NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC's office in Suite 101 of the State Capitol Building North.

F I S C A L I M P A C T R E P O R T

SPONSOR: Lyons DATE TYPED: 01/26/02 HB

SHORT TITLE: Small Cities Assistance Distribution Formula SB 38

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 HB105

SOURCES OF INFORMATION

LFC Files
Taxation and Revenue Department (TRD)

SUMMARY

Senate Bill 38 amends the Small Cities Assistance Act to change the distribution formula for qualifying municipalities. SB 38 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