

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0729-01
Bill No.: HB 97
Subject: Jefferson County: Law Enforcement Sales Tax
Type: Original
Date: February 4, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue *	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund *	Unknown	Unknown	Unknown

* Income expected to be less than \$100,000 annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** assume this proposal would have no administrative impact, however, should the voters approve the imposition of the sales tax, there would be revenue generated from a 1% collection fee that would be retained by the Director of Revenue and deposited into the State's General Revenue Fund. The amount of revenue is indeterminable because the rate of taxation that could be approved is unknown. The tax could not exceed one percent on all retail sales made in the county. **Oversight** expects income generated from the 1% collection fee to be less than \$100,000 annually

Officials of the **Jefferson County Commission** assume no fiscal impact.

Oversight assumes this proposal is enabling legislation and would have no fiscal impact without action of the governing body with voter approval. **Oversight will show fiscal impact as though a sales tax were adopted for law enforcement purposes.**

FISCAL IMPACT - State Government FY 2004 FY 2005 FY 2006

GENERAL REVENUE FUND

Income to Department of Revenue
 from 1% collection Fee * Unknown Unknown Unknown

* **Income expected to be less than \$100,000 annually.**

FISCAL IMPACT - Local Government FY 2004 FY 2005 FY 2006

**COUNTY PROSECUTOR'S
 SPECIAL FUND**

Income to Prosecutor's Special Fund
 12 ½ % of Sales Tax Collected Unknown Unknown Unknown

Costs to Prosecutor's Special Fund
 providing for office operations (Unknown) (Unknown) (Unknown)

**ESTIMATED NET EFFECT TO
 COUNTY PROSECUTOR'S
 SPECIAL FUND *** \$0 \$0 \$0

CITY GENERAL REVENUE

Income to City General Revenue Fund
 87 ½ % of Sales Tax Collected Unknown Unknown Unknown

Cost to City General Revenue Fund
 Providing law enforcement activities. (Unknown) (Unknown) (Unknown)

**ESTIMATED NET EFFECT TO
 CITY GENERAL REVENUE FUND *** \$0 \$0 \$0

*** Oversight assumes cost would equal income resulting in an annual zero fiscal impact.**

FISCAL IMPACT - Small Business

Small businesses located within a county (Jefferson County) that would receive voter approval to impose up to 1 % sales tax for law enforcement purposes, would be impacted to the extent that they would pay and administer collection of the sales tax.

DESCRIPTION

This bill authorizes Jefferson County, upon voter approval, to impose by ordinance a retail sales tax of up to 1% for law enforcement services. The bill requires 12.5% of the sales tax revenue collected to be deposited into the County Prosecuting Attorney's Office Sales Tax Trust Fund and to be used solely by the county Prosecuting Attorney's office. The remainder would go into the City's General Revenue Fund earmarked for law enforcement purposes.

The bill contains an emergency clause.

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 Revenue
Jefferson County Commission



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Director
February 4, 2003

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