

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5106-01
Bill No.: HB 1782
Subject: Cities, Towns and Villages; Counties; Economic Development
Type: Original
Date: February 28, 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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED)** state the bill establishes provisions regarding local economic development by creating the Missouri Local Economic Development Code. DED assumes the bill should have no fiscal or administrative impact on their agency. DED states the bill will likely have local impact, but this would be unknown to DED.

Officials from **Hickory County** assume the bill will not fiscally impact their county.

Numerous other cities and counties did not respond to **Oversight's** request for fiscal impact. Oversight assumes the proposal is permissive and that local political subdivisions will not incur costs unless they vote to create such a commission. Therefore, Oversight will not reflect a fiscal impact to the local political subdivisions.

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

FISCAL IMPACT - Local Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

\$0

\$0

\$0

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 Missouri Economic Development Code and specifies that if provisions of this code are inconsistent with the provision of any other law, the code will be controlling.

Each municipality or county may create a Missouri economic development code job creation commission, but it will only be able to conduct business if it is approved by the governing body by order or ordinance. In order to be approved, the governing body must make certain findings which are specified in the bill. Each commission will be governed by a board of commissioners.

This code cannot be used for any residential development project if the taxes that would normally go to the school district would be used to finance the project. In this case, all the school boards of all the school districts located in the area of the project must consent to the project.

The bill specifies:

- (1) The board's membership and powers;
- (2) The items which must be included in a development plan and the findings which must be made for a municipality or county to adopt the plan. The findings must include a cost-benefit analysis of the economic impact the development plan will have on the municipality, county, and school districts that are within the development area. The initial development or redevelopment of a gambling establishment is prohibited. The development project must be completed and all debts retired within 25 years;
- (3) The requirements for public hearings related to the project;
- (4) The manner in which obligations may be issued and retired; and

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DESCRIPTION (continued)

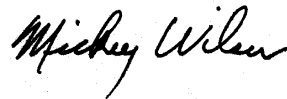
(5) The manner in which payments in lieu of taxes and economic activity taxes will be allocated during the time development financing is undertaken.

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
Hickory County

NOT RESPONDING: Numerous Cities and Counties.



Mickey Wilson, CPA
Director
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