

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1606-01
Bill No.: HB 603
Subject: City of St. Louis: Public Safety
Type: Original
Date: February 28, 2007

Bill Summary: Authorizes the City of St. Louis to impose a sales tax of up to 0.5% for the operation of public safety departments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0 to \$180,000	\$0 to \$216,000	\$0 to \$216,000
Total Estimated Net Effect on General Revenue Fund	\$0 to \$180,000	\$0 to \$216,000	\$0 to \$216,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Public Safety Protection Sales Tax	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

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

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

☐ 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue - Sales Tax Division** stated that if the people of the City of St. Louis would approve the imposition of a sales tax, the department would receive 1% for collecting the tax, which would be deposited in the State's General Revenue Fund. Officials assume no fiscal impact to their department.

Officials of the **City of St. Louis - Budget Division** stated that if the people were to approve a sales tax at the ½ cent rate it would generate an estimated \$18,000,000 for 10 months of FY 2008.

Oversight assumes that this proposal is permissive and as written would have no fiscal impact without action by the governing body with voter approval.

Oversight assumes if the City of St. Louis were to receive voter approval to impose a sales tax at the maximum rate of ½ cents, and based on the City of St. Louis Budget Division estimates of generated revenue of \$18,000,000 for 10 months of FY 08, the Department of Revenue would realize \$180,000 from the 1% collection fee which would go into the State's General Revenue Fund. Because this proposal is permissive, fiscal impact will be shown as \$0 to.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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STATE GENERAL REVENUE FUND

<u>Income</u> - From 1% collection fee of sales tax collections.	<u>\$0 to \$180,000</u>	<u>\$0 to \$216,000</u>	<u>\$0 to \$216,000</u>
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ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND	<u>\$0 to \$180,000</u>	<u>\$0 to \$216,000</u>	<u>\$0 to \$216,000</u>
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**PUBLIC SAFETY PROTECTION
 SALES TAX FUND**

<u>Transfer In from DOR</u> - Voter	\$0 to	\$0 to	\$0 to
Approved sales tax in St. Louis City	\$17,820,000	\$21,384,000	\$21,384,000

<u>Transfer Out</u> - To City of St. Louis	\$0 to	\$0 to	\$0 to
Public Safety Trust Fund	<u>(\$17,820,000)</u>	<u>(\$21,384,000)</u>	<u>(\$21,384,000)</u>

ESTIMATED NET EFFECT TO PUBLIC SAFETY PROTECTION SALES TAX FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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**CITY OF ST. LOUIS PUBLIC
 SAFETY TRUST FUND**

<u>Transfer In</u> - From State Treasurer -	\$0 to	\$0 to	\$0 to
Public Safety Protection Sales Tax Fund	\$17,820,000	\$21,384,000	\$21,384,000

<u>Cost</u> - Providing Public Safety Services and Programs.	\$0 to	\$0 to	\$0 to
	<u>(\$17,820,000)</u>	<u>(\$21,384,000)</u>	<u>(\$21,384,000)</u>

<u>Total Net Effect</u> to City of St. Louis Safety Trust Fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT TO LOCAL GOVERNMENT	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

If the City of St. Louis were to receive voter approval to impose a sales tax retail businesses would be required to pay, collect, and remit the sales tax.

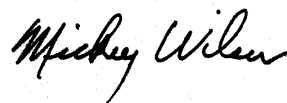
FISCAL DESCRIPTION

This bill authorizes the City of St. Louis to impose, upon voter approval, a sales tax of up to 0.5% for the operation of public safety departments including compensation; pension programs; health care; employment of additional police officers; and prosecution of more criminals, nuisance crimes, and problem properties.

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 - Sales Tax Division
City of St. Louis - Budget Division



Mickey Wilson, CPA
Director
February 28, 2007