

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5243-01
Bill No.: HB 1952
Subject: Business and Commerce: Economic Development
Type: Original
Date: April 11, 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 of the **Department of Economic Development** stated that this bill would have no fiscal or administrative impact on the Department of Economic Development. Officials assume the local economic development commission established in this proposal would be limited in scope. Officials assume the section which states that without approval from the local economic development commission, companies would not get state tax credits would have no fiscal impact. Officials assume this section would not take precedence over the tax credit statutes.

Officials of the **Department of Economic Development - Division of Finance** assume no fiscal impact.

Oversight sent response request to the City of St. Louis, Kansas City, Springfield, Columbia, Lees Summit, Ladue, and many other cities and have received no response.

<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
	<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

This bill authorizes any county or municipality to establish a local economic development commission with seven appointed members to review local expansion plans submitted by businesses with more than 10,000 employees and to make a recommendation on the plan to the appointing governing body.

If the governing body votes to reject the expansion plan and the business proceeds with the expansion, the business will forfeit any claim to any future state tax credit, abatement, or exemption related to the expanded business.

The bill also prohibits industrial loan companies and industrial banks in Missouri.

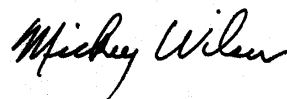
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Finance Division

NOT RESPONDING

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Mickey Wilson, CPA
Director
April 11, 2006