COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3217-07
BILL NO.: Perfected HS for HCS for HB 1305
SUBJECT: Economic Development: Housing
TYPE: #Corrected
DATE: April 26, 2000
#to reflect updated estimates of effects of increasing population limits for enterprise zones.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
#General Revenue	($1,631,786)	($3,496,301)	($3,289,692)
Value Added Agricultural Products Marketing Development	$0	$0	$0
School Building Revolving	$0	$0	$0
State Fair Fee	$1,671,786 to Unknown	$2,095,390 to Unknown	$2,187,205 to Unknown
#Partial Estimated Net Effect on All State Funds	**$40,000 to Unknown**	**(Up to $1,400,911)**	**(Up to $1,102,487)**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 17 pages.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	**Unknown**	**Unknown**	**Unknown**

FISCAL ANALYSIS

ASSUMPTION

Sections 447.620 and 447.622 - Rehabilitation of Abandoned Property

Officials of the **Department of Economic Development - Missouri Housing Development Commission** stated that the proposal would not affect their agency, administratively.

Sections 67.1062 and 67.1063 - Assistance for the Homeless Program

The **St. Louis County Recorder of Deeds** stated that a $3 fee on all instruments recorded in the County would generate about $880,000 per year.

Section 83.200 - Increased fines for dumping and littering in Kansas City

Officials of the **Department of Natural Resources** stated this proposal does not affect DNR's authority, therefore, the proposal would have no fiscal impact.

Officials of the **Kansas City Manager's Office** stated that enforcement actions are a key component of their Clean Cities program. They consider the current maximum fine of $500 to be a limitation to the effectiveness of the program, because they feel that many dumpers find the threat of that fine is not a deterrent to illegal dumping material and because the fine does not pay for proper disposal. They feel that, coupled with an active enforcement program, raising the fine to $1000 would provide a greater financial disincentive to potential illegal dumpers.

They anticipate direct and indirect financial impacts on the City. They project 50 prosecutions per year with a mature program. With the maximum penalty, the additional revenue to the City would be $25,000 (50 times $500). Over the years, the result of a successful program will be an ultimate decrease in dumping and a concomitant decrease in prosecutions and therefore revenue.

Oversight assumes that to allow Kansas City to enact ordinances against dumping and littering is permissive.

ASSUMPTION (continued)

Oversight will show a fiscal impact of $0 to $25,000 because a decrease in fine revenue is expected as the enforcement program becomes more effective.

Section 82.1050 - Landlord Registration Program

Officials of the cities of Kansas City and St. Louis have not had a chance to respond to this part of the proposal. **Oversight** assumes that there would be costs to both cities to develop and compile the registration forms and to make reports required by the proposal. There could be income if either city were to charge for the registration of properties. (The proposal allows a charge of up to $25 per parcel registered.)

Section 214.205 - Abandoned Cemeteries

Officials of the **Department of Natural Resources**, the **Department of Economic Development - Professional Registration**, and the **Office of Attorney General** stated that the proposal would not apply to their agency or that their agency would assume duties required by this proposal with existing resources.

Section 260.210 - Solid Waste and Yard Waste

Officials of the **Department of Natural Resources** note that the tonnage fee for solid waste delivered to demolition landfills is $1.23 and the fee for yard waste delivered to landfills and transfer stations is $1.85. They do not expect enough "diverted" tonnage due to the proposal to cause significant fiscal impact.

Officials of the **City of Kansas City** stated that the city would save $50,000 because the city would not have to either separate waste or deliver the unseparated waste to another state.

Section 513.605 - Criminal Disposition of Waste

Officials of the **Department of Elementary and Secondary Education** stated that the proposal could result in additional income to the School Building Revolving Fund because proceeds of Criminal Activity Forfeiture Act seizures accrue to that Fund. They can not estimate the magnitude of additional proceeds.

