

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5652H.02P
 Bill No.: Perfected HB 2719
 Subject: Tourism; Economic Development; Department of Economic Development
 Type: Original
 Date: March 27, 2024

Bill Summary: This proposal modifies provisions for the Division of Tourism Supplemental Revenue Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight reflects a range of funds that may be appropriated to the "Division of Tourism Supplemental Revenue Fund" (the General Assembly may appropriate). Oversight notes section 620.467 expired June 30, 2020 and this proposal appears to be a continuation of an existing, annual transfer. Oversight will assume, for the purpose of the fiscal note, the continued appropriation would be greater than \$250,000 (3 year average has been \$20.9 million per year).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Division of Tourism Supplemental Revenue Fund (0274)*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Oversight assume 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 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development** and the **Office of the State Treasurer** both assume the proposal will have no fiscal impact on their organization.

Oversight notes §620.467 was effective from July 1, 1994 and expired June 30, 2020 and created the Division of Tourism Supplemental Revenue Fund.

Oversight assumes that the proposal re-establishes the "Division of Tourism Supplemental Revenue Fund" and denotes how it receives and money.

Oversight notes, upon further inquiry with the DED, the Fund is the main source of money for the Division of Tourism.

Oversight notes the following disbursements, transfers in, and ending balances in lasts three years for the Division of Tourism Supplemental Revenue Fund (0274):

	Disbursements	Transfers - In	Ending Balance
FY 2023	22,980,446.53	25,090,183.00	5,317,513.19
FY 2022	20,822,160.40	19,676,852.00	4,333,755.20
FY 2021	12,146,124.48	18,007,501.25	6,478,989.81

Source: <https://treasurer.mo.gov/content/about-the-office/1fiscalyearfunds>

Oversight notes that, under the proposal, the General Assembly may appropriate money into the Fund to support the Division of Tourism duties and its functions. Therefore, Oversight will reflect \$0 (general assembly will not appropriate money) to an unknown cost (general assembly elects to appropriate money) to general revenue in the fiscal note beginning FY 2025. Conversely, Oversight will show transfer –in from the general revenue into the Fund.

Oversight notes that the Fund is allowed to receive gifts, contributions, grants, or bequests received from federal, private, or other sources. Therefore, Oversight will reflect money transfer in from above mention various sources into the Fund.

For simplicity, **Oversight** assumes all the funds will be used in the year in which they are appropriated due to various costs that the Division of Tourism will potentially incur while performing various functions and duties.

Oversight assumes based on the transfers-in according to the Fiscal Year End fund activity report for the Fund in FY 2023, transfers-in totaled \$25,090,183. Therefore, Oversight will assume the potential appropriation could reach, or surpass, the \$250,000 annually. (source: <https://treasurer.mo.gov/content/about-the-office/1fiscalyearfunds>)

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Transfer-Out</u> - §620.467 into "Division of Tourism Supplemental Revenue Fund" from general assembly	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND (0274)			
<u>Transfer-In</u> - §620.467 - appropriation from general assembly	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Revenue Gain</u> – §620.467 - gifts, grants, contributions and other moneys	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Costs</u> - §620.467 - the duties and administrative functions of Division of Tourism	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NEF EFFECT ON DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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 bill reestablishes the "Division of Tourism Supplemental Revenue Fund". The Supplemental Revenue Fund can only be used by the Division of Tourism of the Department of Economic Development to carry out the duties and functions of the Division.

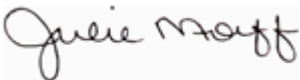
The Supplemental Revenue fund will consist of moneys which may be appropriated by the General Assembly and also any gifts, contributions, grants, or bequests received from federal, private, or other sources.

Before the money is appropriated to the Supplemental Revenue Fund, the Division of Tourism must present to the House of Representatives and Senate committees responsible for tourism matters, a promotional marketing strategy including, but not limited to, targeted markets, duration of market plans, ensuing market strategies, and the actual and estimated investment return.

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 the State Treasurer



Julie Morff
Director
March 27, 2024



Ross Strobe
Assistant Director
March 27, 2024