

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2525H.01I  
Bill No.: HB 1408  
Subject: Business and Commerce; Fees  
Type: Original  
Date: March 7, 2021

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Bill Summary: This proposal specifies that fees for a business license are waived if the business is closed for sixty days due to a shutdown order.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*§1.600 requires the state to reimburse political subdivisions an unknown amount for lost revenues. Oversight assumes the fiscal impact could exceed the \$250,000 Fiscal Review threshold.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Unknown lost revenue due to a shutdown order and state reimbursement net to \$0.

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§1.600 – Business shut downs**

Officials from the **Department of Revenue (DOR)** state this proposal starting August 28, 2021, would require the state to reimburse political subdivisions all lost revenue due to a political subdivision shutting down businesses under a declared state of emergency. At the time of the preparation of the fiscal note, the DOR is unaware of any local shut down orders and assumed there is no fiscal impact from this proposal. Should a state or local shut down order occur after August 28, 2021, then the state would have a fiscal impact but the amount is unknown.

**Oversight** has no information to the contrary and will present DOR's impact as \$0 or (Unknown) cost to the General Revenue Fund for funds transferred to local political subdivisions.

Officials from the **Newton County Health Department** assume a minimal negative fiscal impact from this proposal.

Officials from the **Department of Commerce and Insurance**, the **Office of the Secretary of State**, the **Office of the Governor** and the **Joint Committee on Administrative Rules** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **City of Claycomo** and the **City of Springfield** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and county health departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>GENERAL REVENUE</b>			
<u>Transfer-out</u> Reimbursement to local political subdivisions for revenue lost due to shutdown	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Transfer-in</u> Replacement for revenues lost during business shutdown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss – Cities and Counties – revenue loss due to business shutdown</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

This proposal could impact small businesses that may be shut down by waiving and reimbursing business license fees.

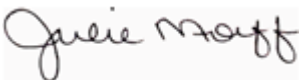
FISCAL DESCRIPTION

Specifies that fees for a business license are waived if the business is closed for sixty days due to a shutdown order.


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  
Newton County Health Department  
Department of Commerce and Insurance  
Office of the Secretary of State  
Office of the Governor  
Joint Committee on Administrative Rules  
City of Claycomo  
City of Springfield



Julie Morff  
Director  
March 7, 2021



Ross Strobe  
Assistant Director  
March 7, 2021