

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3745-01  
Bill No.: HB 1565  
Subject: Crimes and Punishment; Law Enforcement Officers and Agencies; Prisons and Jails  
Type: Original  
Date: February 18, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Public Safety – State Highway Patrol** and the **Department of Corrections** assume the proposed legislation would have no fiscal impact on their agencies.

In response to an identical proposal from the 2001 session (HS for HB 287), officials from the **City of St. Louis** and the **City of Kansas City** assumed the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Office of Attorney General** assume the costs of the proposed legislation could be absorbed within existing resources.

Officials from the **State Treasurer's Office** assume the proposed legislation would have a fiscal impact on their agency because the State Treasurer would be required to make refunds from the Regional Jail District Sales Tax Trust Fund. However, the impact would not be significant.

Officials from the **Department of Health and Senior Services (DOH)** assume the proposal would not be expected to significantly impact the operations of the DOH. If the proposal were to substantially impact the DOH programs, then the department would request funding through the appropriations process.

Officials from the **Department of Natural Resources (DNR)** assume this proposal requires an environmental impact statement to be prepared concerning the effect of the proposed private jail on the surrounding area. This proposal does not assign any specific duties to the department; therefore, the DNR assumes there would be no direct fiscal impact. However, if the intent of this proposal is to require the DNR to review environmental impact statements on all proposed private jails, the DNR may have to request additional resources.

**Oversight** assumes this proposal is permissive and would require Jail Districts that wanted to impose a sales tax (that could not exceed 1%) to receive voter approval. Jail Districts that would submit the question of levying a sales tax would have election costs.

Oversight assumes the state would retain a 1% collection fee, which would be deposited in the State General Revenue Fund. The amount of revenue that would be generated in a given year is unknown. Currently there are no Regional Jail Districts.



ASSUMPTION (continued)

**This proposal could result in an increase in Total State Revenue since Collection Fees are included in the General Revenue Fund and, thus, included in the calculation of Total State Revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**GENERAL REVENUE FUND**

<u>Income</u> - Department of Revenue 1% collection fee	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**LOCAL GOVERNMENTS**

<u>Income</u> - Regional Jail Districts Sales Tax Trust Fund	Unknown	Unknown	Unknown
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<u>Cost</u> - Regional Jail Districts Operations	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS*</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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\*Oversight assumes this proposal to be permissive. Jail Districts whose governing body would submit to the voters the question of implementing a local sales tax would have an election cost. Oversight assumes that costs would not exceed income resulting in either an annual zero or positive fund balance.

FISCAL IMPACT - Small Business

Small businesses which would operate a private prison would expect a fiscal impact as a result of this proposal. Small businesses located within a Regional Jail District, that would receive voter approval to impose a sales tax would expect to be fiscally impacted to the extent that they would

collect and pay the sales tax within those districts.

## DESCRIPTION

This proposal would allow the operation of private jails within the state. The term “private jail” would be defined as a correctional facility owned or operated by any private person or entity specifically for confining criminal defendants pending the disposition of criminal cases.

This proposal also would establish the guidelines and standards which must be met before any private person or entity may contract with the state or any political subdivision for the operation of a private jail. The proposal would require private jails to provide certain inmate services.

The proposal also would require all private jails to operate in a manner that would satisfy the accreditation standards of the American Correctional Association (ACA) and would require all private jails to obtain ACA accreditation within 24 months of the effective date of the proposal. Any private jail losing its accreditation or failing to obtain initial accreditation would be required to immediately cease all operations and immediately notify the Office of the Attorney General.

In addition, the proposal would authorize Regional Jail Commissions to have a 1/8, 1/4, 3/8, or 1/2 of 1% district sales tax for the purpose of operating a Regional Jail District, if approved by qualified voters of the district. The proposal contains further provisions, which include: ballot language; implementation and effective date of the tax depositing revenue; use of funds collected; and establishment of the Regional Jail sales Tax Trust Fund and its operation. The provisions of this section of the proposal would expire August 28, 2015.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation could affect Total State Revenue.

## SOURCES OF INFORMATION

Department of Revenue  
Department of Health and Senior Services  
State Treasurer’s Office  
Department of Natural Resources  
Department of Corrections  
Department of Public Safety  
– State Highway Patrol  
Office of Attorney General  
City of St. Louis

BLG:LR:OD (12/01)

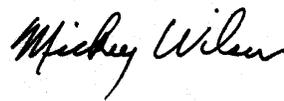
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City of Kansas City

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**NOT RESPONDING:**

**City of Kansas City; City of St. Louis; Greene County Sheriff;  
Clay County Sheriff; Platte County Sheriff; Greene County  
Commission; Clay County Commission; Platte County  
Commission**



Mickey Wilson, CPA

Acting Director

February 18, 2002