval. **Oversight will show fiscal impact as though a sales tax were adopted for law enforcement purposes.**

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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GENERAL REVENUE FUND

<u>Income</u> to Department of Revenue from 1% collection fee *	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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*** Oversight assumes this proposal is permissive. Certain Counties would have no fiscal impact without action of their governing body, with voter approval. Collection fees are indeterminable.**

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
COUNTY:PROSECUTOR'S SPECIAL FUND			
<u>Income</u> to Prosecutor's Special Fund 12 ½ % of Sales Tax Collected	Unknown	Unknown	Unknown
<u>Cost</u> to Prosecuting Attorney office operation	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Estimated Net Effect to Certain County's Prosecutor's Special Fund *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CERTAIN COUNTY'S GENERAL REVENUE FUND			
<u>Income</u> to County's General Revenue Fund from 87 ½ % of Sales Tax Collected	Unknown	Unknown	Unknown
<u>Cost</u> to Certain County providing law enforcement activities	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Estimated Net Effect to Certain County's General Revenue Fund *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO LOCAL GOVERNMENT	\$0	\$0	\$0

*** Oversight assumes costs would equal income resulting in an annual zero fiscal impact.**

FISCAL IMPACT - Small Business

Small businesses located within a county that would receive voter approval to impose up to a 1% sales tax for law enforcement purposes, would be impacted to the extent that they would pay and administer collection of the sales tax.

DESCRIPTION

This act authorizes Jefferson County to levy a sales tax of up to one percent. Twelve and one-half percent of the revenue from this tax shall go to a County Prosecuting Attorney's Trust Fund, to be used by the County Prosecuting Attorney's office. The remainder of the revenue shall be used by the county as it sees fit.

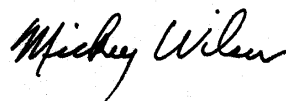
The act establishes a County Prosecuting Attorney's Office Sales Tax Trust Fund for any county which levies this tax.

The act has an emergency clause.

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

Office of the State Treasurer
Department of Revenue
Office of Prosecution Services
Jefferson County Commission



Mickey Wilson, CPA
Acting Director
February 18, 2002