

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5019-02
Bill No.: Perfected HCS for HB 1632
Subject: Counties; County Government; County Officials; Elections; Governor and Lieutenant Governor
Type: Original
Date: April 13, 2016

Bill Summary: This proposal modifies provisions relating to political subdivisions

FISCAL SUMMARY

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

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

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

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

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

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

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Governor** assume there should be no added cost to the Governor's Office as a result of this measure. However, if there is an increase in the volume of gubernatorial appointments, there may be the need for additional staff resources in future years.

Officials at the **Kansas City Board of Election Commission** and the **Platte County Board of Election Commission** each assume no fiscal impact from this proposal to their respective organizations.

Officials at the **Office of the Secretary of State** and the **Office of State Courts Administration** each assume no fiscal impact from this proposal to their respective organizations.

In response to a previous version, officials at the **Jackson County Board of Election Commission, St. Louis County Board of Election Commission** and **Buchanan County** each assumed no fiscal impact from this proposal to their respective organizations.

Officials at the following boards of election commissioners: St. Louis City Board of Election Commission and Clay County Board of Election Commission not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Callaway, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, 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. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

House Amendment 1

Oversight assumes House Amendment 1 will have no fiscal impact

House Amendment 2

In response to similar legislation this year (HB 1823), officials at the **Department of Health and Senior Services** assumed no fiscal impact from this proposal to their organization.

ASSUMPTION (continued)

House Amendment 3

In response to similar legislation filed this year (HB 1686), officials at the **Office of the Secretary of State** and the **State Tax Commission** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation filed this year (HB 1686), officials at the **St. Louis County Board of Election Commission** assumed if a large city petitioned to disincorporate in an even year, it would create a sizable petition to validate signatures. The increase in temporary staff would cost somewhere in the range of \$7,500 to \$15,000 to handle the extra volume.

In response to similar legislation filed this year (HB 1686), officials at **St. Louis County** assumed should a third class city within the County be dissolved, the County would receive revenues from sales tax, utility gross receipts tax and road and bridge taxes that had previously gone to the city. The amount of revenue to be received depends on the city(ies) to be dissolved. The County would incur costs up to \$12,500 per day for publication of the election in a local newspaper, as well as an undetermined amount to hold the election. If the County were to appoint a County employee as trustee, it would cost the County staff time and resources to support that employee. The County would provide municipal-level services to the dissolved city, such as police protection, road maintenance, code enforcement, etc.

Oversight assumes revenues from taxes on a disincorporated city(ies) would be an unknown positive to St. Louis County depending on if one city or multiple cities disincorporate in the same year. Oversight also assumes there would be increased cost to support the disincorporated city(ies) for services such as police, fire, etc. If an election to disincorporate a city(ies) is held, according to Section 77.700.3, notice of the election needs to be given in a newspaper for four weeks. Assuming the notice of the election is ran everyday for four weeks, (28 days times \$12,500 per day for publication of the election) this cost would be up to \$350,000 per city. Oversight also assumes there is a potential in the future for some savings due to the economies of scale and the duplication of services between St. Louis County and the city(ies). Therefore, Oversight will reflect an expenditure for St. Louis County of \$0 (if no city disincorporates) or an unknown amount (for the cost of publication of the election in the newspaper).

House Amendment 4, as amended

In response to a similar proposal from this year (HB 2368), officials from the **Office of Prosecution Services**, the **Office of the State Courts Administrator**, the **Department of Corrections**, the **Department of Public Safety - Missouri Highway Patrol**, and the **Office of**

ASSUMPTION (continued)

the State Public Defender each assumed the proposal would not fiscally impact their respective agencies.

<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
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ST. LOUIS COUNTY FUNDS

<u>Revenue</u> - Disincorporated city(ies) tax revenue transferred to St. Louis County (HA 3)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Costs</u> - increase in costs for services to support disincorporated city(ies) transferred to St. Louis County (HA 3)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
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<u>Costs</u> - publication of election for 4 weeks in newspaper (HA 3)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
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ESTIMATED NET EFFECT ON ST. LOUIS COUNTY FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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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

HA 3 decreases the number of signatures required on a petition to disincorporate a city of the fourth class or a village in St. Louis County from 50% to 25% of voters, and decreases the voter approval percentage for disincorporation from 60% to 50% plus one voter.

FISCAL DESCRIPTION (continued)

The bill also establishes a disincorporation procedure for a city of the third class or a constitutional charter or home rule city in St. Louis County that is the same as the disincorporation procedure for a city of the fourth class or a village in St. Louis County.

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 Governor
Office of the Secretary of State
Kansas City Board of Election Commission
Platte County Board of Election Commission
Jackson County Board of Election Commission
St. Louis County Board of Election Commission
Buchanan County
Office of State Courts Administrator
Office of Prosecution Services
Office of the State Courts Administrator
Department of Corrections
Department of Public Safety - Missouri Highway Patrol
Office of the State Public Defender



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April 13, 2016

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