

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5738-04
Bill No.: HB 2063
Subject: Economic Development; Department of Economic Development
Type: Original
Date: March 11, 2014

Bill Summary: This proposal authorizes any Missouri port authority to establish an Advanced Industrial Manufacturing Zone for the development or redevelopment of certain structures.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$53,111 to Unknown)	(\$53,524 to Unknown)	(\$54,058 to Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$53,111 to Unknown)	(\$53,524 to Unknown)	(\$54,058 to Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Port Authority AIM Zone Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Revenues and costs net to zero.

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
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☐ 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

* Revenues and costs net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Economic Development** assume there is no fiscal impact from this proposal.

Officials at the **Office of State Treasurer (STO)** assume approving disbursements appears to be a new duty to the STO, outside of the Treasurer's Operating Fund, requiring a new FTE. This FTE would make in the \$29,172 to \$41,016 range with fringe benefits of \$19,151, yielding approximately \$55,045 calculated at the midpoint with \$8,950 in one time expenses in the first year. This yields \$63,995 the first year declining to \$55,045 for subsequent years.

Officials at the **Department of Revenue**, the **Missouri Department of Transportation** and the **Office of Administration's Division of Budget and Planning** did not respond to **Oversight's** request for fiscal impact.

Oversight notes this proposal requires "fifty percent of the employment taxes" to go directly to the new fund created in this proposal. Oversight will assume that "employment taxes" is defined as withholding tax and will indicate the loss to General Revenue of the withholding tax and the gain to the Port Authority AIM Zone Fund of the withholding tax. However, should the term "employment taxes" also include more than the withholding tax (such as unemployment tax, etc.) then it should be noted that additional state funds could be negatively impacted. Since there is no way to determine if additional jobs will come to these regions, Oversight will reflect the impact as \$0 (no new jobs created) to Unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Revenue Reduction</u> - loss of withholding tax	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost</u> - Treasurer Office			
Personal Service	(\$29,245)	(\$35,445)	(\$35,799)
Fringe Benefits	(\$14,916)	(\$18,079)	(\$18,259)
Equipment and Expenses	<u>(\$8,950)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs</u> - Treasurer Office	<u>(\$53,111)</u>	<u>(\$53,524)</u>	<u>(\$54,058)</u>
FTE Change - Treasurer Office	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$53,111 to Unknown)</u>	<u>(\$53,524 to Unknown)</u>	<u>(\$54,058 to Unknown)</u>
Estimated Net FTE Effect on General Revenue	1 FTE	1 FTE	1 FTE
PORT AUTHORITY AIM ZONE FUND			
<u>Revenue</u> - withholding tax collected from the new jobs	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Transfer Out</u> - to local port authorities	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON PORT AUTHORITY AIM ZONE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
PORT AUTHORITY FUNDS			
<u>Transfer In</u> - from the Port Authority AIM Zone Fund	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> - administration of port authority development	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT ON PORT AUTHORITY FUNDS	<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 legislation authorizes any Missouri port authority to establish an Advanced Industrial Manufacturing Zone for the development or redevelopment of certain structures.

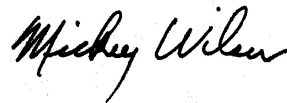
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Office of State Treasurer

Not Responding

Department of Revenue
Missouri Department of Transportation
Office of Administration
Division of Budget and Planning



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Director
March 11, 2014

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March 11, 2014