

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4317-03
Bill No.: HCS for HB 1735
Subject: Banks and Financial Institutions; Cities, Towns, and Villages; Treasurer, State.
Type: Original
Date: March 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$250,000	\$300,000	\$300,000
Total Estimated Net Effect on <u>All</u> State Funds	\$250,000	\$300,000	\$300,000

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer (STO)** stated that for the “Money Market Mutual Funds” portion of this proposal, STO staff estimate a positive revenue impact of at least \$300,000 annually for state revenues. The number of municipalities and political subdivisions that would participate and the amount they would invest directly or through money market mutual funds is unknown. However, STO staff assume that the revenue impact would be a positive unknown for local governments.

Officials from the **Department of Revenue, Department of Natural Resources, Little Blue Valley Sewer District, Office of Secretary of State, West County EMS and Fire Protection District,** and the **City of Springfield** assume the proposed legislation will not fiscally impact their organizations.

Officials from **Kansas City Manager’s Office, St. Louis City Manager’s Office, St. Louis County Manager’s Office, Jackson County Executive, Clay County Commission Platte County Commission, Greene County Commission, St. Charles County Executive, City Manager of the Cities of: Columbia, St. Charles and Independence, Metro St. Louis Sewer District, LeMay Fire Protection District, Chesterfield Fire Protection District, Mehlville Fire Protection District, Raytown Fire Protection District, St. Charles Fire Protection District, Metro West Fire Protection District, Maryland Heights Fire Protection District, Creve Coeur Fire Protection District, Barton County Memorial Hospital, Cass Medical Center, Cooper County Memorial Hospital, Excelsior Springs Medical Center, Lincoln County Memorial Hospital, Pemiscot Memorial Hospital, Phelps County Regional Medical Center, Ray County Memorial Hospital, Samaritan Memorial Hospital, Ste. Genevieve County Memorial Hospital, University of Missouri, Blue Springs School District, Columbia Public Schools, Fort Zumwalt School District, Independence School District, Jefferson City Public Schools, Kansas City Public School Board, Lee’s Summit R-7 School District, Kirksville R-III School District, Springfield Public Schools, St. Louis Public Schools, and Cape Girardeau School District** did not respond to our request for a statement of fiscal impact.

The proposed legislation will result in an increase in Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Income - Office of State Treasurer</u>			
Money Market Mutual Fund Revenue	<u>\$250,000</u>	<u>\$300,000</u>	<u>\$300,000</u>

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$250,000</u>	<u>\$300,000</u>	<u>\$300,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
MUNICIPALITIES AND POLITICAL SUBDIVISIONS			
<u>Income - Municipalities and Political Subdivisions</u>			
Money Market Mutual Fund Revenue	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON MUNICIPALITIES AND POLITICAL SUBDIVISIONS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>FISCAL IMPACT - Small Business</u>			

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

DESCRIPTION

This substitute allows any municipality or political subdivision to deposit public funds in any bank for investment either directly or through money market mutual funds. The municipality or political subdivision must adopt a written investment policy.

The substitute also allows the State Treasurer to purchase money market mutual funds as defined by the Securities and Exchange Commission.

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 State Treasurer
 Department of Revenue
 Office of Secretary of State
 West County EMS and Fire Protection District
 City of Springfield
 Little Blue Valley Sewer District
 Department of Natural Resources

NOT RESPONDING: Kansas City Manager's Office, St. Louis City Manager's Office, St. Louis County Manager's Office, Jackson County Executive, Clay County Commission, Platte County Commission, Greene County Commission, St. Charles County Executive, City Manager of the Cities of: Columbia, St. Charles and Independence, Metro St. Louis Sewer District, LeMay Fire Protection District, Chesterfield Fire Protection District, Mehlville Fire Protection District, Raytown Fire Protection District, St. Charles Fire Protection District, Metro West Fire Protection District, Maryland Heights Fire Protection District, Creve Coeur Fire Protection District, Barton County Memorial Hospital, Cass Medical Center, Cooper County Memorial Hospital, Excelsior Springs Medical Center, Lincoln County Memorial Hospital, Pemiscot Memorial Hospital, Phelps County Regional Medical Center, Ray County Memorial Hospital, Samaritan Memorial Hospital, Ste. Genevieve County Memorial Hospital, University of Missouri, Blue Springs School District, Columbia Public Schools, Fort Zumwalt School District, Independence School District, Jefferson City Public Schools, Kansas City Public School Board, Lee's Summit R-7 School District, Kirksville R-III School District, Springfield Public Schools, St. Louis Public Schools, and Cape Girardeau School District



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Acting Director
March 18, 2002