

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6164H.011
 Bill No.: HB 2934
 Subject: Entertainment, Sports and Amusements; St. Louis County; Governor and Lt. Governor; Boards, Commissions, Committees, and Councils; City of St. Louis; Tourism
 Type: Original
 Date: January 28, 2026

Bill Summary: This proposal modifies provisions governing the Regional Convention and Visitors Commission and the Regional Convention and Sports Complex Authority in the City of St. Louis and St. Louis County.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0	\$0 or (Could significantly exceed \$4,000,000)	\$0 or (Could significantly exceed \$4,000,000)
Total Estimated Net Effect on General Revenue	\$0	\$0 or (Could significantly exceed \$4,000,000)	\$0 or (Could significantly exceed \$4,000,000)

* DED suggests the language in §99.585.1(2) implies this proposal could be for any projects since the language does not put a cap on the number of projects per fiscal year. DED said the language caps each project at \$4 million, but it does not cap the number of projects per fiscal year.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** did not respond to **Oversight's** request for fiscal impact for this proposal.

§§67.601, 67.604, 67.607, 67.618, 67.651, 67.652, 67.653, 67.657 and 99.585 – Governance and Funding of the Regional Convention and Visitors Commission and the Regional Convention and Sports Complex Authority

Officials from the **Department of Economic Development (DED)** state the following:

§99.585.1 adds language allowing DED to expend funds for the purpose of aiding and cooperating in the planning, undertaking, or carrying out of a project or projects within or upon an area, property, or facilities owned, managed, leased, maintained, or operated by a regional convention and visitors commission to develop, construct, reconstruct, rehab, repair, or improve any tourism infrastructure facilities as long as the application is submitted and approved by DED no later than August 28, 2028. This opens the Tourism Infrastructure program for applications. It also allows for annual expenditure through this program for regional convention and visitors commission projects, in addition to land clearance projects, related to tourism infrastructure facilities.

§99.585.1(a) states the term of state appropriations under any agreement entered into beginning August 28, 2021, and ending on August 28, 2028, shall not exceed thirty years.

§99.585.1(b) still states annual amount of state appropriation authorized under this section shall not exceed \$2,500,000 per year for any fiscal year ending on or before June 30, 2031, and \$4,500,000 per year for any fiscal year thereafter.

§99.585.2 Notwithstanding paragraph (b) of subdivision (1) of this subsection, for any regional convention and visitors commission projects as described in paragraph (a) of subdivision (1) of this subsection, the annual appropriation amount shall not exceed four million dollars per year for any fiscal year. No such appropriation shall be made prior to July 1, 2027, for any tourism infrastructure facilities located in a convention district.

As §99.585.2 reads, any regional convention and visitors commission project may not exceed \$4 million per fiscal year; however, there is no stated limitation on the number of projects per fiscal year. This impact will be significant but is indeterminate. If the number of qualifying projects requires additional FTE, DED will request these during the normal budget process.

Oversight inquired DED regarding their response. DED pointed out that the language in §99.585.1(2) that reads as “Notwithstanding paragraph (b) of subdivision (1) of this subsection, for **any** regional convention and visitors commission **projects**...” suggests that this would be for

any projects since the language does not put a cap on the number of projects per fiscal year. DED said the language caps each project at \$4 million, but it does not cap the number of projects per fiscal year. Therefore, Oversight will show to General Revenue a \$0 or unknown amount that could significantly exceed \$4 million per fiscal year starting in FY28.

Officials from the **Office of Administration - Budget and Planning** state this proposal modifies provisions related to the Regional Convention and Visitors Commission of St. Louis City and County. Subparagraph 99.585.1(1) is modified extending state appropriation tourism infrastructure agreements the Department of Economic Development has entered into between August 28, 2021 and August 28, 2028 to 30 years. In addition to the \$2.5M each year in state appropriations prior to June 30, 2031 and \$4.5M each year thereafter authorized in subparagraph 99.585.1(1)(b), \$4M in additional state appropriations is authorized in subparagraph 99.585.1(2) for tourism infrastructure. Therefore, the fiscal impact to GR is \$4M annually beginning in FY 28.

Officials from the **Department of Revenue (DOR)** state the following:

§67.601 – St. Louis City Regional Convention District

This provision increases the number of members appointed to the St. Louis City Regional Convention District. This section also repeals the language that the General Assembly appropriates money to the District. This section will not impact DOR.

§67.604

This provision will add the definition of convention district, election authority, qualified voters and registered voters. Adding these definitions will not fiscally impact DOR.

§67.607

This provision delineates the powers and duties of the St. Louis City Regional Convention District. These duties would include the levying of a property tax and sales tax. However, they are required to take any sales tax to the ballot before implementing. This provision will not fiscally impact DOR

§67.618 Levy of the Property Tax and a Sales Tax

This provision delineates the rules to levy a property tax or a special assessment by the district. The tax must be voted on the district before being implemented. This provision will not fiscally impact DOR.