Oversight notes that Fund proceeds are used for loans to school districts to finance school building projects and assumes the net impact on the Fund would be zero.

ASSUMPTION (continued)

Section 620.018 - Economic Incentive Agreements

Officials from the **Department of Economic Development (DED)** have not yet responded to requests for fiscal impact.

Officials from the **Department of Social Services (DOS)** assumed this is not intended to relate to individual benefit programs such as Food Stamps, cash and medical benefits administered by the Division of Family Services. It is also assumed that existing contracts with service providers would include the data needed by the DED to produce the required annual report. Based upon these assumptions, no fiscal impact is assumed by the DOS.

The DOS stated that if the Department of Economic Development issues rules which require the submission of information to them relating to individual benefit programs or which exceed current data maintained by the DOS, cost would be incurred.

Officials from the **Department of Natural Resources (DNR)** state the Department of Economic Development would be required to prepare an agreement form, as well as establish the standard information that must be included in the report that would be submitted by each department impacted by this proposed legislation.

The DNR states that since the agreement form and the reporting standards have not yet been established, the DNR is unable to determine the amount of increased tracking and reporting requirements that would result from this proposal. The DNR assumes that additional resources may have to be requested if the tracking and reporting requirements are more extensive than what is currently being done.

In response to identical legislation from this year, officials from the **Missouri Department of Conservation (MDC)** state they are unsure if the proposed legislation would apply to landowner incentive payments paid to individual landowners. If the legislation applies, the MDC assumes there would be significant impact to their agency because of the agreement and reporting requirements.

In response to identical legislation from this year, officials from the **Department of Elementary and Secondary Education** and the **Department of Revenue** assume the proposal will not fiscally impact their respective agencies.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Department of Economic Development's authority to

ASSUMPTION (continued)

promulgate rules, regulations, and forms. SOS estimates the division could require approximately 16 new pages of regulations in the Code of State Regulations at a cost of $26.50 per page, and 24 new pages in the Missouri Register at a cost of $22.50 per page. Costs due to this proposal are estimated to be $964, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal; however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Oversight assumes this proposal would affect the Department of Economic Development and all state and local agencies that use economic incentives. Oversight assumes the additional reporting requirements, project tracking, goal monitoring and coordination would result in an unknown amount of expense in fiscal years 2002 and 2003, estimated to exceed $100,000.

Sections 67.478 to 67.493 and 144.757 to 144.761 - Community Comeback Act

Officials from **St. Louis County** estimated revenue of $5 million to $6 million per year from the use tax.

Officials from the **Department of Revenue**, the **Department of Economic Development**, and the **Secretary of State's Office** stated this proposal would not affect their agencies.

Oversight estimated the possible revenues based upon voters passing the use tax in August and the Department of Revenue beginning to collect the tax 1 October 2000 and based upon collections of $6,000,000 per year. (FY 2001 collections would be for 8 months.)

Sections 214.030 and 214.035 - Abandoned Cemeteries

Officials of the **Department of Economic Development - Division of Professional Registration** stated that the proposal would not affect that agency.

Oversight notes that costs to political subdivisions would only be incurred in cases where a

ASSUMPTION (continued)

subdivision would try to reclaim a grave. There are no provisions requiring this.

Sections 441.500, 441.510 and 441.550 - Abatement of Dangerous Buildings

State Courts Administrator officials stated that the proposal would not affect state courts.

Oversight notes that the proposal would give neighborhood associations and housing corporations a tool which only municipalities and counties have now. There would be no direct effect on local government revenues.

Section 67.1300 - County Economic Development Sales Tax

Oversight assumes that the possible addition of two local option sales taxes would not have material administrative impact on the **Department of Revenue**.

Sections 205.571 to 205.577 - Family and Community Trust

Officials from the **Department of Health**, the **Department of Elementary and Secondary Education**, the **Department of Labor and Industrial Relations**, and **Department of Mental Health** assume this proposal would not fiscally affect their agencies.

