

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2500-03  
Bill No.: HB 1158  
Subject: Business and Commerce; Economic Development; Economic Development,  
 Department of  
Type: Original  
Date: March 17, 2015

Bill Summary: This proposal creates a fund for small business loans to Missouri-based companies carrying out Missouri-based projects.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0 or (\$50,000,000)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (\$50,000,000)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Missouri Small Business Loan*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Transfer In and Cost net to zero.

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials at the **Office of the State Treasurer** assume no fiscal impact from this proposal.

The proposal allows a one-time transfer of \$50,000,000 from the General Revenue Fund to the new Missouri Small Business Loan Fund if the net amount of general revenue collected in a fiscal year exceeds the previous year by 3.5 percent. For fiscal note purposes, **Oversight** will assume this could occur in FY 2016. Oversight will range the impact from \$0 (general revenue collections are not sufficient to trigger the transfer) to the \$50,000,000 transfer. In subsequent years, additional transfers are required to return the balance of the fund to \$50,000,000. Oversight will range the fiscal impact of subsequent years from \$0 (original \$50 million transfer hadn't occurred yet) or an unknown amount.

**Oversight** will also assume the Office of the State Auditor may incur costs from this proposal if required to audit loans.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - to the Small Business Loan Fund	\$0 or (\$50,000,000)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - State Auditor	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0 or (\$50,000,000)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2016	FY 2017	FY 2018
(continued)	(10 Mo.)		

**MISSOURI SMALL BUSINESS  
 LOAN FUND**

<u>Transfer In</u> - appropriation from General Revenue	\$0 or \$50,000,000	\$0 or Unknown	\$0 or Unknown
---	------------------------	----------------	----------------

<u>Revenue</u> - Bond payments	\$0	\$0 or Unknown	\$0 or Unknown
--------------------------------	-----	----------------	----------------

<u>Cost</u> - loan for qualified company	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
--	---------------------	---------------------	---------------------

<b>ESTIMATED NET EFFECT ON    MISSOURI SMALL BUSINESS    LOAN FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
--	-------------------	-------------------	-------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2016	FY 2017	FY 2018
	(10 Mo.)		

	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
--	-------------------	-------------------	-------------------

FISCAL IMPACT - Small Business

Small businesses that qualify for these loans could be positively impacted by this proposal.

FISCAL DESCRIPTION

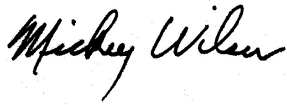
This proposal creates a fund for small business loans to Missouri-based companies carrying out Missouri-based projects.

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

L.R. No. 2500-03  
Bill No. HB 1158  
Page 5 of 5  
March 17, 2015

SOURCES OF INFORMATION

Office of the State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent "M" and "W".

Mickey Wilson, CPA  
Director  
March 17, 2015

Ross Strobe  
Assistant Director  
March 17, 2015