

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 2789-01
Bill No.: SB 715
Subject: Counties
Type: Original
Date: January 13, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	\$0 or Unknown	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 to Unknown	Unknown to (Unknown)	Unknown to (Unknown)

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Sections 48.020 and 48.030 County Classification:

In response to similar legislation the **Jasper County Commission** assume these sections could save a second class county the costs of establishing a juvenile center, medical examiner, and salary increases of elected officials until the Commission decides the county could afford the changes.

Franklin County Officials assumed no fiscal impact.

Oversight assumes the provisions of Sections 48.0202 and 48.030 are procedural in nature and should have no fiscal impact other than by raising the required assessed valuation for a classification change would possibly postpone a county from changing classification until a later date, thereby postponing a possible increase in the expenditure of money on salaries, new offices, etc. For purposes of this fiscal note, Oversight assumes this proposal could save certain counties money from postponing a classification change. **Fiscal impact to certain counties will be shown as \$0 to an Unknown savings.**

ASSUMPTION (continued)

Section 49.272 - Boone County Counselor:

Oversight assumes this section is permissive. This proposal would allow Boone County's governing body by ordinance, to elect to impose civil fines for violations of county ordinances, rules, and regulations. The fines could not exceed \$250 per violation. Oversight assumes this section does not require Boone County officials to impose fines, or to appoint a County Counselor. Oversight assumes that if the Boone County Commission would initiate the provisions of this section, then the County would realize income to its General Revenue Fund from fines allowed herein, and the county would realize a loss of income from paying the costs of enforcement of county ordinances, rules and regulations. Oversight assumes fines and costs of enforcement would equal resulting in no fiscal impact.

Section 50.740 - Third and Fourth Class County Treasurers duties:

Oversight assumes this section is procedural and would have no fiscal impact. This section would allow certain County Treasurers to issue only payroll checks before the budget estimate is filed with the County Commission.

Section 67.2000 - Allows certain counties to create a Exhibition Center and Recreational Facility District:

Officials of the **Department of Revenue** assume this proposal as written would have no fiscal impact to the department.

Oversight assumes this proposal is permissive and would require voter approval before any fiscal impact would be realized by the state or the new district. Oversight assumes this proposal as written, does not require the counties described herein to establish a recreational district, therefore, there would be no fiscal impact.

If a district were formed the county would have election costs which is unknown. The newly formed district would realize income from a voter approved sales tax that could not exceed one-half of one percent on all retail sales within the district. The district would realize costs of funding the construction and operation of an Exhibition Center and Recreational Facility. **Oversight** assumes that costs would not exceed income in a given year. **The State's General Revenue Fund would realize additional income from a 1% collection fee retained by the Department of Revenue. The amount of income realized in a given year is Unknown.**

Oversight for purposes of this fiscal note, assumes this section, as written, does not issue a

ASSUMPTION (continued)

mandate to the counties described herein to establish a recreational district, therefore, there would be no fiscal impact to state or local governments.

Section 135.207 - Authorizes a Satellite Zone in Jackson County and Section - 135.261 Authorizes an Enterprise Zone in Laclede County:

Officials of the **Department of Economic Development** stated that this bill provides for 1 full enterprise zone in a rural area and 1 satellite zone. DED assumes, based on averages, that there will be **\$118,745 in costs associated with a new rural enterprise zone and \$60,000 to Unknown for the satellite zone created. These costs will not be incurred until Fiscal Year 2006.** The costs of an enterprise zone includes the costs of EZ tax credits, refunds, and income modifications (modification times tax rate to convert to dollar benefit) for a year. These figures are an average so some zones and satellites will cost more and some will cost less. DED officials stated It is not possible to predict anything more than the averages used as the cost until the zone has been created and mapped.

DED officials stated that at the present time, the volume of credits is not anticipated to be large enough to require additional personnel or equipment and expense to administer. Officials assume the volume of work would be addressed in a budget request, if necessary.

Section 190.306 Clarifies 911 services in Christian County:

Oversight assumes this proposal clarifies existing law with regards to 911 emergency services in Christian County, and would have no state or local fiscal impact.

Section 304.010 Authorizes certain class counties to regulate speed limits on county roads:

Officials of the **Missouri Department of Transportation** and the **Department of Public Safety- Highway Patrol** assume no fiscal impact.

Oversight assumes this is enabling legislation, as written, would have no fiscal impact unless the county's governing body would elect to initiate the regulation of county road speed limits. **Oversight assumes no fiscal impact.**

Sections 644.581, 644.582, 644.583 Authorizes the Board of Fund Commissioners to issue bonds for environmental purposes:

ASSUMPTION (continued)

Officials of the **Office of Administration- Budget and Planning** assume no fiscal impact to their division.