Officials from the **Department of Economic Development (DED)** state that they assume a Community Development Representative II ($34,992) and a Clerk Typist II ($19,452) plus associated expenses and equipment would be needed to successfully promote the Family and Community Development Trust Act. DED anticipates that a considerable amount of travel costs would be needed for the Community Development Representative II to travel to communities around the state.

The Community Development Representative II would coordinate DED activities associated with the Act. Attendance at meetings, provision of information to the general public, assistance with fund raising, coordination of community activities and other functions related to the program would be conducted by this person.

The Clerk Typist II would provide support for the Community Development Representative II, answer general correspondence and telephone inquiries and do all other functions necessary for a successful program.

DED assumes there would be some costs associated with the board meetings but that some other

ASSUMPTION (continued)

entity of state government will request funding to cover the cost of meetings.

Oversight assumes the DED would absorb the costs of these two additional employees or would assign the duties to existing staff, as is the current practice for state employees working for the Caring Communities Program.

Officials from the **Department of Public Safety (DPS)** stated the proposal does not specify where the Board would be housed. For this reason, the DPS assumes they would be responsible for the board. They would require a Clerk Typist III ($22,164), a Computer Information Technologist ($46,080), and a Program Specialist ($46,080) to carry out the duties. The DPS included travel costs for the staff and board members in their fiscal cost estimate which totaled approximately $200,000 annually.

Officials from the **Department of Social Services (DOS)** stated no new costs are anticipated. The eight departments mentioned in the proposal are already working together through the Family Investment Trust board and the Caring Communities Program.

Oversight notes the same seven departments noted above (DPS is not specifically mentioned in the budget) are also in a collaboration known as the Caring Communities Program. Oversight also notes that the duties of the newly created Family and Community Investment Trust (FCIT) board are very similar to those of the Caring Communities program which is fiscally administered by the DOS and governed by the Family Investment Trust Board. Currently, Section 205.565 RSMo, allows the DOS to use, administer, and dispose of any gifts, grants, or in-kind services and to award grants to qualifying entities to carry out the program.

Included in the DOS Fiscal Year 2001 executive budget is a summary of the appropriations requested for the eight executive departments relating to the Caring Communities Program. The appropriations are as follows:

	General Revenue	Federal Funds
Department of Mental Health	$3,881,198	$2,104,583
Department of Health	$2,470,860	$1,218,333
Department of Social Services	$2,555,343	$8,290,000
Department of Elementary and Secondary Education	$2,316,667	$1,158,333
Department of Corrections	$0	$0
Department of Labor and Industrial Relations	$0	$0
Department of Economic Development	$83,333	$166,667
Totals	$11,307,401	$12,937,916

ASSUMPTION (continued)

The DOS budget also reflected 20.12 FTE for the Caring Communities Program.

Oversight assumes:

1) this proposal creates the statutory authority for a program that is currently administered by the seven state agencies listed above. As such, all costs included in this proposal for the state Trust are expected to be absorbed in the appropriations noted above. Those agencies would request additional resources through budget decision items, as required.

2) that agencies would request additional resources for sharing participation in and collaborating with political subdivision public-private partnerships. These costs would depend on the number and nature of political subdivision public-private partnerships. Affected agencies would request additional resources through budget decision items, as required.

Section 135.205 - Enterprise Zones

#Officials from the **Department of Economic Development (DED)** state this proposal would increase the allowable size of the population in enterprise zones in non-metropolitan statistical areas by 25%, from 20,000 to 25,000. The DED assumes the enlargement of these non-metropolitan zones could allow additional businesses to be within enterprise zones and result in additional tax credits/income modifications. The number of enterprise zones is capped by law, so additional zones would not be generated from this legislation, however, the DED estimates that one zone per year would expand beyond 20,000 inhabitants and this proposal would generate additional credits being taken by businesses within those zones.

