

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4501-02
Bill No.: HCS for HB 1711
Subject: Counties; Economic Development
Type: Original
Date: March 17, 2006

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2007 | FY 2008 | FY 2009 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2007 | FY 2008 | FY 2009 |
| | | | |
| | | | |
| 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 2007 | FY 2008 | FY 2009 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|-------------------------------------|------------|------------|------------|
| FUND AFFECTED | FY 2007 | FY 2008 | FY 2009 |
| Local Government* | \$0 | \$0 | \$0 |

* Potential gain and loss that would net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED)** state the bill should have no fiscal or administrative impact on DED. It provides for municipalities who are carrying out industrial development projects.

Officials from the **City of Columbia, Boone County** and **Columbia School District** did not respond to our request for fiscal impact.

Oversight assumes the proposal would change the distribution of excess payments from lessees of industrial development projects within Boone County. Oversight assumes the proposal may result in a possible reduction of excess funds distributed to school districts, junior college districts, county or cities, and an offsetting possible increase in disbursements to other taxing entities. Oversight assumes the net effect to local political subdivisions would net to zero.

| <u>FISCAL IMPACT - State Government</u> | FY 2007 (10 Mo.) | FY 2008 | FY 2009 |
|---|---------------------|-------------------|-------------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2007 (10 Mo.) | FY 2008 | FY 2009 |
|--|---------------------|---------------------|---------------------|
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Income</u> - to other taxing entities within an industrial development project | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| <u>Loss</u> - to school district, junior college district, county or city within an industrial development project | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

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

DESCRIPTION

Currently, if a municipality undertakes an industrial development project which was approved after August 28, 2003, the lessee may reimburse the municipality for the actual costs of issuing the bond and administering the plan. Anything reimbursed in excess of the actual costs must be disbursed to each school district, junior college district, county, or city in proportion to its current ad valorem tax levy.

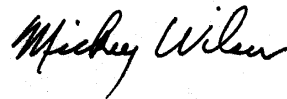
This bill specifies that for plans approved after May 15, 2005, in Boone County, reimbursements in excess of the actual costs must be disbursed to each affected taxing entity in proportion to the current ad valorem tax levy of each affected taxing entity, not just the entities in current law.

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

NOT RESPONDING: Boone County, City of Columbia, Columbia Public Schools

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 17, 2006