In §67.618.10 this proposal would allow authorizing a sales tax upon a vote of the people. The sales tax rate is one-eighth of one percent up to 2%. Should the sales tax pass, the DOR would be required to implement the tax. DOR notes that adding a new sales tax would cost \$7,547 per computer system (4) updated for a total of \$30,188. DOR would also need to update their form at a cost of \$2,200. These costs would occur when they are notified of the passage of the tax.

§§67.651 – 99.585

These sections are adding clarifying language to the statutes. DOR assumes no fiscal impact from this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to any new sales tax and updating forms related to the Regional Convention District. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight notes §67.607(13) empowers the Regional Convention and Visitors Commission to levy and collect special assessments and taxes under §§67.601 to 67.626 with voter approval. Oversight does not have any information as to when this issue would be put before the voters of the district and will, therefore, show a \$0 (no voter approval) or unknown revenue gain to the Regional Convention District.

Oversight notes §67.618.10 allows the Regional Convention and Visitors Commission to impose by resolution a Convention District sales and use tax on all retail sales made within that district with voter approval. Oversight does not have any information as to when this issue would be put before the voters of the district and will, therefore, show a \$0 (no voter approval) or unknown revenue gain to the Regional Convention District.

Oversight notes that violations of §67.618.15 could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fines vary widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

Officials from the **Office of the Governor (GOV)** state this bill adds to the Governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the GOV. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the GOV.

Officials from the **Department of Commerce and Insurance, the Missouri Department of Conservation, Missouri Department of Transportation, Office of the Secretary of State, State Tax Commission, St. Louis City Board of Elections, St. Louis County Board of Elections** and the **City of St. Louis Budget Division** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost</u> – DED (§99.585.1(2)) Each project is capped at \$4 million but the number of projects per fiscal year is not capped p.3-4	\$0	\$0 or (Could significantly exceed \$4,000,000)	\$0 or (Could significantly exceed \$4,000,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0	\$0 or (Could significantly exceed \$4,000,000)	\$0 or (Could significantly exceed \$4,000,000)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – Regional Convention District (§67.607(13)) Potential levy of taxes or special assessment with voter approval p.5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> – Regional Convention District (§67.618.10) Potential sales and use tax with voter approval p.5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> – School Districts (§67.618.15) Potential revenue from penalties p.5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL IMPACT – Small Business

Small businesses located within the Convention District area could be impacted by the levying of taxes or by a special assessment.

FISCAL DESCRIPTION

This bill modifies the membership of the Regional Convention and Visitors Commission, as specified in the bill, beginning August 28, 20206.

The bill expands the powers of Regional Convention and Visitors Commission, including to exercise all powers, duties, rights, authorities, and obligations of the St. Louis Regional Convention and Sports Complex Authority; to develop, devise, promote, fund, or contribute to the support and development of sports and entertainment attractions; to levy and collect special assessments and taxes; and to levy sales taxes as provided in the bill.

This bill authorizes the Commission to levy one or more special assessments against real property within the boundaries of the convention district upon receipt of a petition signed by owners of real property collectively owning more than 50% of the assessed value within the district and more than 50% per capita of the owners of all real property within the district. The format of the petition is specified in the bill.

The method of allocating special assessments must be specified in the petition, and the commission may establish different classes of property within the district for the purpose of special assessments. A special assessment will constitute a perpetual lien against a property, and the county collector may add the special assessment to the real property tax bill for the property. Any delinquent payment of a special assessment can be collected as provided for delinquent property tax payments, including the sale of delinquent property to satisfy the lien.

A separate fund or account must be created by the commission for each special assessment levied. The fund or account can be used solely to pay the costs incurred in undertaking the specified service project. Upon completion of the service or project as set forth in the petition, the balance remaining in the fund or account will be returned or credited against the amount of the original assessment of each parcel of property. Any funds in a fund or account that are not needed for current expenditures can be invested by the Commission.

The Commission may, subject to voter approval, impose a sales tax up to 2% on all sales made within the district. The form of ballot is specified in the bill.

This bill repeals the requirement that the St. Louis Regional Convention and Sports Complex Authority design or construct multi-purpose stadiums to meet NFL franchise standards, and that the stadiums be located adjacent to an existing convention facility.

Currently, all funds deposited in the County Convention and Recreation Trust Fund must be disbursed for the payment of the county's share of any rent, fees, or charges payable according to any contract entered into under existing law. This bill provides that any remaining moneys will be annually disbursed to the Regional Convention and Visitors Commission for general revenue purposes.

Currently, the term of state appropriations under any agreement between the Department of Economic Development, the Office of Administration, and any other public body, cannot exceed 20 years. This bill allows any agreement entered into beginning August 28, 2021 and ending on August 28, 2028, cannot exceed 30 years. The bill also limits the annual appropriation to \$4 million.

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
Department of Revenue
Office of the Governor
Department of Commerce and Insurance
Missouri Department of Conservation
Missouri Department of Transportation
Office of the Secretary of State
State Tax Commission
St. Louis City Board of Elections
St. Louis County Board of Elections
City of St. Louis Budget Division



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