#The DED estimated the fiscal impact of this legislation as $47,952 for each year on a cumulative basis. Therefore, the proposed legislation is estimated to cost $47,952 in FY 2001, $95,904 in FY 2002, and $143,856 in FY 2003. The DED assumes they will not need additional resources to implement this proposed legislation.

#The DED stated there is an average of 8.41 businesses per zone (530 businesses / 63 zones) receiving benefits. The DED assumes that 20%, or 1.68 new businesses per zone will now qualify when that one zone per year would increase beyond 20,000 inhabitants. Multiplying the new 1.68 businesses per year by the average of $28,500 of benefits received by each business, the proposal is estimated to result in an additional $47,952 in tax credits per year.

Officials from the **Department of Revenue (DOR)** state this proposal increases the allowable

ASSUMPTION (continued)

population for enterprise zones not within a metropolitan statistical area from 20,000 to 25,000. The DOR assume this proposal could increase the number of enterprise zone credit filers, but they do not anticipate this increase to be significant. Therefore, they anticipate little or no administrative impact to their agency.

Officials of the **Office of Administration** assume this proposal would not affect their agency.

Oversight assumes the first applications to be approved by the Department of Economic Development will occur in calendar year 2001, which will fiscally impact state revenues when tax returns are filed in FY 2002. For purposes of this fiscal note, Oversight has estimated the impact the tax credits will have on total state revenues as a range.

Section 214.131 and 537.523 - Institutional Vandalism

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of the State Public Defender (SPD)** assume that existing staff could provide representation for those 10 to 25 cases arising where indigent persons are charged with institutional vandalism of a cemetery. However, passage of more than one similar proposal could require the SPD to request increased appropriations to cover the cumulative cost of representing the indigent accused.

Officials from the **Office of Prosecution Services** assume the proposal could increase the workload of some county prosecutors. OPS assumes those costs would be less than $100,000 annually.

The proposal would reduce the damage amount from $1,000 to $500 for class A misdemeanor charges; however, it would increase the maximum threshold for class D felony charges from $5,000 to $10,000. Although some cases previously charged as class A misdemeanors would be charged as class D felonies under this proposal, any increase in workload would likely be offset by the shifting of class C to class D felonies due to the reduced threshold. Overall, **Oversight** assumes that the impact on local prosecutors would be minimal and could be absorbed with existing resources.

Officials from the **Department of Corrections (DOC)** assume the proposal could have an unknown fiscal impact on prison populations. However, due to the narrow scope of the crime, DOC assumes that any costs incurred would be minimal and could be absorbed with existing

ASSUMPTION (continued)

resources. It should be noted that the cumulative effect of various new legislation, if adopted, could result in the need for additional capital improvements funding if the total number of new offenders exceeds current planned capacity.

Sections 32.105, 32.115, 34.047, 261.031, 261.032, and 261.037 - Marketing of Agricultural Products

Officials from the **Department of Economic Development (DED)** and the **Office of Administration (OA)** assume this proposal would have not directly affect their agencies.

Officials from the **Department of Agriculture (AGR)** state that this proposal is designed to increase sales of Missouri agricultural products and improve customer awareness of and preference for Missouri-produced or processed agricultural products. They assume that in order to accomplish the directives outlined in the proposal, the Market Development Division will need an additional two FTE, along with appropriate monies for equipment and expenses, development of a web site and monies for matching funds. They assume the need for one (1) Agriculture Promotion Specialist (at $27,468 annually) and one (1) Program Coordinator (at $42,288 annually) to be company and distributor contacts, perform promotion and product identification, conduct consumer surveys, create and submit statewide promotional ideas, development of matching funds program and administration of an e-commerce site.

