

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5741S.01I
 Bill No.: SB 1456
 Subject: Appropriations; Tourism
 Type: Original
 Date: April 1, 2024

Bill Summary: This proposal modifies the Tourism Supplemental Revenue Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight reflects a range of funds that may be appropriated to the "Division of Tourism Supplemental Revenue Fund" (the General Assembly may appropriate). Oversight notes section 620.467 expired June 30, 2020 and this proposal appears to be a continuation of an existing, annual transfer. Oversight will assume, for the purpose of the fiscal note, the continued appropriation would be greater than \$250,000 (3 year average has been \$20.9 million per year).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Division of Tourism Supplemental Revenue Fund (0274)*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Oversight assume the Division of Tourism Supplemental Revenue Fund nets to zero.
 Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development** and the **Office of the State Treasurer** both assume the proposal will have no fiscal impact on their organization.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume the proposed legislation reenacts and modifies provisions of Section 620.467, RSMo which sunset on June 30, 2020. The proposal allows the General Assembly to appropriate funds into the Tourism Supplemental Revenue Fund, and also allows gifts, contributions, grants, or bequests received from federal, private, or other sources to be deposited into the fund. This bill also repeals the budget base language and amounts, repeals provisions in subsections 620.467.2, 620.467.3 and 620.467.4 which govern how funds are deposited into the TSRF and how those funds were to be expended.

Officials from the **Department of Revenue (DOR)** assume from 1994 to 2020 the state had a Supplemental Revenue Fund that received appropriations to be used to fund the Division of Tourism. The appropriation amount was based on a formula having to do with the sales tax amount collected from tourist-oriented goods and services. The language creating the Fund expired on June 30, 2020.

This proposal would restart the Fund by removing the expiration date in the statute. Additionally, it removes the formula for calculating the appropriation transfer and allows any amount of appropriation as well as gifts, contributions, grants, or bequests from federal or private sources to be deposited into the Fund.

DOR was previously responsible for the calculation of the formula to determine the appropriation level. That will no longer need to be done. This proposal is not expected to have any fiscal impact on DOR in the future.

This proposal will not impact general or total state revenues. The General Assembly currently appropriates monies to the TSRF.

Oversight notes that the officials from the **DOR** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DOR.

Oversight notes §§620.467 was effective from July 1, 1994 and expired June 30, 2020 and created the Division of Tourism Supplemental Revenue Fund.

Oversight assumes that the proposal re-establishes the "Division of Tourism Supplemental Revenue Fund" and denotes how it receives and money.

Oversight notes, upon further inquiry with the DED, the Fund is the main source of money for the Division of Tourism.

Oversight notes the following disbursements, transfers in, and ending balances in lasts three years for the Division of Tourism Supplemental Revenue Fund (0274):

	Disbursements	Transfers - In	Ending Balance
FY 2023	22,980,446.53	25,090,183.00	5,317,513.19
FY 2022	20,822,160.40	19,676,852.00	4,333,755.20
FY 2021	12,146,124.48	18,007,501.25	6,478,989.81

Source: <https://treasurer.mo.gov/content/about-the-office/1fiscalyearfunds>

Oversight notes that, under the proposal, the General Assembly may appropriate money into the Fund to support the Division of Tourism duties and its functions. Therefore, Oversight will reflect \$0 (general assembly will not appropriate money) to an unknown cost (general assembly elects to appropriate money) to general revenue in the fiscal note beginning FY 2025. Conversely, Oversight will show transfer –in from the general revenue into the Fund.

Oversight notes that the Fund is allowed to receive gifts, contributions, grants, or bequests received from federal, private, or other sources. Therefore, Oversight will reflect money transfer in from above mention various sources into the Fund.

For simplicity, **Oversight** assumes all the funds will be used in the year in which they are appropriated due to various costs that the Division of Tourism will potentially incur while performing various functions and duties.

Oversight assumes based on the transfers-in according to the Fiscal Year End fund activity report for the Fund in FY 2023, transfers-in totaled \$25,090,183. Therefore, Oversight will assume the potential appropriation could reach, or surpass, the \$250,000 annually. (source: <https://treasurer.mo.gov/content/about-the-office/1fiscalyearfunds>)

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Transfer-Out</u> - \$620.467 into "Division of Tourism Supplemental Revenue Fund" by appropriation	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND (0274)			
<u>Transfer-In</u> - §620.467 - appropriation from general assembly	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Revenue Gain</u> – §620.467 - gifts, grants, contributions and other moneys	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Costs</u> - §620.467 - the duties and administrative functions of Division of Tourism	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NEF EFFECT ON DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

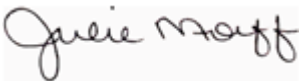
FISCAL DESCRIPTION

Current law establishes the Division of Tourism Supplemental Revenue Fund, and provides for appropriations to the fund from certain tourism-related taxes. This act repeals such language and provides that the fund shall consist of any moneys appropriated by the General Assembly and any gifts, contributions, grants, or bequests from federal, private, or other sources.

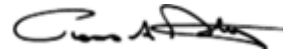
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Office of the State Treasurer
Department of Revenue
Office of Administration – Budget & Planning



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April 1, 2024



Ross Strobe
Assistant Director
April 1, 2024