

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 2769-12  
Bill No.: HCS for SCS for SB 754  
Subject: Exhibition Center & Recreational Facility District Act  
Type: Original  
Date: April 8, 2004

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	\$0 or (Unknown)	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

\* This proposal is permissive and requires voter approval.

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* This proposal is permissive and requires voter approval.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Office of State Treasurer** assume no fiscal impact.

Officials of the **Department of Revenue** assume the provisions of **Sections 67.793 and 67.799**, (Regional Recreational District), would have fiscal impact to the Department of Revenue - Division of Taxation. Officials stated that the proposal amends district tax to allow a district within part of a county, not the whole county, with the approval by the voters. Officials stated if the voters would approve a part rather than a defined area, the DOR would have cost from Programming to their existing MITS system. **Officials estimate costs of \$23,085 for 692 hours of programming.**

**DOR** officials stated that assume the provisions of **Section 67.2000** ( Exhibition Center and Recreational Facility Act) would have fiscal impact to their department if a district were created that would encompass only a portion of the county. Officials estimate they would have costs of \$23,170 for 692 hours of programming.

**ASSUMPTION** (continued)

**Oversight** will show fiscal impact to the **Department of Revenue - Division of Taxation** as \$0 to \$46,170. Oversight assumes if voters would **not** approve the district, there would be no fiscal impact, or if boundaries would be drawn to existing boundaries there would be no fiscal impact. If a county or city were broken down into areas, then fiscal impact for programming changes could be as much as estimated by the DOR. **Fiscal impact will be show as \$0 to \$46,170.**

**Oversight assumes Section 67.2000 of this proposal is permissive** and would require voter approval before any fiscal impact would be realized by the state or the new district. If the voters would approve the creation of an Exhibition Center and Recreation Facility District and approve a sales tax to fund the district, the Department of Revenue would collect the sales tax and would withhold a 1% collection fee. **The collection fee would be deposited in the State's General Revenue Fund.**

**A district, if voter approved, would realize income generated by the sales tax, and would have costs related to the operation and maintenance of the district. All amounts of income and costs are indeterminable.**

**Oversight assumes Sections 67.1706 and 67.1754 clarifies powers that Metropolitan Park and Recreation Districts have and would have no fiscal impact.**

Officials of the **Department of Conservation** assume no fiscal impact.

Officials of the **Department of Natural Resources** assume no fiscal impact.

Officials of the **Office of Kansas City Manager** and the **City of Springfield** assume no fiscal impact.

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

**DOR** officials state that the provisions of **Section 67.2500 etal.** (Theater, Cultural Arts, and Entertainment District Act) would be funded by a voter approved sales tax that would not be collected by the DOR, and would have no fiscal impact.

FISCAL IMPACT - State Government

FY 2005  
(10 Mo.)

FY 2006

FY 2007





enables citizens of Cole, Jefferson, Jasper, Newton, Buchanan, Wright, Camden, Miller, and Morgan counties to petition to create an exhibition center & recreation facility district. At least fifty property owners in the county must sign the petition.

The petition must include the petitioners names, a description of the district's boundaries, and the name of the proposed district. Once the petition is filed, the governing body may approve a resolution to the create the district. Following a public hearing, the governing body may adopt an order establishing the proposed district.

A board of trustees is created to administer any district created and the expenditure of revenue that accompanies such district. The governing body of each county within the district shall appoint four residents from the portion of the county within the district to serve on the board. At least one member of the board shall be the owner of a business in the district and at least one member shall be the owner of a lodging facility in the district. Two of the members of the board must reside in the district. The board will have the power to have a seal, sue and be sued, enter into contracts or other agreements affecting the affairs of the district, to borrow money, to issue bonds, to acquire and dispose of real and personal property, to refund bonds without an election, to manage the affairs of the district, to hire agents, and to amend and adopt bylaws.

The district may submit to its voters a sales tax of up to one-quarter of one percent. The act includes ballot language to that effect. The act also includes the creation of a fund to receive such sales tax revenue and instructs the Director of the Department of Revenue to authorize disbursements to the district. The tax would be reduced automatically to a rate of one-tenth of one percent after twenty-five years unless an extension is voted upon by the voters in the district. This act makes a technical change to delete the requirement that the Treasurer make the disbursements in the case of an overpayment, as such is not required for non-state funds.

Section 67.2500 authorizes St. Charles County to establish a theater, cultural arts, and entertainment district to be funded by a sales tax of up to one-half of 1%. It establishes minimum criteria for the formation of the district, including land area and petition requirements.

The district will be controlled by a board of directors, the number of which must be specified in the petition. The board has various powers, including the power to issue bonds.

Public meetings regarding the formation of the district must be held before the governing body of the county can put the proposal to a vote of the people. If the governing body of the county

DESCRIPTION continued

approves a resolution to establish the district, a vote is authorized. After it is approved, the

district will be formalized by an ordinance from the governing body.

The substitute allows for subdistricts within the district that can oppose the creation of the district and be excluded from the sales tax. The substitute establishes a procedure for forming a governing body for a subdistrict. If there are no registered voters in a subdistrict, one or more property owners who collectively own one or more parcels of real estate comprising at least a majority of the land situated in the proposed subdistrict can file a petition with the circuit court requesting the creation of a theater, cultural arts, and entertainment district. The circuit clerk of the county in which the petition is filed will present the petition to the judge, who will set the petition for hearing. The substitute contains ballot language for the formation and possible dissolution of the subdistrict. In the event that a subdistrict is dissolved, the substitute contains provisions to govern the dissolution.

The sales tax will be collected by the municipality and placed into a special trust fund for the purposes of the district.

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 State Treasurer  
Department of Revenue  
Department of Natural Resources  
Department of Conservation  
Office of Kansas City Manager  
City of Springfield  
Jasper County Commission

NOT RESPONDING

RWB:LR:OD (12/02)

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Numerous Cities and Counties on Oversight's response list:



Mickey Wilson, CPA  
Director  
April 8, 2004