

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0331-01
Bill No.: SJR 5
Subject: Constitutional Amendments: Education, Elementary and Secondary
Type: Original
Date: December 29, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0	(\$52,560)	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$52,560)	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of Administration - Division of Budget and Planning**, the **Department of Revenue** and the **State Tax Commission** noted that this proposal would not have direct effects on their agencies. They did note that the enabling legislation would have significant fiscal impact.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume if this resolution would pass, the General Assembly would change the state school aid distributed through the State School Moneys Fund; however, there is not enough information available to determine a specific fiscal impact to this proposal. Without a formula, a cost cannot be determined.

Advertisement costs for the proposal would be \$4,380 per newspaper column inch for three printings of the text of the proposal, the introduction, title, fiscal note summary, and affidavit. The proposal would be on the ballot for the November 2002 general election.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
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<u>Cost to General Revenue Fund</u>			
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<u>Secretary of State</u>			
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Newspaper Advertisements		(\$52,560)	
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<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
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	\$0	\$0	\$0
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FISCAL IMPACT - Small Business

Small businesses could be affected by changes in property tax rates and by new sales taxes which might be adopted in enabling legislation for this proposal.

DESCRIPTION

The proposal would require the General Assembly, within twelve months of the effective date of the section, to establish a state school aid distribution formula, subject to certain requirements.

The proposal would authorize the General Assembly to enact, without further voter approval, an DESCRIPTION (continued)

increase in the state sales tax of up to one percent. Appropriations for state school aid would be

increased no less than the estimated amount of the increase in revenues obtained the prior fiscal year from the increase in state sales tax.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Secretary of State
Department of Revenue
Office of Administration - Budget and Planning
State Tax Commission

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
December 29, 2000