

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2675S.01I
Bill No.: SB 676
Subject: Entertainment, Sports and Amusements; Political Subdivisions
Type: Original
Date: April 8, 2025

Bill Summary: This proposal modifies provisions relating to certain convention and sports facility authorities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue Fund*	\$0 or Up to (\$10,000,000)	\$0 or Up to (\$10,000,000)	\$0 or Up to (\$10,000,000)
Total Estimated Net Effect on General Revenue	\$0 or Up to (\$10,000,000)	\$0 or Up to (\$10,000,000)	\$0 or Up to (\$10,000,000)

*Oversight notes the total amount of new state revenues that may be appropriated in any given year cannot exceed \$10 million, and no single project can receive an annual appropriation in excess of \$5 million.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Missouri Regional Sports Facility Supplemental Tax Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Oversight assumes the fund will net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government*	\$0 up to \$10,000,000	\$0 up to \$10,000,000	\$0 up to \$10,000,000

*Oversight reflects a potential transfer from the Missouri Regional Sports Facility Supplemental Tax Fund.

FISCAL ANALYSIS

ASSUMPTION

§67.1157 – Sports Authority – Project Acquisitions

Officials from the **Office of Administration – Budget & Planning (B&P)** assume the Section 67.1157 is added that allows a convention and sports facility authority by resolution designate a project area for a project for the purpose of acquiring, constructing, equipping, operating, maintaining, repairing, extending, and improving of a regional sports facility. A regional sports facility owned or operated by an authority is intended to provide year-round sports opportunities and draw participants from outside of the state.

The proposed new section receives its authority from and is cross-referenced in section 67.1150 which gives the demographic data of “in any county with a population of as least two-hundred thousand inhabitants which adjoins a county with a population of nine-hundred thousand or more inhabitants” for the county this program applies. This section went into effect in 1997 and applied exclusively to St. Charles County with the caveat that since St. Louis City does function as a “county equivalent” in many governmental programs and data reporting and collecting systems, it could be argued it applied to St. Louis City as well.

The demographic data referenced in section 67.1150 could now apply to St. Charles and Jefferson Counties whose 2020 US Census populations are 405,262 and 226,739 respectively. The St. Louis City caveat mentioned above could still apply to them since its 2020 US Census population is 301,578.

Project areas designated by the authority shall be eligible to receive fifty percent of the incremental increase in state general revenue sales taxes generated by activity located within the project area. A project area shall not be eligible for such new state revenues unless the authority imposes the maximum transient guest tax rate allowable by current law.

The Director of the Department of Economic Development and the Commissioner of the Office of Administration or their designees shall jointly evaluate applications for new state revenues, and such revenues shall not be distributed until certain conditions are met, as described in the proposed new section.

The total amount of new state revenues that may be appropriated pursuant to the act in any given year capped at \$10 million, with single projects being capped at \$5 million. Therefore, the fiscal impact of this program is up to \$10M GR beginning in FY 2026.

Officials from the **Department of Revenue (DOR)** assume this proposal would allow the General Assembly to appropriate up to \$10 million to regional sports authorities. No authority can receive more than \$5 million annually. In order to qualify for this funding, the regional sports authority must have imposed a transient guest tax at the maximum rate allowed per Section 67.1158. The authority must apply to DED for the funding.

This proposal says the amount the General Assembly can appropriate is to be based on the increased amount of sales tax revenue that can be collected from the authority. This proposal does not change how sales tax is deposited, so this will not fiscally impact DOR. DOR will still collect sales tax and deposit it into the required funds. The General Assembly would be responsible for any calculations under this proposal.

Officials from the **Department of Economic Development (DED)** assume §67.1157.6 (3) states that at no time shall the annual amount of new state revenues approved for disbursements from the Missouri regional sports facility supplemental tax fund for approved projects exceed ten million dollars, therefore reducing TSR by up to \$10 million annually.

Oversight notes that §§67.1157 2 denotes that if properly designated as an eligible business project by DED and the incremental sales tax increase occur, the general assembly may appropriate up to 50% of the new revenue funds into the Missouri Regional Sports Facility Supplemental Tax Fund.

