

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 3807-01  
Bill No.: HB 1326  
Subject: Counties; Regional Development Districts  
Type: Original  
Date: March 10, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	\$0 to (\$92,340)	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>\$0 to (\$92,340)</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

**\* This proposal is permissive and requires voter approval.**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* This proposal is permissive and requires voter approval.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Economic Development** assume this proposal does not fiscally impact their agency.

Officials of the **Department of Revenue** assume the provisions of **Section 67.799** would have fiscal impact to the Department of Revenue - Division of Taxation. Officials stated that the proposal amends district tax to allow a district within part of a county, not the whole county, with the approval by the voters within the district only, not voters of the whole county. Officials stated if the voters would approve a part rather than a defined area, the DOR would have cost from Programming to their existing MITS system. Officials estimate there would be programming costs if the district does not conform to existing city or county boundaries. Officials estimate costs of \$92,340 for 2,768 hours of programming.

**Oversight** will show fiscal impact to the **Department of Revenue - Division of Taxation** as \$0 to \$92,340. Oversight assumes if voters would **not** approve the district, there would be no fiscal impact, or if boundaries would be drawn to existing boundaries there would be no fiscal impact. If a county or city were broken down into areas, then fiscal impact for programming changes could be as much as estimated by the DOR. Fiscal impact will be show as \$0 to \$92,340.

ASSUMPTION (continued)

**Certain counties would realize the cost of an election, which is required to establish a district, and the district would realize income generated by the sales tax, and would have costs related to the operation and maintenance of the district. All amounts of income and costs are indeterminable.**

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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**GENERAL REVENUE FUND**

<b><u>Income</u></b> to Department of Revenue 1% sales tax collection fee. Sec. 67.2000	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<b><u>Potential Cost</u></b> to Department of Revenue from changes in Section 67.799 programming costs	<u>\$0 to (\$92,340)</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT TO GENERAL REVENUE FUND</b>	<b><u>** \$0 to (\$92,340)</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>
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**\*\* Oversight assumes in FY 05 the collection fee of 1% would not equal or be greater than the programming costs, provided a district were drawn that would require programming up-grades.**

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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**REGIONAL RECREATION  
DISTRICT FUND**

<b><u>Income</u></b> to Regional Recreation District from voter approved sales tax	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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**Cost** to Regional Recreation District  
from operation and maintenance of the  
dist, election cost, etc.

\$0 or  
(Unknown)

\$0 or  
(Unknown)

\$0 or  
(Unknown)

**ESTIMATED NET EFFECT TO  
EXHIBITION AND RECREATION  
FACILITY DISTRICT FUND \***

**\$0**

**\$0**

**\$0**

**\*Oversight assumes costs would not exceed income resulting in either an annual positive fund balance or a zero fund balance.**

**FISCAL IMPACT - Small Business**

Small businesses within the newly created district would have to collect and remit additional sales taxes to the Department of Revenue.

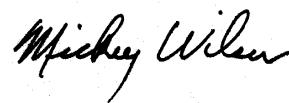
**DESCRIPTION**

Under current law, certain counties may directly authorize the creation of a regional recreational district by ordinance upon voter approval. If the proposed district is less than countywide, it need only be approved by the voters within the proposed district. Countywide districts may be supported by a sales tax approved by the voters of the entire county. This proposal eliminates the limitation that only countywide districts may be supported by sales tax and the requirement for countywide voter approval. The proposal also provides that if there are no voters residing within the proposed district, approval of the district and the imposition of a sales tax must be unanimously approved by the owners of the real property located within the proposed district.

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



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