Officials from the **Department of Revenue** anticipate an increase in the number of neighborhood assistance credits, however, the increase is unknown. The Division of Taxation, Personal Tax Bureau, will need one temporary tax season employee (a cost of $6,067) for every 130,000 credits filed with this credit (key entry) and one Tax Processing Tech I for every 2,000 credits claimed (processing). The Personal Tax Bureau will also need one Tax Processing Tech I for every 30,000 additional errors generated. The Division of Taxation, Business Tax Bureau, will need one Tax Processing Tech I for every 3,680 credits received.

Oversight assumes the Department of Revenue could request additional FTE to process the additional tax credits if the need arises, but for purposes of this fiscal note, the DOR is assumed to have no additional costs from this proposal.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Department of Agriculture's authority to promulgate rules, regulations, and forms. SOS estimates the division could require approximately 28 new pages of regulations in the Code of State Regulations at a cost of $26.50 per page, and 42 new pages in the Missouri Register at a cost of $22.50 per page. Costs due to this proposal would be

ASSUMPTION (continued)

$1,687, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal; however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Oversight assumes the part of the proposal that expands NAP credits would not have a fiscal impact on the state since the Neighborhood Assistance Program credits are capped and this would only add a different clientele to be eligible to receive the credits. Oversight also assumes that AGR costs would be paid from the Value-Added Agricultural Products Marketing Development Fund and that Commission costs would be about $4,000 beginning in FY 2002.

Pilot Project to Renovate and Sell Abandoned Housing in St. Louis City

Officials of the **Missouri Housing Development Commission** and the **City of St. Louis** have not had a chance to review this part of the proposal.

State Courts Administrator officials report that 4,321 traffic cases were filed in circuit court in the 22nd judicial district in 1999. They also note that the vast majority of traffic cases are filed in municipal court. It is not clear whether the $5 surcharge would apply to violations of municipal traffic ordinances.

Oversight assumes that: 1) the Housing Development Commission would incur costs to develop a priority plan for renovating housing in the City of St. Louis and that those costs would be paid from the General Revenue Fund in FY 2001, 2) Commission costs for ongoing oversight of the housing renovation program could be absorbed within current budgets, and 3) officials of the City of St. Louis would limit costs for the renovation program to income realized from the $5 surcharge on court costs for traffic violation cases.

Section 91.066 - Municipally-owned water services

Oversight assumes that the effects of this proposal would be indirect. (For example a city might

ASSUMPTION (continued)

need to annex an area in order to be allowed to purchase part of a public water supply district.)

Section 262.260 - State Fair Fees Fund

Officials of the **Office of Administration**, the **Department of Agriculture**, the **Office of the State Treasurer**, and the **Department of Revenue** assumed there would be little or no administrative impact to their agencies.

Oversight assumes that effective August 28, 2000, the revenue that is currently credited to the State Fair Fee Account in the General Revenue Fund would be credited to the State Fair Fee Fund. Hence, income earned after August 28, 2000 will be credited to the new fund and the actual balance in the fund will not be transferred. Additionally, this revenue will be invested and any interest earned on the investment will also be credited to the State Fair Fee Fund.

Officials from AGR stated that the FY00 State Fair Income was $1,544,369. This figure has been inflated by 4% to show the fiscal impact for FY's 2001 through 2003. Oversight has used AGR budget projections for the FY 2001 through 2002 Off-season Income. Oversight has assumed the same increase that is projected for FY 2001 through FY 2002 (for Off-season Income) will occur between FY 2002 and FY 2003 and has used that increase to project FY 2003 Off-season income. Oversight assumes that effects on the two funds will offset.

On December 27, 1999, the balance of the State Fair Fee Account was $109,440.94.

Section 441.900 - Manufactured and Mobile Home Land Lease Community Notifications

Officials of the **State Courts Administrator** stated the proposal would not directly affect state courts.

