

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4664-10
Bill No.: SCS for HCS for HB 1623
Subject: Cities, Towns and Villages; Economic Development; Taxation and Revenue -
Sales and Use
Type: Original
Date: April 20, 2012

Bill Summary: This proposal modifies numerous local issues.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 to Minimal	\$0 to Minimal	\$0 to Minimal
Total Estimated Net Effect on General Revenue Fund	\$0 to Minimal	\$0 to Minimal	\$0 to Minimal

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator, Department of Labor and Industrial Relations, State Tax Commission, Department of Economic Development and Office of the Secretary of State** each assume the current proposal would not fiscally impact their respective agencies.

In response to a previous version of this legislation, officials from the **Board of Elections in St. Louis County** assume the current proposal would not fiscally impact their board.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to a previous version, officials from the **Department of Revenue (DOR)** assume the proposal allows districts to impose a sales tax with voter approval. DOR and Office of Administration - Information Technology Services Division (OA-ITSD) will need to make programming changes to various tax systems in order to comply with the proposal. OA-ITSD (DOR) assumes these changes will require 1,632 FTE hours, for an estimated cost of \$43,248.

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. In addition, Oversight assumes that the costs to DOR will only be the case if the taxes are approved by

ASSUMPTIONS (continued)

voters. This will then prompt the programming changes. Oversight assumes that will the additional taxes passed that their may be costs involved also additional revenue to offset.

Oversight assumes this proposal is enabling legislation and would have no local fiscal impact without action by the governing body.

Section 311.179

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** state that this section would have minimal impact on their department. It is estimated there might be five licensees that apply for this license at \$3 per licensee for a total General Revenue impact of \$1,500.

Officials from the **Counties of Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Holt, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Texas, Warren, and Webster** did not respond to Oversight's request for fiscal impact.

Officials from the **Cities of Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kansas City, Kearney, Kennett, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Linn, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains** did not respond to Oversight's request for fiscal impact.

Oversight assumes for fiscal note purposes, the impact from this section will on ATC will be \$0 (no licenses issued) to minimal (estimate of five licenses at \$300 a piece).

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE FUND			
<u>Revenue - License Fee (\$311.179)</u>	<u>\$0 to Minimal</u>	<u>\$0 to Minimal</u>	<u>\$0 to Minimal</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 to Minimal</u>	<u>\$0 to Minimal</u>	<u>\$0 to Minimal</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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

This proposal modifies numerous local issues.

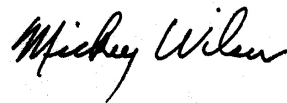
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
 Division of Business and Community Services
 Missouri Development Finance Board
 Public Service Commission
 Office of the Public Counsel
 Tourism
Department of Revenue
Office of the Secretary of State
Department of Labor and Industrial Relations
Office of the State Courts Administrator
State Tax Commission
Office of the Secretary of State
Board of Elections in St. Louis County
Department of Public Safety
 Alcohol and Tobacco Control

NOT RESPONDING

Numerous Counties
Numerous Cities

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
April 20, 2012