

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4618-01
Bill No.: HB 1076
Subject: Cities, Towns, and Villages; Political Subdivisions; Taxation and Revenue -
Property; Capital Improvements
Type: Original
Date: January 24, 2014

Bill Summary: This proposal changes the requirements regarding community improvement districts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	(\$2,500 to Unknown)	(\$2,500 to Unknown)	(\$2,500 to Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of O'Fallon** assume their cost would be minimal. They are estimating a cost of \$2,500 per year which would include such things as staff time, postage, and office supplies.

Officials at the **City of Kansas City** assume an unknown cost from this proposal. The City would be required to incur costs in collecting business license fees on behalf of Community Improvement Districts (CID) and withhold/revoke business licenses based on non-payment of such fees. Costs will be associated with that, the extent of which will depend on how many CIDs elect to impose business license fees. The losses are also unknown from this proposal. To the extent the City would be required to deny business licenses to any applicant not paying its business license fees to a CID, the City will likewise lose business license revenues. The extent of any losses will depend on how many CIDs elect to impose business licenses fees and the extent to which the businesses within the CID elect to pay the same.

Officials at **St. Louis County** assume no fiscal impact from this proposal. If a business tax needs to be collected, the License Division of the Department of Revenue would collect the tax at no increase in operation cost and the impact on revenues would be 1% of the amount collected.

Officials at the **Missouri State Tax Commission, Department of Economic Development - Division of Business and Community Services, Department of Insurance, Financial Institutions and Professional Registration, Department of Revenue, and the Office of the Secretary of State** each assume no fiscal impact to their respective agencies from this proposal.

Officials at **Boone County** assume no or minimal fiscal impact from this proposal.

Officials at the **City of Jefferson** assume no fiscal impact from this proposal.

Officials at the **City of Columbia** assume little to no fiscal impact from this proposal.

Officials at the following counties: Andrew, Audrain, Barry, Bates, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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LOCAL POLITICAL SUBDIVISIONS

<u>Costs</u> - Cities - changes the requirements for community improvement districts	(\$2,500 to <u>Unknown</u>)	(\$2,500 to <u>Unknown</u>)	(\$2,500 to <u>Unknown</u>)
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ESTIMATED NET EFFECT OF LOCAL POLITICAL SUBDIVISIONS	(\$2,500 to <u>Unknown</u>)	(\$2,500 to <u>Unknown</u>)	(\$2,500 to <u>Unknown</u>)
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FISCAL IMPACT - Small Business

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

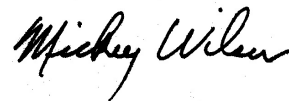
FISCAL DESCRIPTION

This bill authorizes all community improvement districts (CIDs) to impose, upon voter approval, a business license tax. Currently, only CIDs in Springfield and Liberty are so authorized. The business license tax must be collected by the city or county official generally responsible for collecting business license taxes in the city or county where the CID is located. No business license can be issued to any business within a CID until the business license tax and any penalties accrued have been paid in full. If a business license has been issued and the business is in default on the payment of the business license tax for at least 60 days, the business license must be revoked. If the official collecting business license taxes does not issue business licenses, the official must provide the issuer with information regarding any tax and penalties due.

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

Missouri State Tax Commission
Department of Economic Development - Division of Business and Community Services
Department of Insurance, Financial Institutions and Professional Registration
City of O'Fallon
Boone County
City of Kansas City
Department of Revenue
Office of the Secretary of State (SOS)
City of Jefferson
St. Louis County
City of Columbia



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January 24, 2014

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January 24, 2014