

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5509-03  
Bill No.: SCS for HB 1504  
Subject: Aircraft and Airports; Kansas City; Libraries and Archives; Parks and Recreation; St. Louis; St. Louis County; Taxation and Revenue - Sales and Use  
Type: Original  
Date: April 20, 2012

Bill Summary: This proposal allows Jackson County to create a parks, trails, and green ways district, counties in the Metropolitan Park and Recreation district and library districts in Pemiscot County to submit additional sales taxes to the voters, and extends provisions regarding sales tax on aviation fuel.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0	(More than \$100,000)	(More than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>(More than \$100,000)</b>	<b>(More than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Aviation Trust	\$0	More than \$100,000	More than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>More than \$100,000</b>	<b>More than \$100,000</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>\$0</b>	<b>(More than \$100,000)</b>	<b>(More than \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Secretary of State, Department of Natural Resources, Office of Administration - Budget and Planning** and **Office of the State Treasurer** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **City of Kansas City** state that new revenue could be experienced by this legislation. The proposal provides for the district to approve a sales tax. The cities within the county in which the district exists share 40% of that money based on each city's proportionate share.

Officials from the **City of Columbia** assume the current proposal would not fiscally impact their city.

**Oversight** assumes these provisions would authorize the governing body of any county located within the metropolitan district as of January 1, 2012 to impose an incremental sales tax of up to three-sixteenths of one cent on all retail sales subject to taxation for the purpose of funding the operation and maintenance of the metropolitan park and recreation district.

The tax would have to be imposed by order or ordinance and would be subject to approval by the voters.

**Oversight** assumes this proposal is enabling legislation and would have no local fiscal impact without action by the governing body.

In response to a similar bill, HB 1431, officials from the **Department of Transportation (MODOT)** assumed the proposal would extend the sunset date for depositing sales tax revenues on aviation fuel into the Aviation Trust Fund from December 31, 2013 to December 31, 2023. By extending the sunset date, the proposal would continue critical funding for our aviation programs. There would be no fiscal impact to MODOT unless the extension was not granted and then it would jeopardize the funding for Aviation.

ASSUMPTIONS (continued)

**Oversight** has obtained from the Department of Revenue's annual reports the amounts of sales tax on aviation jet fuel collected by the Department of Revenue and deposited into the Aviation Trust Fund for the past five years as authorized by Section 144.805, RSMo. The current provision authorized the state portion (3 percent) collected on the sale of aviation jet fuel to be deposited in the Aviation Trust Fund up to a maximum of \$6 million per calendar year, and the cap on the program was increased to \$10 million as of January 1, 2009.

FY 2007	\$5,229,256
FY 2008	\$7,413,601
FY 2009	\$4,777,063
FY 2010	\$4,018,391
FY 2011	\$4,669,303

**Oversight** assumes this proposed legislation would extend an existing provision by removing or changing the expiration date. Oversight also assumes that removing or changing the expiration date would extend any fiscal impact associated with the existing provision. Therefore, Oversight will include an estimated impact in this fiscal note.

The current provision was set to expire on December 31, 2013 (FY 2014) and the proposal would have a fiscal impact for six months of FY 2014 and all of FY 2015. For fiscal note purposes, Oversight will indicate unknown additional revenue greater than \$100,000 for the Aviation Trust Fund for FY 2014 and FY 2015. Oversight will include an offsetting revenue reduction to the General Revenue Fund.

The proposal would also extend the current local sales and use tax exemption for aviation jet fuel. Accordingly, Oversight will indicate a revenue reduction greater than \$100,000 for local governments for FY 2014 and FY 2015.

In response to a previous version, officials from the **Department of Revenue (DOR)** assume the proposal allows districts to impose a sales tax with voter approval. DOR and Office of Administration - Information Technology Services Division (OA-ITSD) will need to make programming changes to various tax systems in order to comply with the proposal. OA-ITSD (DOR) assumes these changes will require 1,344 FTE hours, for an estimated cost of \$35,616.

ASSUMPTIONS (continued)

**Oversight** assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Counties of Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Holt, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Texas, Warren, and Webster** did not respond to Oversight's request for fiscal impact.

Officials from the **Cities of Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Kennett, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Linn, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, 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>	<u>FY 2013</u> (10 Mo.)	<u>FY 2014</u>	<u>FY 2015</u>
<b>GENERAL REVENUE FUND</b>			
<u>Revenue reduction</u> - sales taxes	\$0	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>(More than \$100,000)</u></b>	<b><u>(More than \$100,000)</u></b>
<b>AVIATION TRUST FUND</b>			
<u>Additional revenue</u> - sales taxes	\$0	<u>More than \$100,000</u>	<u>More than \$100,000</u>
<b>ESTIMATED NET EFFECT ON AVIATION TRUST FUND</b>	<b><u>\$0</u></b>	<b><u>More than \$100,000</u></b>	<b><u>More than \$100,000</u></b>
<u>FISCAL IMPACT - Local Government</u>	<u>FY 2013</u> (10 Mo.)	<u>FY 2014</u>	<u>FY 2015</u>
<b>LOCAL GOVERNMENTS</b>			
<u>Revenue reduction</u> - sales taxes	\$0	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>\$0</u></b>	<b><u>(More than \$100,000)</u></b>	<b><u>(More than \$100,000)</u></b>
<u>FISCAL IMPACT - Small Business</u>			

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.

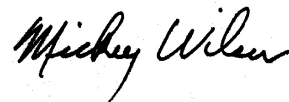
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources  
Department of Revenue  
Office of the Secretary of State  
Office of the State Treasurer  
Department of Transportation  
Attorney General's Office  
Office of Administration  
City of Columbia  
City of Kansas City

NOT RESPONDING

**Numerous Cities**  
**Numerous Counties**



Mickey Wilson, CPA  
Director  
April 20, 2012