

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3617-02
Bill No.: HB 1361
Subject: Certain Cities: Public Safety Sales Tax
Type: Original
Date: February 6, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Oversight assumes the following, that;

1. this proposal is permissive. There would be no fiscal impact without action of the city's governing body and with voter approval;
2. if certain cities would approve a sales tax, the State Department of Revenue would collect the sales tax, and would retain a 1% collection fee, which would be deposited in the State's General Revenue Fund;
3. if certain cities were to approve a sales tax for public safety, that all funds created in this proposal would have either an annual positive fund balance, or a \$0 fund balance.
4. Oversight assumes that annual costs would not exceed expenditures in any fund.

ASSUMPTION (continued)

5. cities that would elect to place the question of approving a sales tax for public safety on the ballot, would have some minimal election costs.

6. any election held on the subject of imposing a sales tax would be held at either a city, school, primary, or general election. Holding an election along with other political subdivisions would reduce election costs.

Oversight sent response request to the Cities of : Clayton, Ladue, Manchester, and Maryland Heights. None responded.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
---	---------------------	---------	---------

GENERAL REVENUE FUND

<u>Income</u> to GR Fund from 1% collection fee on sales tax	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
---	-----------------------	-----------------------	-----------------------

ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND*	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
--	------------------------------	------------------------------	------------------------------

*** This proposal is permissive. Oversight can not predict if any city located in St. Louis County would receive voter approval of a public safety sales tax, nor can Oversight predict at what rate a sales tax might be approved. Therefore, Oversight assumes if no sales tax were approved the fiscal impact would be \$0, or if a sales tax were approved the amount of fiscal impact would be a positive unknown.**

FISCAL IMPACT - Local Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

CITIES IN ST. LOUIS COUNTY

Cost to Cities in St. Louis County
sales tax election costs *

\$0 or
(Unknown)

\$0

\$0

* **Oversight** assumes this proposal is permissive. Since this proposal does not mandate that cities request an election for public safety purposes, cost could be either \$0 or if an election were held, a negative unknown. **Oversight** would expect that cities that would elect to hold a vote on the question of imposing a sales tax would do so at an established election, such as a general, primary, or city election, which, would result in a much lower election cost.

FISCAL IMPACT - Small Business

Small businesses would be expected to pay, collect, and account for any voter approved sales tax established as a result of this proposal.

DESCRIPTION

This bill authorizes municipalities in St. Louis County to impose, upon voter approval, a sales tax of up to 0.5% for improving public safety including equipment purchases; employee salaries; and police, fire, and emergency facilities.

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

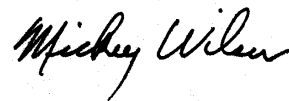
L.R. No. 3617-02
Bill No. HB 1361
Page 5 of 5
February 6, 2006

SOURCES OF INFORMATION

Missouri Department of Revenue - Sales Tax Division

NOT RESPONDING

Oversight sent response request to the Cities of : Clayton, Ladue, Manchester, and Maryland Heights all of which are located in St. Louis County. None responded.



Mickey Wilson, CPA
Director
February 6, 2006