

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 3240-04  
Bill No.: SCS for HCS for HB 833  
Subject: Exhibition Center & Recreational Facility District Act  
Type: Original  
Date: April 26, 2004

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	\$0 or (Unknown)	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

\* This proposal is permissive and requires voter approval.

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* This proposal is permissive and requires voter approval.

**FISCAL ANALYSIS**

**ASSUMPTION**

**Sections 67.793 and 67.799 - Regional Recreational District:**

Officials of the **Office of State Treasurer** assume no fiscal impact.

Officials of the **Department of Revenue** assume the provisions of **Sections 67.793 and 67.799**, (Regional Recreational District), would have fiscal impact to the Department of Revenue - Division of Taxation. Officials stated that the proposal amends district tax to allow a district within part of a county, not the whole county, with the approval by the voters. Officials stated if the voters would approve a part rather than a defined area, the DOR would have cost from Programming to their existing MITS system. **Officials estimate costs of \$23,085 for 692 hours of programming.**

ASSUMPTION (continued)

**Sections 67.1706 and 67.1754 - Metropolitan Park and Recreation District:**

**Oversight assumes Sections 67.1706 and 67.1754 clarifies powers that Metropolitan Park and Recreation Districts have and would have no fiscal impact.**

Officials of the **Department of Conservation** assume no fiscal impact.

Officials of the **Department of Natural Resources** assume no fiscal impact.

Officials of the **Office of Kansas City Manager** and the **City of Springfield** assume no fiscal impact.

Officials of the **Jasper County Commission** assume no fiscal impact.

**Section 67.2000 - Exhibition Center and Recreational Facility District Act:**

**DOR** officials stated that assume the provisions of **Section 67.2000** ( Exhibition Center and Recreational Facility Act) would have fiscal impact to their department if a district were created that would encompass only a portion of the county. Officials estimate they would have costs of \$23,170 for 692 hours of programming.

**Oversight assumes Section 67.2000 of this proposal is permissive** and would require voter approval before any fiscal impact would be realized by the state or the new district. If the voters would approve the creation of an Exhibition Center and Recreation Facility District and approve a sales tax to operate the district, the Department of Revenue would collect the sales tax and would withhold a 1% collection fee. **The collection fee would be deposited in the State's General Revenue Fund.**

**Oversight will show fiscal impact to the Department of Revenue - Division of Taxation as \$0 to \$46,170. Oversight assumes if voters would not approve the district, there would be no fiscal impact, or if boundaries would be drawn to existing boundaries there would be no fiscal impact. If a county or city were broken down into areas, then fiscal impact for programming changes could be as much as estimated by the DOR. Fiscal impact will be show as \$0 to \$46,170. (Sections 67.793, 67.799 and Section 67.2000)**

ASSUMPTION (continued)

**Certain counties would realize the cost of an election, which is required to establish a district, and the district would realize income generated by the sales tax, and would have costs related to the operation and maintenance of the district. All amounts of income and costs are indeterminable.**

**Sections 67.2500 - 67.2530 - St. Charles Theater, Cultural Arts, and Entertainment District:**

**In response to identical legislation ( fiscal note # 2861-04), Officials of the Department of Economic Development, Division of Tourism, and the State Courts Administrator assume no fiscal impact to their agencies.**

Officials of the **Department of Revenue** assume they would not collect the voter approved sales tax, and would have no fiscal impact.

Officials of the **Department of Transportation (MoDOT)** assume this legislation would allow Theater, Cultural Arts and Entertainment Districts to be formed by voters. Such districts would be political subdivisions of the state. Voters may approve a sales tax to fund the purposes of the district. Such purposes include, the funding, promoting and providing of educational, civic, musical, theatrical, cultural, and other entertainment events as well as the funding of the design, construction and improvement of public improvements and transportation projects in the district.

The number of Entertainment Districts that would be formed, the number that would want transportation improvements and the number of transportation improvements that may impact the state highway system is unknown. If the districts do not allocate funding for state transportation projects, this legislation would have no fiscal impact to MoDOT. However, if the districts do allocate funding for state transportation projects, this legislation would have a positive unknown fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2005	FY 2006	FY 2007
	(10 Mo.)		

**GENERAL REVENUE FUND**

**Income** to Department of Revenue

1% sales tax collection fee. Sec. 67.2000 \$0 or Unknown \$0 or Unknown \$0 or Unknown

**Potential Cost** to Department of Revenue  
 from changes in Sections 67.793, 67.799, **\$0 to (\$46,170)** **\$0** **\$0**  
 and 67.2000 programming costs

**ESTIMATED NET EFFECT TO** **\*\* \$0 or \$0 or Unknown \$0 or Unknown**  
**GENERAL REVENUE FUND** **(Unknown)**

**\*\* Oversight assumes in FY 05 if the collection fee of 1% would not equal or be greater than the programming costs, provided a district were drawn that would require programming up-grades, or a Regional Recreational District was not put into effect, the Unknown could be a negative, rather than a positive. (Sections 67.793 and 67.799). Oversight assumes the negative would be less than \$100,000.**

FISCAL IMPACT - Local Government **FY 2005** **FY 2006** **FY 2007**  
 (10 Mo.)

**COUNTY OF ST. CHARLES (Section 67.2500 to 67.2530)**

**Income** to Theater, Cultural Arts, and Entertainment District Fund from voter approved sales tax **Unknown** **Unknown** **Unknown**

**Cost** to Entertainment District for programs, and administration **(Unknown)** **(Unknown)** **(Unknown)**

**ESTIMATED NET EFFECT TO LOCAL GOVERNMENT\*** **\$0** **\$0** **\$0**

**EXHIBITION CENTER AND RECREATION FACILITY DISTRICT FUND**

**Income** to Exhibition Center and Recreation Facility District from voter approved sales tax **\$0 or Unknown** **\$0 or Unknown** **\$0 or Unknown**

**Cost** to Exhibition Center and Recreation

Facility District

from operation and maintenance of the  
dist, election cost, etc.

