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FISCAL IMPACT REPORT

 NSOR: Whitaker DATE TYPED: 01/26/02 HB 105

SHORT TITLE: Small Cities Assistance Distribution Formula SB _____

ANALYST: Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	(\$1,500.0)		Recurring	General Fund
	\$1,500.0		Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

Duplicates [SB38](#)

SOURCES OF INFORMATION

LFC Files
Taxation and Revenue Department (TRD)

SUMMARY

House Bill 105 amends the Small Cities Assistance Act to change the distribution formula for qualifying municipalities. HB 105 eliminates the reversion from the Small Cities Assistance Fund to the General Fund.

FISCAL IMPLICATIONS

TRD estimates that the elimination of the reversion results in a net negative impact on the General Fund and a corresponding net increase to local governments. For FY 01 the reversion from Small Counties Assistance Fund was approximately \$1,300.0.

OTHER SUBSTANTIVE ISSUES

All Gross Receipts taxes are deposited in the tax administration suspense fund in the state treasury. After payment of necessary refunds and interest 1.225 percent of taxable Gross Receipts for each month is distributed to the municipality where the Gross Receipts were generated.

SN/ar