

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1109-01  
Bill No.: HB 540  
Subject: Economic Development; Business and Commerce  
Type: Original  
Date: February 9, 2015

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Bill Summary: This proposal creates the Missouri Startup Cloud Program and Missouri International Business Advertising Fund to attract businesses to the state.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0 or (\$23,662)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (\$23,662)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Missouri International Business Advertising Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Transfer In and Cost net to zero.

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials at the **Department of Economic Development (DED)** assume §620.1650 creates the Missouri Startup Cloud program. The program proposes that DED create a website which will allow financing providers to post any available financial products or services that assist Missouri business for free of charge. DED will only have 90 days to complete this website or it will need to contract with an outside agency. DED assumes the costs of the website would result in a negative impact ranging from \$0 - \$23,662.

**Oversight** assumes the Department of Economic Development will create the website for a cost of \$23,662.

**DED** assumes §620.1915 creates the Missouri International Business Advertising Fund consisting of appropriated moneys, contributions, grants, and bequests to be used solely to attract international businesses to Missouri. The fund must be used for advertising the benefits of relocating an international business to Missouri. The fund may also be used to promote its existence and purpose and to advertise in international business magazines or on social media sites or any search engine that receives international traffic. The fund must be administered and managed by the Missouri Small Business Technology and Development Center and its coordinator. DED assumes this portion of the proposal will have no fiscal impact to DED.

Officials at the **Joint Committee of Administrative Rules** assume no fiscal impact from this proposal.

Officials at the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the

ASSUMPTION (continued)

General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Dept of Economic Development - creation of website §620.1650	<u>\$0 or (\$23,662)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 or (\$23,662)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>MISSOURI INTERNATIONAL BUSINESS ADVERTISING FUND</b>			
<u>Transfer In</u> - appropriation from General Revenue §620.1915	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue</u> - gifts, grants §620.1915	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> - advertising the benefits of relocation to Missouri §620.1915	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON MISSOURI INTERNATIONAL BUSINESS ADVERTISING FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<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.

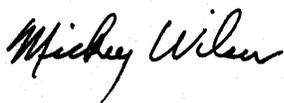
FISCAL DESCRIPTION

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

Department of Economic Development  
Joint Committee of Administrative Rules  
Office of the Secretary of State



Mickey Wilson, CPA  
Director  
February 9, 2015

Ross Strobe  
Assistant Director  
February 9, 2015