FISCAL IMPACT - State Government	FY 2001	FY 2002	FY 2003
GENERAL REVENUE FUND			
Income - 1% of St. Louis County Use Tax	$40,000	$60,000	$60,000
Cost - Implementation of accountability agreements	$0	($100,000 to Unknown)	($100,000 to Unknown)
Cost - Department of Economic Development (DED)			
#Loss - Increased Enterprise Zone Tax Credits	($47,952)	($95,904)	($143,856)

FISCAL IMPACT - State Government	FY 2001	FY 2002	FY 2003
Cost - Department of Economic Development's Missouri Housing Development Commission			
Priority Plan for St. Louis Housing Renovation	(Unknown)	$0	$0
Cost - Transfer to Value-added Agricultural Products Marketing Development Fund	$0	($1,300,000)	($1,000,000)
Cost - Bidding preference for New Generation Cooperative food products	(Unknown)	(Unknown)	(Unknown)
Loss - Department of Agriculture			
State Fair Income	($1,338,453)	($1,670,390)	($1,737,205)
Off-season Income	($333,333)	($425,000)	($450,000)
Income from Contributions	(Unknown)	(Unknown)	Unknown)
Income from Investments	(Unknown)	(Unknown)	(Unknown)
Estimated Loss Due to Creation of State Fair Fee Fund	($1,671,786 to Unknown)	($2,095,390 to Unknown)	($2,187,205 to Unknown)
#ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	**($1,631,786)**	**($3,496,301)**	**($3,289,692)**
VALUE ADDED AGRICULTURAL PRODUCTS MARKETING DEVELOPMENT FUND			
Income - Transfers from General Revenue Fund	$0	$1,300,000	$1,000,000
Cost - Department of Agriculture (AGR)			
Personal Service (2 FTE)	$0	$73,288	$75,120
Fringe Benefits	$0	$22,536	$23,099
Expense and Equipment	$0	$83,919	$29,674
Administrative Cost to AGR	$0	($179,743)	($127,893)
Cost - Promotion of Producer's Choice Program	$0	($1,120,257)	($872,107)
ESTIMATED NET EFFECT ON VALUE ADDED AGRICULTURAL PRODUCTS MARKETING DEVELOPMENT FUND	**$0**	**$0**	**$0**

FISCAL IMPACT - State Government	FY 2001	FY 2002	FY 2003
SCHOOL BUILDING REVOLVING FUND			
Income - Proceeds from asset forfeitures	Unknown	Unknown	Unknown
Cost - Loans to School Districts	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON SCHOOL BUILDING REVOLVING FUND	**$0**	**$0**	**$0**
STATE FAIR FEE FUND			
Income - Department of Agriculture			
State Fair Income	$1,338,453	$1,670,390	$1,737,205
Off-season Income	$333,333	$425,000	$450,000
Contributions	Unknown	Unknown	Unknown
Income from Investments	Unknown	Unknown	Unknown
ESTIMATED NET EFFECT ON STATE FAIR FEE FUND	**$1,671,786 to Unknown**	**$2,095,390 to Unknown**	**$2,187,205 to Unknown**

FISCAL IMPACT - Local Government	FY 2001 (10 Mo.)	FY 2002	FY 2003
POLITICAL SUBDIVISIONS			
Income to Kansas City - increased dumping fines	$0 to $25,000	$0 to $25,000	$0 to $25,000
Income to Kansas City and St. Louis - fees for registering rental properties	Unknown	Unknown	Unknown
Cost to Kansas City and St. Louis - monitoring rental property safety and code violations and reporting to the state	(Unknown)	(Unknown)	(Unknown)
Income to St. Louis County - "Community Comeback" Use Tax	$4,000,000	$6,000,000	$6,000,000
Cost to St. Louis County - "Community Comeback" programs	($4,000,000)	($6,000,000)	($6,000,000)
Income to St. Louis - traffic violation surcharge	Unknown	Unknown	Unknown
Cost to St. Louis - Program to renovate abandoned housing	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	**Unknown**	**Unknown**	**Unknown**

FISCAL IMPACT - Small Business

Several provisions of this proposal could affect small businesses, fiscally and administratively.

