

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1766H.02C
 Bill No.: HCS for HB 736
 Subject: Holidays and Observances; Tourism
 Type: Original
 Date: March 27, 2023

Bill Summary: This proposal modifies provisions relating to historical designations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue Fund	(\$96,349)	(\$104,572)	(\$106,351)
Total Estimated Net Effect on General Revenue	(\$96,349)	(\$104,572)	(\$106,351)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Division of Tourism Supplemental Revenue Fund (0274)*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

*Oversight notes the Division of Tourism Supplemental Revenue Fund nets to zero.
 Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 9.025 Historical Designations

Officials from **Office of Administration** assume the proposal will have no fiscal impact.

Oversight notes that the above mentioned agency has stated the proposal would not have a direct fiscal impact on the organization. Oversight does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact on the fiscal note for this section.

Section 620.4000 “U.S. Grant Heritage Area”

Officials from the **Department of Economic Development (DED)** assume the proposal establishes the US Grant Heritage Area to be managed by the Division of Tourism. This will require an FTE to administer, as the division is currently charged with marketing efforts for the state, and this legislation creates a new area within the Division of Tourism. At a minimum, this will require 1.0 FTE (Economic Development Professional) along with needed equipment, telecommunications, professional development and travel to the various counties in the state of Missouri. The FTE will be paid for by the Tourism Supplemental Revenue Fund, which is funded by a GR transfer every year. The grants the division is charged with managing are subject to a GR appropriation and the amount is unknown at this time.

Oversight notes the officials from the DED provided additional information regarding the need for FTE and note:

DED responded to the similar proposal, HB 308 - 2023, and the Division of Tourism did not request an FTE because they prepared a comment memo asking for the program to be managed by Department of Natural Resources, and responded as if the program was going to be moved. When DED received this proposal, one FTE was added to the fiscal note since the Division of Tourism would not be able to manage this program with their current FTE.

Oversight notes the officials from the DED assume the proposal will have a direct fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect DED’s estimated cost for one FTE (Economic Development Professional at \$58,128 annually) beginning FY 2024 in the fiscal note.

Lastly, **Oversight** will show the funds being transferred out of the general revenue and appropriated into the Division of Tourism Supplemental Revenue Fund (0274) resulting in net zero after FTE expenditures.

Officials from the **Department of Natural Resources**, the **Office of the Secretary of State**, the **City of Kansas City**, and the **City of Springfield** 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 the above agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE FUND			
<u>Transfer Out</u> – Section 620.4000 U.S. Grant Heritage Area transfer into the Division of Tourism Supplemental Revenue Fund	<u>(\$96,349)</u>	<u>(\$104,572)</u>	<u>(\$106,351)</u>
NET ESTIMATED IMPACT ON THE GENERAL REVENUE FUND	<u>(\$96,349)</u>	<u>(\$104,572)</u>	<u>(\$106,351)</u>
DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND (0274)			
<u>Transfer In</u> – from GR Section 620.4000 FTE support	<u>\$96,349</u>	<u>\$104,572</u>	<u>\$106,351</u>
<u>Costs</u> – DED Section 620.4000			
Personal Service	(\$48,440)	(\$59,291)	(\$60,476)
Fringe Benefits	(\$31,110)	(\$37,767)	(\$38,210)
Expense & Equipment	(\$16,799)	(\$7,514)	(\$7,665)
<u>Total Costs</u>	<u>(\$96,349)</u>	<u>(\$104,572)</u>	<u>(\$106,351)</u>
FTE Change	1 FTE	1 FTE	1 FTE
NET ESTIMATED IMPACT ON THE DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

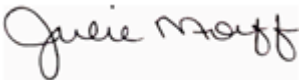
No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

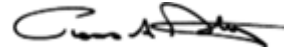
The Missouri Humanities Council and the National U.S. Grant Trail Association, Missouri chapter, must formulate a management plan for the U.S. Grant Heritage Area and submit the plan to the Director of the Division of Tourism within the Department of Economic Development. The plan should be focused on protecting, enhancing and interpreting the cultural, historical, archaeological, natural, and recreational resources of the heritage area.

SOURCES OF INFORMATION

Office of Administration
Department of Economic Development
Department of Natural Resources
Office of the Secretary of State
City of Kansas City
City of Springfield



Julie Morff
Director
March 27, 2023



Ross Strope
Assistant Director
March 27, 2023