

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1328-01
Bill No.: HB 585
Subject: Cities, Towns and Villages; Economic Development.
Type: Original
Date: April 16, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
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	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **City of Maryland Heights** assumes this proposal will have no significant impact on their city.

Officials from the **City of St. Louis** state they would incur additional costs for additional accounting staff (estimated to exceed \$50,000), more services from data processing for programming as well as check signing and bursting. The total estimated cost is not available at this time.

Officials from St. Louis also assume they would incur an increase in bank service charges along with a decrease in interest paid on the daily balance. This would be caused by the distribution every 10 days or 36 times a year versus the current monthly transfers.

Officials from the **City of Ballwin** state they do not know how this proposal will impact their operations.

Officials from the **Department of Revenue** state they would not be fiscally impacted by this proposal.

Officials from the **Department of Economic Development** did not respond to our request for fiscal impact, however, **Oversight** assumes their agency would not be fiscally impacted by this proposal.

Oversight assumes this proposal would not have a fiscal impact on state funds, but may have a negative fiscal impact on local government from possible additional FTEs required, lost interest proceeds, etc.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Costs</u> - extra costs of ensuring timely payments of TIF payments and reimbursements	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL IMPACT - Small Business

Small businesses within TIF districts might receive reimbursement payments from the local governments on a more timely basis with passage of this proposal.

DESCRIPTION

This proposal requires certain payments and reimbursements to be made by political subdivisions relating to tax increment financing to be made no later than 10 days after the funds are made available for payment or reimbursement. Under current law, there are no time limits on the required payments or reimbursements.

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
City of Maryland Heights
City of Ballwin
City of St. Louis

NOT RESONDING: **Department of Economic Development, City of Kansas City,
Jackson County, Clay County, St. Louis County,
City of Liberty**



Jeanne Jarrett, CPA
Director

April 16, 2001