

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4953-07  
Bill No.: Perfected SS for SCS for SB 572  
Subject: Political Subdivisions; Planning and Zoning; Law Enforcement Officers and Agencies; County Government; Courts  
Type: Original  
Date: January 27, 2016

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Bill Summary: This proposal modifies provisions relating to municipal courts.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of the State Courts Administrator** assume the proposed legislation modifies provisions relating to municipal courts. There may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials at the **Office of the State Auditor** assume the language in this proposal would require their office to update the current rule and forms. The Office believes it could absorb these costs within its current appropriation authority.

In response to a previous version, the **Department of Revenue** and the **State Tax Commission** each assumed no fiscal impact to their respective agencies from this proposal.

In response to a previous version, officials at the **Callaway County Commission** assumed no fiscal impact from this proposal. However, the County can see how this proposal could cause some counties and cities to do additional paperwork.

In response to a previous version, officials at the **City of Independence** assumed an additional \$100,000 loss with the proposed changes of this new bill.

In response to a previous version, officials at the **City of Dardenne Prairie** assumed this proposal could create a fiscal impact but could not quantify it at this time.

In response to a previous version, officials at **St. Louis County** assumed no fiscal impact from this proposal.

**Oversight** inquired with officials at the Department of Revenue regarding the number of payments that have been redirected from local political subdivisions to schools for traffic fines; the annual totals were:

Year	Amount
2011	\$ 19,205
2012	\$ 107
2013	\$ 0
2014	\$ 5,000
2015	\$390,741

### ASSUMPTION (continued)

Oversight assumes that there are numerous local political subdivisions that could potentially realize more than 20% of their annual general operating revenues due to this legislation adding municipal ordinance violations to the annual general operating revenues calculations. This could result in increased revenues to schools and a loss in revenue to local political subdivisions. Oversight also recognizes there are numerous local political subdivisions that could be affected from limitations placed on fine amounts. Therefore, Oversight assumes a direct fiscal impact to local political subdivisions of \$0 or a negative unknown.

#### Senate Amendment 1

Officials at the **Office of the State Auditor** assume the language in this proposal would require their office to update the current rule and forms. The Office believes it could absorb these costs within its current appropriation authority.

Officials at the **Office of the State Courts Administrator** assume no fiscal impact from this proposal.

Officials at the **City of Jefferson** assume this amendment would decrease their original cost from \$40,000 per year to \$10,000 per year.

Officials at the **City of Kansas City** assume the amendment to the definition of municipal ordinance violation limiting it to planning, zoning, nuisances, weeds, reduces the fiscal impact of the prior version. However, it still has a direct fiscal impact on the operation of the City's Housing Court. A fund is maintained from part of the fines paid by people in Housing Court to make available financial assistance to defendants economically unable to make required repairs to their homes. The reduction of the maximum fines for these types of violations to less than \$200 (since court costs are included in the maximum) will reduce the size of the Municipal Court Fund, and therefore, will reduce the number of persons, generally elderly people attempting to stay in their longtime home in declining neighborhoods, that can be helped. Because of the limitations on the definition of municipal ordinance violation, the original estimate of \$6 - \$10 million will be reduced to only several million dollars.

#### Senate Amendment 2

Officials at the **Office of the State Courts Administrator** and the **Office of the State Auditor** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **City of Columbia** and the **City of Jefferson** each assume no fiscal impact to their respective entities from this proposal.

ASSUMPTION (continued)

Officials at the **City of Kansas City** assume Amendment 2 is a disclaimer by the State of the responsibility for the debts of cities, despite the reduction of revenue many bills will accomplish. The City of Kansas City estimates no fiscal impact on this proposal.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Des Peres, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019

**LOCAL POLITICAL SUBDIVISIONS**

<u>Loss - Revenue from adding municipal ordinance violations to the annual general operating revenues calculation limits</u>	(Unknown)	(Unknown)	(Unknown)
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<u>Loss - Limitations placed on fine amounts</u>	(Unknown)	(Unknown)	(Unknown)
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<u>Revenue - School Districts - increase in revenue from excess annual general operating revenues received</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>
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### FISCAL IMPACT - Small Business

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

### FISCAL DESCRIPTION

This act changes the definition for minor traffic violation to include traffic ordinance violations for which no points are assessed to a driver's driving record and amended charges for any minor traffic violation and adds a definition for municipal ordinance violations. Municipal ordinance violations and amended charges for municipal ordinance violations are added to the calculation limiting the percentage of annual general operating revenue that can come from fines and court costs for minor violations and to provisions regarding fines, imprisonment, and court costs in municipal court cases.

Additionally, the maximum allowable fine for minor traffic violations and municipal ordinance violations has been lowered from three hundred dollars to two hundred dollars and no court costs shall be charged to defendants found to be indigent. Municipal courts are also required to not charge defendants for costs associated with community service alternatives. Municipal ordinance violations are also added to municipal disincorporation provisions if a municipality fails to remit excess annual general operating revenue to the Department of Revenue for the county school fund and the disincorporation threshold has been lowered from sixty percent to a majority of participating voters.

### Senate Amendment 1

Adds additional wording to the definition of Municipal ordinance violation.

### Senate Amendment 2

Adds Section 71.980 that clarifies the State of Missouri will not be held liable for the debts of a municipality that is financially insolvent.

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 the State Courts Administrator  
Office of the State Auditor  
State Tax Commission  
Department of Revenue  
St. Louis County  
Callaway County Commission  
City of Kansas City  
City of Columbia  
City of Jefferson  
City of Dardenne Prairie  
City of Independence



Mickey Wilson, CPA  
Director  
January 27, 2016

Ross Strobe  
Assistant Director  
January 27, 2016