

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0742-01
Bill No.: HB 186
Subject: Political Subdivisions; Taxation and Revenue - Sales and Use
Type: Original
Date: January 12, 2015

Bill Summary: This proposal modifies provisions relating to community improvement districts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Kansas City** were unable to ascertain a fiscal impact from this proposal. The extent to which revenues might increase are dependent on the extent to which the City might seek to initiate one or more community improvement districts, the success of such efforts, and the types of taxes levied and their duration. The bill creates new opportunities to increase revenues by authorizing the City to seek to establish one or more community improvement districts in any part of the City. This bill will likely result in savings as the successful creation of one or more community improvement districts with independent funding mechanisms is anticipated to free City resources that might otherwise have been expended. The creation of one or more community improvement districts will require that the City incur costs relative to providing notice and conducting elections. The extent of those costs is dependent on the extent to which the City seeks to establish one or more community improvement districts.

Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the governing body and approved by the majority of voters. Oversight will reflect a \$0 impact to local political subdivisions. Currently, only Kansas City may file a petition to initiate the process to establish a community improvement district in Clay County. This bill allows any municipality to file a petition to initiate the process to establish a district in any county as long as the chief elected officer of the municipality signs the petition.

If a majority of the qualified voters voting on the proposition vote in favor of the proposition, then the district will be created and the tax may be imposed by the district's board of directors without further approval of the qualified voters of the district. If the majority of the qualified voters reject the proposition, then the governing body of the municipality may not resubmit the question to qualified voters of the district for at least one year.

Officials at the **State Tax Commission**, the **Department of Economic Development**, the **Office of the Secretary of State** and the **Department of Revenue** each assume no fiscal impact to their respective agencies from this proposal.

Officials at **St. Louis County**, the **St. Louis County Board of Election Commission**, the **City of Columbia**, the **City of Jefferson** and the **Platte County Board of Election Commission** each assume no fiscal impact to their respective organizations from this proposal.

ASSUMPTION (continued)

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight’s** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Pulaski, Scott, Shelby, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight’s** request for fiscal impact.

Officials at the following boards of election commissions: Kansas City Board of Election Commission, St. Louis City Board of Election Commission, Clay County Board of Election Commission and the Jackson County Board of Election Commission did not respond to **Oversight’s** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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 the Secretary of State
State Tax Commission
Department of Economic Development
Department of Revenue
St. Louis County
St. Louis County Board of Election Commission
City of Columbia
City of Jefferson
Platte County Board of Election Commission
City of Kansas City



Mickey Wilson, CPA
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January 9, 2015

Ross Strope
Assistant Director
January 9, 2015