

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3026-03  
Bill No.: HCS for HB 1487  
Subject: Boards, Commissions, Committees, Councils; Cities, Towns, and Villages;  
Economic Development  
Type: Original  
Date: March 16, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
General Revenue	(Unknown less than \$113,413)	(Unknown less than \$113,815)	(Unknown less than \$114,230)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown less than \$113,413)</b>	<b>(Unknown less than \$113,815)</b>	<b>(Unknown less than \$114,230)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<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 2007	FY 2008	FY 2009
<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 2007	FY 2008	FY 2009
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Office of Administration - Administrative Hearing Commission, Office of the Governor, Missouri House of Representatives, and Missouri Senate** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Economic Development (DED)** make no assumptions because it is uncertain which state department the Revitalization and Reconstruction Commission will be assigned to or the activity level of the commission. The DED assumes some state entity will incur a minimum of travel and meeting costs for the commission.

Officials from the **DED - Missouri Housing Development Commission (MHDC)** state they assume MHDC's programs for the new construction and rehabilitation of affordable housing in Missouri will be included in this effort. However, the MHDC assumes there will be no fiscal impact on their organization.

Officials from the **Office of State Auditor (SAU)** state the proposal would make the state auditor a member of the Revitalization and Reconstruction Commission. As a voting member of this commission, rather than a non-voting ex-officio member, the SAU would be required to contract out for this audit to avoid a conflict of interest. This would result in an unknown fiscal impact on the SAU.

**Oversight** assumes contract audit costs incurred by the SAU will be less than \$100,000 annually.

ASSUMPTION (continued)

Officials from the **Office of State Treasurer (STO)** assume the fund established by this proposal will be administered by whichever agency or office the Revitalization and Reconstruction Commission is assigned. Based on this assumption, the STO assumes the proposal will have no fiscal impact on their organization.

Although it is uncertain which state department the Revitalization and Reconstruction Commission may be assigned to or the activity level of the commission, **Oversight** assumes the Commission will incur approximately \$13,413 in costs related to board meetings for the nine (9) board members, including mileage, lodging, and meal reimbursement. Commission members do not receive per diem. This figure is based on responses from the DED for legislation establishing similarly sized boards and commissions.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**GENERAL REVENUE FUND**

Costs - Office of State Auditor

Contract audit costs	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)
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<u>Costs - Commission meeting expenses</u>	<u>(\$13,413)</u>	<u>(\$13,815)</u>	<u>(\$14,230)</u>
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**ESTIMATED NET EFFECT ON  
GENERAL REVENUE FUND**

<u><b>(Unknown less than \$113,413)</b></u>	<u><b>(Unknown less than \$113,815)</b></u>	<u><b>(Unknown less than \$114,230)</b></u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

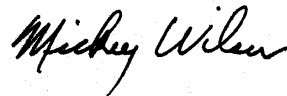
## DESCRIPTION

This proposal establishes the Revitalization and Reconstruction Commission within the Office of the Governor to promote the restoration, redevelopment, and revitalization of Missouri's urban resources. The membership and powers of the nine-person commission are specified. The commission must devise a comprehensive, 10-year plan to alleviate problems associated with distressed urban areas. The requirements of the plan are specified, and the plan will contain proposals for addressing revitalization in each identified distressed urban area. The commission will have authority over state programs which are designed to remedy blight in urban areas and can allocate its resources to any area in any manner it chooses for the purposes of revitalization. The commission must submit an annual report to the General Assembly by January 15 of each year.

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 Administration -  
    Administrative Hearing Commission  
Department of Economic Development -  
    Missouri Housing Development Commission  
Office of the Governor  
Missouri House of Representatives  
Office of State Auditor  
Missouri Senate  
Office of State Treasurer



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Director  
March 16, 2006