

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5575-01
Bill No.: HB 2271
Subject: Taxation and Revenue - Sales and Use; Libraries and Archives; Political Subdivisions
Type: Original
Date: February 15, 2016

Bill Summary: Authorizes Cedar County to pass a sales tax for funding for public libraries.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0 or up to \$115,500	\$0 or up to \$462,000	\$0 or up to \$462,000

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some 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 from the **Office of Administration - Division of Budget and Planning** assume this proposal allows the voters in Cedar County to impose a sales tax up to .5% for library funding purposes. According to information published by Department of Revenue, taxable sales in Cedar County totaled \$92.3 million in fiscal year 2015. Therefore, this sales tax might generate \$462,000 annually.

Oversight assumes an effective date of April 1, 2017, for the effective date of the proposal, assuming voter approval on a November 2016 election date.

Oversight will use a range of \$0 (rejected by voters) or up to \$462,000 (voters could decide to adopt a .25% or .5% local sales tax).

<u>FISCAL IMPACT - State Government</u>	FY 2017 (3 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (3 Mo.)	FY 2018	FY 2019

LOCAL GOVERNMENTS

<u>Revenue</u>			
Cedar County Library Sales Tax	<u>\$0 or up to \$115,500</u>	<u>\$0 or up to \$462,000</u>	<u>\$0 or up to \$462,000</u>
ESTIMATED NET EFFECTS ON LOCAL GOVERNMENTS	<u>\$0 or up to \$115,500</u>	<u>\$0 or up to \$462,000</u>	<u>\$0 or up to \$462,000</u>

FISCAL IMPACT - Small Business

This proposal may impact small businesses with purchases subject to sales tax.

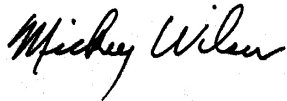
FISCAL DESCRIPTION

The proposal authorizes Cedar County to impose a local sales tax up to .5% for funding a public library district.

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 Administration - Division of Budget and Planning



Mickey Wilson, CPA
Director
February 15, 2016

Ross Strope
Assistant Director
February 15, 2016