

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4098-01
Bill No.: HB 1471
Subject: Cities, Towns, and Villages; Department of Revenue; Taxation and Revenue - Sales Use
Type: Original
Date: March 3, 2010

Bill Summary: This proposal authorizes the City of Peculiar to impose, upon voter approval, a sales tax of up to 0.5% for the operation of public safety departments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and **Cass County** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **City of Peculiar** did not respond to our request for fiscal impact.

Oversight assumes this proposal allows the City of Peculiar to impose a sales tax of up to one-half of one percent for improving public safety. Oversight assumes if the voters were to approve a sales tax there would be revenue generated as well as costs related to providing public safety services. Oversight assumes that the local annual fund balance would be either a positive unknown or a zero balance.

Oversight assumes if the citizens would approve a sales tax for public safety, the Department of Revenue would retain a 1% collection fee which would be deposited into the State's General Revenue Fund.

The tax must receive voter approval before it could be implemented; therefore, **Oversight** assumes this proposal is permissive and, by itself, would have no state or local fiscal impact.

Oversight has no way to determine if the city were to receive voter approval to impose a public safety sales tax; therefore, for the purposes of this fiscal note fiscal impact will be shown as zero.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

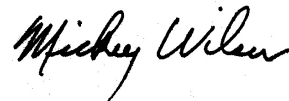
The proposed legislation appears to have no fiscal impact.

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
Cass County

Not Responding:
City of Peculiar



Mickey Wilson, CPA
Director
March 3, 2010