

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0390-03
Bill No.: HCS for HB 135
Subject: Business and Commerce; Economic Development
Type: Original
Date: February 25, 2005

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

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 clarifies the BUILD tax credit cap issue created by passage of multiple bills last session addressing the same statute. It also allows local development partners to be the beneficiary of the credits to offset public infrastructure costs necessary to cause the development to occur as long as the industry meets and maintains program compliance. Neither change will have fiscal impact on DED.

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.

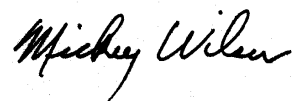
DESCRIPTION

This substitute 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. If no essential industry projects have been approved by the Department of Economic Development by December 31, 2005, current law requires that portions of the BUILD Program expire on January 1, 2006. The substitute removes that expiration date.

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
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