

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5619-01
Bill No.: HB 1694
Subject: Children and Minors; Counties; Taxation and Revenue - Sales and Use
Type: Original
Date: April 7, 2014

Bill Summary: This proposal would allow any county to establish a County Youth Initiative, and would authorize a county to submit for voter approval a sales tax to provide programs to prevent juvenile delinquency and provide opportunities to at-risk children and youth.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government *	\$0	\$0	\$0

* Net of additional revenues and expenditures.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** assume there would be no additional cost to their organization as a result of this proposal.

Officials from the **Office of the Secretary of State (SOS)** assume 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 Secretary of State's Office 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, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

Officials from the **Joint Committee on Administrative Rules** assume that this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume this proposal would allow voters in any county and the City of St. Louis to impose a sales tax up to one quarter of one percent for programs to prevent juvenile delinquency and provide opportunities for at-risk children and youth.

BAP officials noted because the tax would have to be approved by the voters, none of the revenues collected would have any impact on the revenue limitation calculations required by the Missouri Constitution.

BAP officials stated it is unknown which counties would adopt such a sales tax; therefore, local sales tax collections would be unknown. If a tax was approved and implemented, the revenues retained by the Department of Revenue for administering the tax (up to 1% of total collections) would affect Total State Revenue and General Revenue Fund collections by an unknown amount.

ASSUMPTION (continued)

Officials from **St. Louis County** stated the cost of an election for their organization would be approximately \$350,000, and annual operating costs resulting from this proposal would be approximately \$1.5 million.

Oversight will indicate additional revenue to local governments from \$0 (no local sales taxes implemented) or Unknown (one or more local sales taxes implemented) and to the General Revenue Fund for the 1% collection fees. Oversight will also assume for fiscal note purposes, the local governments would have expenditures equal to the additional revenues.

Officials from the **Missouri House of Representatives**, the **Department of Revenue**, **Cole County**, and the **St. Louis County Directors of Elections** assume this proposal would have no fiscal impact on their organizations.

Not responding

Officials from the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to our request for information.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Additional revenue - DOR</u>			
Collection fees on local sales tax Section 67.1780	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL GOVERNMENTS			
<u>Additional revenues - local governments</u>			
Youth Initiative sales tax	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Additional expenditures - local governments</u>			
Youth programs	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<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.

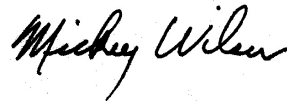
FISCAL DESCRIPTION

This proposal would allow any county to establish a County Youth Initiative, and would authorize the county to submit for voter approval a sales tax to provide programs to prevent juvenile delinquency and provide opportunities to at-risk children and youth.

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

Office of the Governor
Office of the Secretary of State
Missouri House of Representatives
Joint Committee on Administrative Rules
Office of Administration
 Division of Budget and Planning
Cole County
St. Louis County
St. Louis County Directors of Elections



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April 7, 2014

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April 7, 2014