

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 709-02
Bill No.: HCS for HB 189
Subject: Sports and Amusement: Sales Tax
Type: Original
Date: March 8, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$4,023,314)	(\$4,972,817)	(\$5,122,001)
School District Trust	(\$1,341,105)	(\$1,526,271)	(\$1,572,059)
Total Estimated Net Effect on <u>All</u> State Funds *	(\$5,364,419)	(\$6,499,088)	(\$6,694,060)

*** Subject to Appropriation**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government*	\$5,364,419	\$6,499,088	\$6,694,060

*** Subject to Appropriation**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** assume there would be no administrative impact.

Officials of the **Office of Administration** stated they have reviewed the information submitted by the Jackson County Sports Complex Authority and believe their estimates of sales tax collected are reasonable.

Officials of the **Jackson County Sports Complex Authority** made sales tax estimates based on Missouri state sales tax generated at the Harry S. Truman Sports Complex for the year 1999. Officials stated that in 1999 the amount of sales tax collected was \$3,305,545. Based on that figure officials estimate the sales tax collections for:

2002	\$3,603,044
2003	\$3,711,135
2004	\$3,822,469

A 3% inflation factor was applied.

Oversight assumes these estimates were based on the state tax rate of 4.225% Oversight assumes that the state's portion would be 4% rather than 4.225% and calculated the revenue loss to the General Revenue Fund based on that assumption. Oversight assumed a 3% annual growth rate for inflation.

Officials of the **City of St. Louis - Savvis Center** submitted the following sales tax information. Based on figures supplied, the State's portion of 4%, would be as follows. FY 2002 figures are figured for 10 months, and a 3% annual inflation factor has been applied. Officials estimated sales tax as follows:

2002	\$2,550,207
2003	\$3,020,721
2004	\$3,111,342

Oversight for the purposes of this fiscal note assumes this proposal would be effective September 1, of fiscal year 2002, and is subject to appropriation. Oversight assumes that for 10 months of FY 2002 the loss of revenue to the State's General Revenue Fund would be \$4,023,314 and the loss to the School District Trust Fund is estimated at \$1,341,105. Loss of revenue in FY 2003 is estimated at \$4,972,817 for the State's General Revenue Fund and \$1,526,271 for the School District Trust Fund. Loss of revenue to the GR Fund in FY 2004 is estimated to be \$5,122,001

ASSUMPTION (continued)

and \$1,572,059 to the School District Trust Fund. Estimates are made based on the assumption that the state's portion would be 4%, (3% state and 1% school trust).

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE FUND

<u>Loss</u> to General Revenue Fund from City of St. Louis *	(\$1,912,655)	(\$2,364,042)	(\$2,434,963)
<u>Loss</u> to General Revenue Fund from (Section 67.642)*	<u>(\$2,110,659)</u>	<u>(\$2,608,775)</u>	<u>(\$2,687,038)</u>
Estimated Net Effect to General Revenue Fund	<u>(\$4,023,314)</u>	<u>(\$4,972,817)</u>	<u>(\$5,122,001)</u>

SCHOOL DISTRICT TRUST FUND

<u>Loss</u> to School District Trust Fund from (Section 67.642)*	(\$703,553)	(\$869,592)	(\$895,680)
<u>Loss</u> to School District Trust Fund from sales tax *	<u>(\$637,552)</u>	<u>(\$656,679)</u>	<u>(\$676,379)</u>
Estimated Net Effect to School District Trust Fund	<u>(\$1,341,105)</u>	<u>(\$1,526,271)</u>	<u>(\$1,572,059)</u>

* Subject to Appropriation

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>LOCAL GOVERNMENT</u>			
<u>Income</u> to Jackson County Sports Complex Authority from sales tax retention of State's portion*	\$2,814,212	\$3,478,367	\$3,582,718
<u>Income</u> to City of St. Louis Special Fund from sales tax retention of State's portion*	<u>\$2,550,207</u>	<u>\$3,020,721</u>	<u>\$3,111,342</u>
Estimated Net Effect to Local Government	<u>\$5,364,419</u>	<u>\$6,499,088</u>	<u>\$6,694,060</u>

* **Subject to Appropriation**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This substitute requires that all state sales tax revenues collected within certain sports complexes located in Jackson County and the City of St. Louis be placed in the Convention and Sports Complex Fund. Funds will be appropriated solely for the maintenance and refurbishment of the complex.

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

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SOURCES OF INFORMATION

Department of Revenue
Office of Administration
Jackson County Sports Complex Authority
St. Louis Savvis Center- General Manager



Jeanne Jarrett, CPA
Director
March 8, 2001