

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4208-01
Bill No.: SB 571
Subject: Business and Commerce; Campaign Finance; Ethics
Type: Original
Date: January 25, 2012

Bill Summary: This proposal requires tax credit recipients to file campaign finance reports with the Missouri Ethics Commission.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$38,632)	(\$45,197)	(\$45,656)
Total Estimated Net Effect on General Revenue Fund	(\$38,632)	(\$45,197)	(\$45,656)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Agriculture** and the **Department of Revenue** assume that there is no fiscal impact from this proposal.

Officials at the **Budget and Planning** assume to the extent this proposal impacts the number of applications and awards, the issuance and redemption of tax credits and related economic activity may be impacted. This may have an unknown impact on General and Total State Revenues.

Officials at the **Department of Economic Development** assume the Division of Business and Community Services (BCS) administers several tax credit programs defined by the categories listed under Section 130.045 as a "business recruitment tax credit," an "entrepreneurial tax credit," and a "redevelopment tax credit." BCS assumes an unknown impact as a result of this proposal, as it may impact the number of applicants for the programs.

Officials at the **Missouri Ethics Commission** assume \$32,760 in expense and equipment to acquire contract services that would develop the additional committee type, new report type, new table to capture tax credit data, and a new .pdf form.

Additionally they would need one Business Analyst (39,468) for every 2,000 reports filed to conduct the routine work necessary in reviewing and providing oversight for the proposed legislation. The Business Analyst would review reports for compliance, prepare necessary notices, track and coordinate the correspondence, and coordinate/conduct any additions or corrections necessary to compile with the statute.

If there should be any significant increase of complaints received by the Missouri Ethics Commission then they would need one Investigator. The Investigator will respond to written complaints, as established in Section 105.955.14, RSMo., through conducting investigations and the related legal actions.

Oversight assumes that the Missouri Ethics Commission has programmers on staff to handle the reprogramming of the computer systems and would not need to contract for these services.

Oversight assumes that should there be a measurable increase in the number of complaints filed with the Missouri Ethics Commission as a direct result of this proposal the Missouri Ethics Commission could request an Investigator through the appropriation process.

ASSUMPTION (continued)

Oversight has, for fiscal note purposes only, changed the starting salary for the Business Analyst to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees over the last six months of FY 2010 and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Cost - Missouri Ethics Commission</u>			
Personal Service	(\$24,200)	(\$29,330)	(\$29,624)
Fringe Benefits	(\$12,811)	(\$15,527)	(\$15,683)
Equipment and Expenses	<u>(\$1,621)</u>	<u>(\$340)</u>	<u>(\$349)</u>
<u>Total Cost - Missouri Ethics Commission</u>	<u>(\$38,632)</u>	<u>(\$45,197)</u>	<u>(\$45,656)</u>
FTE Change - MO Ethics Commission	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$38,632)</u>	<u>(\$45,197)</u>	<u>(\$45,656)</u>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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.

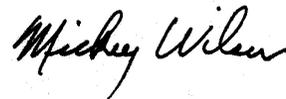
FISCAL DESCRIPTION

This act requires all tax credit recipients to file annual reports with the Missouri Ethics Commission documenting all contributions and expenditures made to or on behalf of all committees. Recipients are required to report for ten years after receipt of any credit.

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

Budget and Planning
Department of Agriculture
Department of Economic Development
Department of Revenue
Missouri Ethics Commission



Mickey Wilson, CPA
Director
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