COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2769-07
Bill No.: Perfected SCS for SB 754
Subject: Exhibition Center & Recreational Facility District Act
Type: Original
Date: March 4, 2004

FISCAL SUMMARY

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

*** This proposal is permissive and requires voter approval.**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on All 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 2005	FY 2006	FY 2007
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government*	**$0**	**$0**	**$0**

*** This proposal is permissive and requires voter approval.**

FISCAL ANALYSIS

ASSUMPTION

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

In response to identical legislation (FN # 4162-01) officials of the **Department of Revenue** assume the provisions of **Sections 67.793 and 67.799** 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 within the district only, not voters of the whole county. 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 there would be programming costs if the district does not conform to existing city or county boundaries. Officials estimate costs of $92,340 for 2,768 hours of programming.**

Oversight will show fiscal impact to the **Department of Revenue - Division of Taxation** as $0 to $92,340. 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 $92,340.**

ASSUMPTION (continued)

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.**

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.

Oversight assumes that Senate Amendment # 1 adds Jefferson County to the list of counties that would be allowed to establish an Exhibition Center and Recreational Facility District. Oversight assumes no fiscal impact.

Oversight assumes Senate Amendment # 2 clarifies powers that Metropolitan Park and Recreation Districts have and would have no fiscal impact.

FISCAL IMPACT - State Government	FY 2005 (10 Mo.)	FY 2006	FY 2007
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 Section 67.793 and 67.799 programming costs	**$0 to ($92,340)**	**$0**	**$0**
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	**** $0 or (Unknown)**	**$0 or Unknown**	**$0 or 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 (10 Mo.)	FY 2006	FY 2007
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 the 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 Boone 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)

DESCRIPTION continued

Section 67.1706 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.

This act creates the "Exhibition Center & Recreation Facility District Act". The act enables citizens of Jefferson, 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 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)

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

NOT RESPONDING

Camden County Commission
Miller County Commission
Morgan County Commission

Mickey Wilson

Mickey Wilson, CPA
Director
March 4, 2004