DESCRIPTION

This proposal would:

1) allow not-for-profit organizations to take over and rehabilitate certain abandoned property for any use. Current law requires that properties be rehabilitated as low- or moderate-income housing.

2) permit Kansas City to enact ordinances against illegal and unauthorized dumping and littering and to punish violations by a fine up to $1,000 or imprisonment up to 12 months, or both.

3) allow the transfer of abandoned cemeteries and cemetery funds to Missouri not-for-profit corporation or religious or charitable organization that are unrelated to previous owners.

4) add criminal disposal of waste in Kansas City to the list of activities that trigger the Criminal Activity Forfeiture Act (CAFA).

5) require all persons receiving any type of economic incentive, as defined in the proposal, to enter into an agreement with the entity administering the incentive on a form obtained from the Department of Economic Development (DED). Recipients who violate any term of the agreement would be penalized and lose eligibility to receive any economic incentives for 5 years from the date of the violation or until the repayment obligation is met. These provisions would apply to all economic incentives awarded or received after December 31, 2001.

6) authorize St. Louis County to impose a county use tax (if imposition of the use tax is approved by voters as required in current law) to be used for funding a community comeback trust and provide specifications for operation of the trust.

DESCRIPTION (continued)

7) allow counties and cities to, upon proper notification, revest cemetery property, other than ground in which human remains have been buried, after 50 years if a grave site or property is unused or unclaimed.

8) allow housing corporations and neighborhood associations to petition and apply for the appointment of a receiver to perform abatements of buildings which threaten public health, safety, or welfare. Current law allows counties or municipalities in which the buildings are located to do so.

9) add Ray and Clay counties to the counties allowed to impose economic development sales taxes, with voter approval.

10) establish the Family and Community Investment Trust to be governed by a board. The proposal would allow political subdivisions to establish public-private partnerships for their areas and require state agencies to share participation in and to collaborate with those public-private partnerships.

11) increase the maximum population for enterprise zones located outside metropolitan statistical areas from 20,000 persons to 25,000 persons.

12) change penalties for the crime of institutional vandalism, make vandalism of cemeteries institutional vandalism and give the right of civil action for damages or losses to owners of property adjacent to cemeteries and caretakers of abandoned family cemeteries which were vandalized. Currently those who incur bodily injury or damage to personal property such a right.

13) permit organizations which contribute to finance structures which are used to sell agricultural products produced by family farm corporations and value-added agricultural products produced new generation cooperatives to receive Neighborhood Assistance Act tax credits. It would also require to Commissioner of Administration provide a 5% bidding preference for agricultural food products produced by new generation cooperatives.

14) require the Missouri Housing Development Commission to establish a pilot project, in conjunction with the city government, to renovate abandoned housing in the City of St. Louis. The renovated housing would be sold to persons with incomes no more than 300% of the federal poverty level for prices no greater than the cost of renovations.

15) forbid cities having city-owned or operated water systems from buying any part of public water supply districts located wholly outside of city boundaries.

DESCRIPTION (continued)

16) create the "State Fair Fee Fund" to receive admission fees as well as other sales revenues generated by the Missouri State Fair. Currently, these revenues are deposited to the credit of the "State Fair Fee Account" in General Revenue.

17) require landlords of manufactured or mobile home land lease communities to provide written notice to tenants at least 180 days prior to requiring those tenants to vacate the property because of a change in the use of the property.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would affect Total State Revenues.

SOURCES OF INFORMATION

Department of Agriculture
Department of Conservation
Department of Economic Development
Department of Economic Development - Division of Professional Registration
Department of Economic Development - Missouri Housing Development Commission
Department of Elementary and Secondary Education
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Public Safety
Department of Revenue
Department of Social Services
State Courts Administrator
Office of Prosecution Services
State Public Defender
Secretary of State
State Treasurer
City of Kansas City
St. Louis
St. Louis County

Jeanne Jarrett, CPA
Director
April 26, 2000