

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4990-01
Bill No.: HB 2474
Subject: Taxation and Revenue; Education, Elementary and Secondary; Political Subdivisions
Type: Original
Date: April 15, 2008

Bill Summary: This proposal changes tax increment financing provisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development** assume the proposal would not fiscally impact their agency.

Officials from the **Department of Elementary and Secondary Education** assume this proposal will result in no costs to the department or to the public school foundation formula. It will likely provide an increase in local money to school districts in which TIFs are located.

Officials from the **Kansas City Public School District**, the **Parkway Public Schools** and the **St. Louis Public School District** did not respond to our request for fiscal impact.

Oversight assumes the proposal could result in increased revenue to local school districts and a corresponding loss to municipalities Special Allocation Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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LOCAL POLITICAL SUBDIVISIONS

<u>Income</u> - to local school districts - portion of tax increment	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Loss</u> - to municipality special allocation fund - portion of tax increment goes to school district	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
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ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</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 entitles any public school district providing services under Chapter 160, RSMo, to reimbursement from the tax increment financing (TIF) district's special allocation fund.

For developments which will be located on property where less than 50% of the acreage is in commercial development at the time the TIF application is filed, the reimbursement amount will be between 20% and 100% of the district's tax increment. If the development will be located on property with 50% or more of its acreage in commercial development, the reimbursement amount will be between 10% and 100% of the district's tax increment.

The provisions of the bill will not apply to any TIF project or district approved before August 28, 2008.

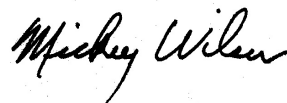
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Elementary and Secondary Education

NOT RESPONDING:

Kansas City Public Schools
Parkway Public Schools
St. Louis Public Schools



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Mickey Wilson, CPA
Director
April 15, 2008