

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 4064-01  
Bill No.: HB 1235  
Subject: Museums; Taxation and Revenue - Local Sales Tax  
Type: Original  
Date: February 16, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>General Revenue*</b>	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

**\* Oversight assumes income to be less than \$100,000 annually. This is enabling legislation and would have no fiscal impact without action of the governing body with voter approval.**

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

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

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

**FISCAL ANALYSIS**

**ASSUMPTION**

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 and deposited into the State's General Revenue Fund. The amount of revenue is indeterminable because the rate of taxation that could be approved is unknown. The tax could not exceed one-half percent on all retail sales made in the county.

Officials of the **Department of Economic Development, Division of Tourism** assume this proposal would not fiscally impact their agency.

Officials of the **Andrew County Commission** did not respond to our fiscal note request.

**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 museum purposes.**

FISCAL IMPACT - State Government                      FY 2005                      FY 2006                      FY 2007

**GENERAL REVENUE FUND**

**Income** to Department of Revenue  
 from 1% collection fee \*    Unknown                      Unknown                      Unknown

**\* Oversight assumes income to be less than \$100,000 annually. This is enabling legislation and would have no fiscal impact without action of the governing body with voter approval.**

FISCAL IMPACT - Local Government                      FY 2005                      FY 2006                      FY 2007

**MUSEUM SPECIAL FUND**

**Income** to Museum Special Fund  
 Sales Tax Collected    Unknown                      Unknown                      Unknown

**Costs** to Museum Fund    (Unknown)                      (Unknown)                      (Unknown)

**Estimated Net Effect to County  
 Museum Fund \***    \$0                      \$0                      \$0

**\* Oversight assumes costs would equal income resulting in an annual zero fiscal impact. This is enabling legislation and would have no fiscal impact without action of the governing body with voter approval.**

FISCAL IMPACT - Small Business

Small businesses located within a county (Andrew County) that would receive voter approval to impose up to 0.2% sales tax for museum purposes, would be impacted to the extent that they would pay and administer collection of the sales tax.

DESCRIPTION

This bill allows Andrew County, upon voter approval, to impose a sales tax not to exceed one-fifth of 1% on all retail sales within the county to be used solely for museums. The bill defines a museum that will qualify for the tax revenue and the method of collecting the tax. The bill outlines a procedure for establishing a museum board if one does not currently exist. The bill also establishes a procedure for voter repeal of a museum tax.

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 Revenue  
Department of Economic Development  
Tourism Division

NOT RESPONDING: Andrew County Commission



Mickey Wilson, CPA  
Director  
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