

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3419-01  
Bill No.: HB 1432  
Subject: Transportation; Boats and Watercraft; Taxation and Revenue  
Type: Original  
Date: January 29, 2010

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Bill Summary: This proposal allows port authority boards to establish port improvement districts to fund projects with voter-approved sales taxes or property taxes.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue (DOR)** state the proposal allows the port authority to impose a sales, use, or property tax.

DOR states their response to a proposal similar to or identical to this one in a previous session indicated the department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the department's tax system, changes cannot be made without significant impact to the department's resources and budget. Therefore, the Information Technology portion of the fiscal impact is estimated with a level of effort valued at \$4,441 (1 FTE for 1 month to make updates to the Missouri sales tax system (MITS)).

**Oversight** assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Officials from the **Department of Transportation** and the **Office of the State Auditor** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the State Courts Administrator** assume the proposal would not fiscally impact the courts.

Officials from the **Kansas City Port Authority** assume they would not be fiscally impacted by the proposal.

In response to a similar proposal from 2009 (SB 215), officials from the **State Tax Commission** assumed the proposal would not fiscally impact their agency.

In response to a similar proposal from 2009 (HB 215), officials from the **Southeast Missouri Port Authority** (SEMO Port) state in 1985, both Cape Girardeau and Scott Counties proposed and passed a quarter-cent sales tax to provide capital funds for Semo Port. The proposals passed by 65% to 70% in both counties, strongly supported by the county commissions and other local elected officials. The sales tax ran 1986-1990 and sunset after four years. It brought in \$7.3 million in capital funds and was crucial in giving the Port a strong development effort. This was done by the two counties in coordination with and in support of the port.

ASSUMPTION (continued)

In their situation, SEMO port states they do not foresee trying to enact any kind of tax without the complete support of the two county commissions. With their support, the tax likely would be pursued under the counties rather than under the port. If it were done under the port, there could be additional costs for collecting the tax through the normal county procedures, but I do not see this happening -- it would be done by the counties themselves. It would be difficult in any case to see a future tax to support the port's development, unless some very specific major development were contemplated.

Officials from the **City of St. Louis Port Authority, St. Joseph Regional Port Authority, Kansas City, Jackson County, City of St. Louis, City of St. Joseph and Buchanan County** did not respond to our request for fiscal impact.

**Oversight** assumes the proposal is permissive in nature and allows Port Authorities to pursue an increase in sales tax and/or property tax to fund projects. Approval must be given by the voters in the district. Therefore, Oversight will not reflect a direct fiscal impact as a result of this proposal.

**Oversight** assumes if the voters were to approve a tax increase, there would be revenue generated for the port authority projects. If the citizens would approve a sales tax increase for the Port Authorities, the Department of Revenue would retain a 1% collection fee which would be deposited into the State's General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

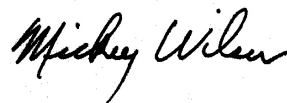
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Department of Transportation  
Office of the State Courts Administrator  
State Tax Commission  
Office of the State Auditor  
Port Authority of Kansas City, Missouri  
Southeast Missouri Port Authority

**NOT RESPONDING:**

**City of Kansas City**  
**City of St. Joseph**  
**City of St. Louis**  
**Buchanan County**  
**Jackson County**  
**St. Louis City Port Authority**  
**St. Joseph Port Authority**



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Director

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