

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0390-01  
Bill No.: HB 135  
Subject: Business and Commerce; Economic Development  
Type: Original  
Date: January 7, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>Other</u> 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.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<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 2006	FY 2007	FY 2008
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Revenue** and the **Department of Insurance** each assume this proposal would not fiscally impact their respective agencies.

Officials from the **Department of Economic Development (DED)** state the bill modifies the BUILD tax credit program by expanding the definition of a development agency. It should have no impact on DED but according to the Missouri Development Finance Board the bill would allow local governments to be reimbursed for public infrastructure improvements necessitated by a BUILD eligible expansion or location although the local impact cannot be projected because it is dependent upon future DED recommendations and local uses which cannot be predicted.

**Oversight** assumes the BUILD program has an annual cap, as expressed in 100.850.5 RSMo. of either \$11,000,000, \$15,000,000 or \$11,950,000. Oversight assumes the changes made in the program by this proposal will not change the annual cap. Therefore, Oversight assumes the proposal may result in an increased utilization of the program, however the fiscal impact of the program has already been expressed in the fiscal note that accompanied the enabling legislation as well as in subsequent legislation that changed the annual limit of tax credits. Therefore, Oversight will assume no additional fiscal impact from the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that would be able to utilize the BUILD program with these changes could be fiscally impacted by this proposal.

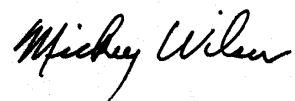
DESCRIPTION

This proposal authorizes certain development agencies or a corporation, limited liability company, or partnership that is formed on behalf of the development agency to act as an eligible industry as it relates to the Business Use Incentives for Large-Scale Development (BUILD) Program.

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  
Department of Insurance



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Mickey Wilson, CPA  
Director  
January 7, 2005