\$0 or  
(Unknown)

\$0 or  
(Unknown)

\$0 or  
(Unknown)

**ESTIMATED NET EFFECT TO  
EXHIBITION AND RECREATION  
FACILITY DISTRICT FUND \***

\$0

\$0

\$0

**\*Oversight assumes costs would not exceed income resulting in either an annual positive fund balance or a zero fund balance.**

FISCAL IMPACT - Small Business

Small businesses within any newly created district would have to collect and remit additional sales taxes to the Department of Revenue.

DESCRIPTION

Current law enables the creation of Regional Recreation Districts. This act would permit a County to establish a Regional Recreation District on undeveloped property if all persons owning property within the proposed district consent and there are no eligible qualified voters residing within the district. Otherwise, the eligible and qualified voters of the district would approve the formation of the district by a public vote. The act also permits a sales tax to be submitted for a vote for the district under similar terms as above. (Sections 67.793 and 67.799)

Sections 67.1706 and 67.1754 would give authority to Metropolitan Park and Recreation Districts to conduct projects that deal with parks not necessarily connected to trails, and clarifies that the Metropolitan Park District would not have authority to regulate water quality, watershed or land use issues in the District and specifies that grants must be consistent with the purpose of the district.

This act creates the "Exhibition Center & Recreation Facility District Act". The act enables citizens of Jasper, Newton, Buchanan, Wright, Camden, Miller, and Morgan counties to petition to create an exhibition center & recreation facility district. At least fifty property owners in the county must sign the petition.

The petition must include the petitioners names, a description of the district's boundaries, and the name of the proposed district. Once the petition is filed, the governing body may approve a

DESCRIPTION continued

resolution to the create the district. Following a public hearing, the governing body may adopt an order establishing the proposed district.

A board of trustees is created to administer any district created and the expenditure of revenue that accompanies such district. The governing body of each county within the district shall appoint four residents from the portion of the county within the district to serve on the board. At least one member of the board shall be the owner of a business in the district and at least one member shall be the owner of a lodging facility in the district. Two of the members of the board must reside in the district. The board will have the power to have a seal, sue and be sued, enter into contracts or other agreements affecting the affairs of the district, to borrow money, to issue bonds, to acquire and dispose of real and personal property, to refund bonds without an election, to manage the affairs of the district, to hire agents, and to amend and adopt bylaws.

The district may submit to its voters a sales tax of up to one-quarter of one percent. The act includes ballot language to that effect. The act also includes the creation of a fund to receive such sales tax revenue and instructs the Director of the Department of Revenue to authorize disbursements to the district. The tax would be reduced automatically to a rate of one-tenth of one percent after twenty-five years unless an extension is voted upon by the voters in the district. This act makes a technical change to delete the requirement that the Treasurer make the disbursements in the case of an overpayment, as such is not required for non-state funds. (Section 67.2000)

Sections 67.2500 - 67.2530 of this proposal enables Saint Charles County to establish a theater, cultural arts, and entertainment district. The sales tax in the district shall be up to one-half of one percent. The act establishes minimum criteria for the formation of the district, including land area, and petition requirements.

The district will be controlled by a board of directors, the number of which must be specified in the petition. The act lays out criteria for the board of directors. The board has various powers, including the power to issue bonds. The bonding power is provided in detail in the act.

Public meetings regarding the formation of the district must take place before the governing body of the county can put the proposal to a vote of the people in the proposed district. Once the governing body of the county approves a resolution to establish the district, a vote is authorized. After it is approved, the district shall be formalized by an ordinance from the governing body.

DESCRIPTION continued

The proposal allows for subdistricts in the district that may oppose the creation of the district and thereby avoid the sales tax to support the district. The act establishes a procedure for forming a governing body for a subdistrict.

If there are no registered voters in a subdistrict, one or more property owners who collectively own one or more parcels of real estate comprising at least a majority of the land situated in the proposed subdistricts within the proposed district may file a petition with the circuit court requesting the creation of a theater, cultural arts, and entertainment district. The circuit clerk of the county in which the petition is filed pursuant to this section shall present the petition to the judge, who shall set the petition for hearing. The court shall hear the case without a jury. If the court determines the petition is defective or the proposed district or its plan of operation is unconstitutional, it shall refuse to incorporate the district. If the court determines the petition is not legally defective and the proposed district and plan of operation are not unconstitutional, the court shall order an election for voter approval and certify the questions to the circuit clerk.

The proposal contains ballot language for the formation and possible dissolution of the district. In the event that a district is dissolved, the act contains provisions to govern such dissolution.

The sales tax is to be collected by the municipality and placed into a special trust fund for the purposes of the district. The proposal also contains sourcing language for the treatment of out-of-district purchases.

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

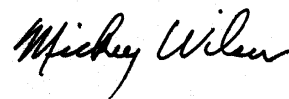
Office of State Treasurer  
Department of Revenue  
Department of Conservation  
Department of Economic Development - Tourism Division  
Department of Natural Resources  
Department of Transportation  
City of Springfield  
Office of Kansas City Manager  
Jasper County Commission



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NOT RESPONDING

Camden County Commission  
Miller County Commission  
Morgan County Commission



Mickey Wilson, CPA  
Director  
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