Officials of the **Office of Administration- Division of Accounting** assume the following:

- 1) There would be no bond issuance in FY 05 ;
- 2) There would be a \$45 million issuance in FY 06 using **existing** legislative authority;
- 3) There would be no bond issuance in FY 07; and
- 4) Bonds authorized by this proposal would not be issued prior to FY 08**

Officials of the **Department of Natural Resources** assume no fiscal impact. Officials stated that most bond issues have a 3 year lag from the date of authorization.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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GENERAL REVENUE FUND

Income- to Department of Revenue

1% sales tax collection fee. (67.2000) *	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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Loss - Satellite Zone in Jackson County
 (Section 135.207)

	\$0	(\$60,000 to Unknown)	(\$60,000 to Unknown)
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Loss - Enterprise Zone in Laclede County
 (Section 135.261)

	<u>\$0</u>	<u>(\$118,745)</u>	<u>(\$118,745)</u>
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ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND	<u>\$0 or Unknown</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
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*** Certain counties would have to establish an Exhibition Center and Recreation Facility District before the State's General Revenue Fund would realize any income from a collection fee.**

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
 CERTAIN COUNTIES EXHIBITION CENTER AND RECREATION FACILITY DISTRICT FUND			
<u>Income</u> - to Exhibition Center and Recreation Facility Fund (67.2000)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - to Exhibition Center and Recreation Facility Fund (67.2000)	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT TO EXHIBITION CENTER AND RECREATION FACILITY FUND *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>Savings</u> - to Certain Counties from postponing class change (Sections 48.020 and 48.030)	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
 <u>Income</u> - to Boone County General Revenue Fund from fines (Section 49.272) **	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
 <u>Costs</u> - to Certain Counties from speed limit signs (Section 304.010) **	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL GOVERNMENT	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

* Oversight assumes that annual costs would not exceed income resulting in an annual positive fund balance or a zero fund balance. Oversight will show balance as zero.

** These provisions are permissive.

FISCAL IMPACT - Small Business

Small businesses located in certain counties, whose governing body would receive voter approval to impose a sales tax of up to .05% could expect to collect and pay the additional tax. The tax would be for an exhibition center and recreation facility. (Section 67.2000).

DESCRIPTION

This act modifies the classification of counties. The assessed valuation necessary to qualify as a first class county is increased from the current \$450 million to \$600 million. The assessed valuation necessary to qualify as a second class county is increased from the current \$300 million to \$450 million. No county will move to a lower classification than its current classification as a result of the changes in the assessed valuation requirement, however, such a county may move to a lower classification after five years at a level below the requisite amount for the counties current classification.

This act modifies Section 48.030, RSMo, to allow any county that has the requisite assessed valuation to become a first class county to choose to do so upon an affirmative vote of the counties governing body, even though the county has not had such valuation for five successive years as required under current law (Sections 48.020 and 48.030).

This act authorizes the Boone County Counselor to prosecute certain misdemeanors in order to seek a civil fine of not more than \$250 per violation. Fines collected pursuant to this act shall be paid into the county general fund to be used to pay for the cost of enforcement of such offenses (Section 49.272).

This act authorizes county treasurers in counties of the third and fourth classification to issue payroll checks before the filing of the county budget estimates (Section 50.740).

This act creates the Exhibition Center and Recreation Facility District Act. It enables citizens of Boone, Buchanan, Camden, Jasper, Jefferson, Miller, Morgan, and Newton counties to petition to create an exhibition center and recreation facility district. At least 50 property owners in a county must sign the petition. Once the petition is filed, the governing body may approve a resolution to create the district. Following a public hearing, the governing body may adopt an order establishing the proposed district. A board of trustees will administer any district created. The governing body of each county within the district will appoint four residents from the portion of the county within the district to serve on the board. The board will have the power to enter into contracts or other agreements affecting the affairs of the district, to borrow money, to issue bonds, to acquire and dispose of real and personal property, to refund bonds without an election, to manage the affairs of the district, to hire agents, and to amend and adopt bylaws. The

DESCRIPTION (continued)

district may submit to its voters a sales tax of up to 0.5%. The tax will be reduced automatically to a rate of 0.1% after 25 years unless an extension is voted upon by the voters in the district (Section 67.2000).

This act authorizes the Department of Economic Development to designate an area within Jackson County as a satellite zone. The governing body of the county must submit a plan describing how the zone corresponds to the county's overall enterprise zone strategy. The Department of Economic Development is also required to designate an enterprise zone in Laclede County. The zones must be approved by the Director of Department of Economic Development and meet all statutory requirements (Section 135.207).

This act clarifies that a municipality in Christian County may continue to operate an emergency telephone service in the event the county also establishes a service or has been reclassified into a higher classification (Section 190.306).

This act authorizes counties of the second, third, or fourth classification to set by ordinance countywide speed limits on roads within the county which are maintained by the county (Section 304.010).

In addition to amounts authorized prior to August 28, 2005, this act authorizes the Board of Fund Commissioners to issue bonds for grants and loans pursuant to several sections of Article III of the Missouri Constitution. The authorizations are for:

- (1) \$10 million of bonds for waste water pollution control, drinking water system improvements, and storm water control pursuant to Section 37(e);
- (2) \$10 million of bonds for rural water and sewer projects pursuant to Section 37(g); and
- (3) \$20 million of bonds for storm water control plans, studies, and projects in first classification counties and the City of St. Louis pursuant to Section 37(h) (Section 644.581).

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 Administration
Department of Economic Development
Department of Revenue
Department of Transportation
Department of Natural Resources
Department of Public Safety-State Highway Patrol
Jasper County Commission
Franklin County Commission

NOT RESPONDING

Boone County Commission
Miller County Commission
Camden County Commission
Jefferson County Commission
Buchanan County Commission
Morgan County Commission
Newton County Commission
Laclede County Commission
Christian County Commission
Johnson County Commission
Pettis County Commission
Lafayette County Commission
Saline County Commission
Nodaway County Commission
Atchison County Commission
Marion County Commission
Warren County Commission
Greene County Commission



Mickey Wilson, CPA
Director
January 13, 2004