

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3741-01
BILL NO.: HB 1727
SUBJECT: Fire Protection Districts: Sales Tax
TYPE: Original
DATE: February 11, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	unknown to (\$38,829)	unknown	unknown
Total Estimated Net Effect on <u>All</u> State Funds	\$38,829	unknown	unknown

*This proposal is permissive.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government*	\$0	\$0	\$0

*This proposal is permissive

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Department of Revenue officials stated that the proposed legislation does not require the fire protection to be in a present system defined boundary (city or county) so new systems development will be necessary.

DOR officials assume that a new system to collect a sales tax in a fire protection district would be necessary should this legislation be enacted. The legislation does not require the district to be in a presently defined boundary (city or county) so a new coding system would need to be established and applied to all businesses collecting this new sales tax. It is forecast to require 1038 programming hours to create this system @ \$30.00 per hour, totaling \$32,074, and the State Data Center will charge \$6,755 to test and implement this system.

DOR officials stated that a 1% collection fee would be retained by their department and deposited in the States General Revenue Fund. Officials stated that without knowing how many Fire Protection District would receive voter approval to impose a sales tax, and at what rate, they cannot estimate the amount of revenue that would be generated by the 1% collection fee.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
 GENERAL REVENUE FUND			
<u>Income to General Revenue Fund</u> from DOR - 1% Collection Fee	unknown	unknown	unknown
<u>Cost to General Revenue Fund</u> from DOR - State Data Center and Programming Charges	(\$38,829)	\$0	\$0
 ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	 unknown to <u>(\$38,829)</u>	 <u>unknown</u>	 <u>unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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FIRE PROTECTION DISTRICTS

<u>Income to Fire Protection Districts</u> from sales tax of up to 1%	unknown	unknown	unknown
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<u>Cost to Fire Protection Districts for</u> election, Fire Protection Services	<u>(unknown)</u>	<u>(unknown)</u>	<u>(unknown)</u>
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ESTIMATED NET EFFECT TO FIRE PROTECTION DISTRICTS *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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***Oversight assumes this proposal is permissive and would have no fiscal impact unless voters would approve the imposition of a sales tax.**

FISCAL IMPACT - Small Business

Small business located within a Fire Protection District whose voters approved the imposition of a sales tax would be fiscally impacted to the extent of collection and administration of the sales tax.

DESCRIPTION

Under current law, Raytown and municipalities having a municipal fire department are allowed to impose a sales tax of up to 0.25% on all retail sales made within the municipality. The tax is to be used exclusively for the operation of the fire department. This bill allows any fire protection district to impose this tax upon voter approval.

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

RWB:LR:OD:005 (9-94)

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NOT RESPONDING

County Commissions of: Howard, Atchison, Vernon, Marion, Butler, Mississippi, Taney, Christian, and Dallas Counties.

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
February 11, 2000