Therefore, **Oversight** will reflect range of zero (the designated sports authority did not meet the qualification criteria of the funding and general assembly did not appropriate the funds) to up to \$10 million maximum cap (the designated sports authority meets the qualification criterion of the funding and general assembly appropriated the funds) to be transferred from the general revenue fund into the Missouri Regional Sports Facility Supplemental Tax Fund from the general revenue fund.

Oversight notes the sales tax collections for St. Charles County for TY 2022 and TY 2023 below. (Source: Budgets and Reports – [2023 Annual Comprehensive Financial Report](#), p. 19).

Tax Type	2022	2023
Sales Tax	\$149,284,684	\$140,863,806

Oversight notes that this would represent a 6% year to year increase in sales tax collection.

Oversight notes that §§67.1157 4. denotes that the new “revenues shall not be distributed from the Missouri regional sports facility supplemental tax fund to an authority unless the county which has established the authority has imposed a tax at the maximum rate provided by §67.1158”.

Oversight notes that any such increase must be submitted and approved by the vote of the people as promulgated in §67.1158 2.

Lastly, **Oversight** will note that §§67.1157 5. denotes the DED and OA may waive the requirement that the authority's application be submitted prior to the project's adoption or approved by resolution. Therefore, Oversight, for purpose of this fiscal note, will assume the

actual approval was given upon passage of the proposal and the disbursement could potentially begin as soon as FY 2026.

Officials from the **Office of Administration**, the **Joint Committee on Administrative Rules**, and the **Office of the Secretary of State** each 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 these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Transfer Out</u> - §67.1157 2. – 50% increase in a new sales tax revenue funds if approved by DED and OA	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 up to (\$10,000,000)</u>	<u>\$0 up to (\$10,000,000)</u>	<u>\$0 up to (\$10,000,000)</u>
MISSOURI REGIONAL SPORTS AUTHORITY SUPPLEMENTAL TAX FUND			
<u>Transfer in</u> – §67.1157 2. – 50% increase in a new sales tax revenue funds if approved by DED and OA	\$0 up to \$10,000,000	\$0 up to \$10,000,000	\$0 up to \$10,000,000
<u>Transfer Out</u> – §67.1157 3. money into the “segregated funds of the Authority”	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)
ESTIMATED NET EFFECT ON THE MISSOURI REGIONAL SPORTS AUTHORITY SUPPLEMENTAL TAX FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISION			
<u>Transfer In</u> - §67.1157 3. 50% increase in a new sales tax revenue funds deposited into the “segregated funds of Authority”	\$0 up to <u>\$10,000,000</u>	\$0 up to <u>\$10,000,000</u>	\$0 up to <u>\$10,000,000</u>
ESTIMATED NET EFFECT ON THE POLITICAL SUBDIVISION	\$0 up to <u>\$10,000,000</u>	\$0 up to <u>\$10,000,000</u>	\$0 up to <u>\$10,000,000</u>

FISCAL IMPACT – Small Business

A direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Current law authorizes St. Charles County to establish the St. Charles County Convention and Sports Facilities Authority for the purpose of constructing, operating and maintaining convention, visitor, and sports facilities. This act authorizes the authority to designate a project area for the acquisition, planning, construction, equipping, operation, maintenance, repair, extension, and improvement of a regional sports facility intended to provide year-round sports opportunities and draw participants from outside of the state.

Project areas designated by the authority shall be eligible to receive fifty percent of the incremental increase in state general revenue sales taxes generated by activity located within the project area. A project area shall not be eligible for such new state revenues unless the authority imposes the maximum transient guest tax rate allowable by current law.

The Department of Economic Development and the Commissioner of the Office of Administration shall jointly evaluate applications for new state revenues, and such revenues shall not be distributed until certain conditions are met, as described in the act.

The total amount of new state revenues that may be appropriated pursuant to the act in any given year shall not exceed \$10 million, and no single project shall receive an annual appropriation in excess of \$5 million.

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


Office of Administration – Budget & Planning

Department of Economic Development

Department of Revenue

Office of the Secretary of State

Joint Committee on Administrative Rules



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April 8, 2025



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