

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2004-05		FY 2005-06	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(1,638,000)		(1,386,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS		(870,000)		(1,218,000)
TOTAL FUNDS		(2,508,000)		(2,604,000)

*Does not include impact on political subdivisions. See narrative for political subdivision estimates.

This bill changes the percent that is credited to the Municipal Equalization Fund (MEF) from the local option sales tax. Currently, three percent goes into this Fund and this bill would reduce it to two percent.

STATE AND LOCAL IMPACT: This bill will have the following impacts as estimated by the Department of Revenue:

	FY2005	FY2006	FY2007	FY2008
MEF Aid Pool Reduction @ 2%	(2,508,000)	(2,604,000)	(2,705,000)	(2,814,000)
Change in MEF Aid Available	(570,000)	(918,000)	(1,276,000)	(1,643,000)
Change in Rollover to Municipalities	(300,000)	(300,000)	(300,000)	(300,000)
Change in Rollover to General Fund	(1,638,000)	(1,386,000)	(1,129,000)	(871,000)

The state General Fund will lose the amount indicated in the last row in the above table.

Municipalities that receive funds under the MEF and the MEF Rollover will lose the following amounts for FY2005 through FY2008: \$870,000, \$1,218,000, \$1,576,000, and \$1,943,000. This is the sum of rows two and three in the above table.

Municipalities with a local option sales tax gain the revenue amounts that municipalities lose under the MEF formula (first row in above table). Therefore, municipalities with a local option sales tax will gain the following amounts for FY2005 through FY2008: \$2,508,000, \$2,604,000, \$2,705,000, and \$2,814,000.