

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1100-01  
Bill No.: HB 638  
Subject: Charities: Education, Elementary and Secondary; Revenue Department  
Type: Original  
Date: April 4, 2007

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Bill Summary: Requires the Department of Revenue to award fee office contracts with a priority given to school districts and charitable organizations over individuals in a competitive bid process.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>Unknown - Could exceed \$100,000</b>	<b>Unknown - Could exceed \$100,000</b>	<b>Unknown - Could exceed \$100,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Governor** state there should be no added cost to the Governor's Office as a result of this proposal.

Officials from the **Department of Revenue** state this proposal has no administrative impact on their department.

**Officials from the Department** of Elementary and Secondary Education assume the proposal would appear to benefit schools at a nominal expense to the state in terms of bidding process costs and computing the distribution of the bid award monies to the schools.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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### POLITICAL SUBDIVISIONS

<u>Income</u> - School Districts - Revenues from fee offices	Unknown - Could exceed <u>\$100,000</u>	Unknown - Could exceed <u>\$100,000</u>	Unknown - Could exceed <u>\$100,000</u>
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<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<u><b>Unknown - Could exceed \$100,000</b></u>	<u><b>Unknown - Could exceed \$100,000</b></u>	<u><b>Unknown - Could exceed \$100,00</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.

### FISCAL DESCRIPTION

This proposal requires the Department of Revenue to award fee office contracts in the following priority:

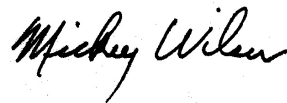
- (1) To school districts or coalitions of school districts;
- (2) To charitable organizations; and
- (3) To individuals through a competitive bidding process.

Any revenues generated as a result of the competitive bidding process must be distributed on a per-pupil basis to the school districts in the county where the fee office is located.

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 Revenue  
Office of the Governor  
Department of Elementary and Secondary Education



Mickey Wilson, CPA  
Director  
April 4, 2007