

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0843-01
Bill No.: HB 215
Subject: Lakes, Rivers and Waterways; Environmental Protection; Taxation and Revenue
Type: Original
Date: January 15, 2009

Bill Summary: The proposal allows port authority boards to establish port improvement districts to fund projects with voter-approved sales taxes or property taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** state this bill will not have a fiscal impact upon their agency, but it could make projects eligible for the Port Capital Improvement Program (CIP) that do not currently qualify. The Port CIP program has focused on projects that promote waterborne commerce and this bill would broaden the list of eligible projects to include environmental cleanup and historic conservation. While Chapter 68 does not exclude these activities from authorized port development, as a DOT we have not used state funds to assist with that type of project. We have only used funds to develop facilities for freight transportation.

Officials from the **State Tax Commission** and the **Office of the State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Revenue (DOR)** assume the proposal would not fiscally impact their agency. DOR states that due to the Statewide Information Technology Consolidation, their response to a proposal will now also reflect the cost estimates prepared by OA-IT for impact to the various systems. As a result, the impact shown may not be the same as previous fiscal notes submitted. In addition, if the legislation is Truly Agreed to and Finally Passed the OA-IT costs shown will be requested through appropriations by OA-IT.

Office of Administration Information Technology (ITSD DOR) estimates the IT portion of this request can be accomplished within existing resources; however, if priorities shift, additional FTE/overtime would be needed to implement. The Office of Administration Information Technology (ITSD DOR) estimates that this legislation could be implemented utilizing 1 existing CIT III for 1 month for system modifications to MITS. The estimated cost is \$4,441.

Officials from the **Office of the State Auditor** assume it can perform the duties related to this legislation with existing resources.

Officials from the **Kansas City Port Authority** assume they would not be fiscally impacted by the proposal.

Officials from the **Southeast Missouri Port Authority (SEMO Port)** state in 1985, both Cape Girardeau and Scott Counties proposed and passed a quarter-cent sales tax to provide capital funds for Semo Port. The proposals passed by 65% to 70% in both Counties, strongly supported by the County Commissions and other local elected officials. The sales tax ran 1986-1990 and sunset after four years. It brought in \$7.3 million in capital funds and was crucial in giving the

ASSUMPTION (continued)

Port a strong development effort. This was done by the two Counties in coordination with and in support of the Port.

In their situation, SEMO port states they do not foresee trying to enact any kind of tax without the complete support of the two County Commissions. With their support, the tax likely would be pursued under the Counties rather than under the Port. If it were done under the Port, there could be additional costs for collecting the tax through the normal County procedures, but I do not see this happening -- it would be done by the Counties themselves. It would be difficult in any case to see a future tax to support the Port's development, unless some very specific major development were contemplated.

Officials from the **City of St. Louis**, the **City of Kansas City**, **Jefferson County**, **Cape Girardeau County**, the **St. Louis Port Authority** and the **Jefferson County Port Authority** did not respond to our request for fiscal impact.

Oversight assumes the proposal is permissive in nature and allows Port Authorities to pursue an increase in sales tax and/or property tax to fund projects. Approval must be given by the voters in the district. Therefore; Oversight will not reflect a direct fiscal impact as a result of this proposal.

Oversight assumes if the voters were to approve a tax increase, there would be revenue generated for the port authority projects. If the citizens would approve a sales tax increase for the Port Authorities, the Department of Revenue would retain a 1% collection fee which would be deposited into the State's General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

If voters were to approve the imposition of a new sales tax, the small businesses within the district would be expected to collect, administer, and pay the sales tax.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

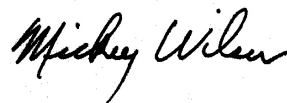
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Office of the State Courts Administrator
State Tax Commission
Office of the State Auditor
Southeast Missouri Regional Port Authority
Kansas City Port Authority

NOT RESPONDING:

City of St. Louis
City of Kansas City
Jefferson County
Cape Girardeau County
St. Louis Port Authority
Jefferson County Port Authority



Mickey Wilson, CPA
Director

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