

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4495-02
Bill No.: HB 1445
Subject: St. Louis City; Entertainment, Sports and Amusements; Appropriations; Political Subdivisions; Cities, Towns and Villages
Type: Original
Date: February 21, 2018

Bill Summary: This proposal prohibits the use of public funds for any stadium if twenty-nine other states adopt similar statutes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Budget and Planning** assume this proposal prohibits expending public funds for any sports stadium or facility if twenty-nine other states adopt similar restrictions. The proposal explicitly overrides any existing laws - excluding constitutional provisions allowing such expenditures. While the proposed language states the new provision shall not "breach any existing contract or inhibit bond financing and payment for any project approved prior to this date", such an outcome seems unlikely if the agreements' authorizing statutes are voided and general revenue expenditures are prohibited. If this language is interpreted to preclude payment of debt service for existing bonds for sports stadiums or facilities, the state's bond rating could be adversely affected.

If this proposal voids any existing subsidy, tax abatement, tax credit, tax deduction, or tax exemption, it could increase total state revenues by an unknown amount and could impact the Article X, Section 18(e) calculation.

Budget and Planning defers to the OA/Division of Accounting for more specific impact information.

Oversight assumes, for fiscal note purposes, the new provision shall not "breach any existing contract or inhibit bond financing and payment for any project approved prior to this date", and will show no direct fiscal impact.

Oversight notes that it could take several years to satisfy the provisions of this proposal of requisite number of states to adopt substantially similar measures.

Officials from the **Attorney General's Office (AGO)** assume any potential cost arising from this proposal can be absorbed with existing resources. AGO may seek additional appropriations if the proposal results in a significant increase in cases.

Officials from the **Office of Administration - Accounting Division**, the **Missouri House of Representatives**, the **Missouri Senate**, the **Office of the Governor**, the **Department of Economic Development** and the **Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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 direct 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

Office of Administration
 Accounting Division
 Office of Administration - Budget and Planning
Office of the State Treasurer
Attorney General's Office
Missouri House of Representatives
Missouri Senate
Department of Economic Development
Office of the Governor

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director
February 21, 2018