

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3635-04
Bill No.: Perfected SS for SCS for SB 580
Subject: Political Subdivisions; Counties; County Government; Cities, Towns, and Villages; Taxation and Revenue - Sales and Use; State Tax Commission; Office of Administration; Ambulances and Ambulance Districts; Cemeteries; Contracts and Contractors; Conveyances and Easements; St. Louis City
Type: Original
Date: February 15, 2010

Bill Summary: This proposal modifies various provisions relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$258)	(Up to \$101,134)	(Up to \$103,267)
Total Estimated Net Effect on General Revenue Fund	(\$258)	(Up to \$101,134)	(Up to \$103,267)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 25 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	(\$75,312) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

FISCAL ANALYSIS

ASSUMPTION

Section 49.310

Officials from the Counties of: Andrew, Barry, Bates, Butler, Carroll, Cooper, DeKalb, Hickory, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, Nodaway, Ozark, Pemiscot, Perry, Phelps, Pulaski, Randolph, Texas, Warren, and Webster did not respond to Oversight's request for fiscal impact.

Oversight assumes the proposal is permissive, allowing counties of the third classification to erect and maintain a jail or holding cell facility at a location other than the county seat, but would not require the counties to do so. Therefore, Oversight reflects no fiscal impact.

Sections 50.660 & 50.783

In response to a similar proposal from 2009 (SB 256), officials from the **State Tax Commission, St. Louis County** and **Clinton County** assumed there will be no fiscal impact to their organizations.

In response to a similar proposal from 2009 (SB 256), officials from **Cass County** assumed this proposal is raising the dollar amount before a bid must be noticed to the public. Cass County assumed there would be some cost savings since it may reduce the number of bid notices for purchases under \$6000.

In response to a similar proposal from 2009 (SB 256), officials from **Platte County** assumed there will be a net cost savings to their county; however, the amount is not determinable at this time.

Oversight, because this proposal is permissive, will show fiscal impact to local governments to be zero.

Officials from the counties of: Bates, Carroll, DeKalb, Nodaway, and Texas did not respond to Oversight's request for fiscal impact.

ASSUMPTION(continued)

Sections 52.290, 52.312, 52.361, 52.370, 54.010, 55.140, 55.190, 139.031, 139.140, 139.150, 139.210, 139.220, 140.050, 140.070, 140.080, 140.160 & 165.071

In response to a similar proposal from this session (SB 736), officials from the **State Tax Commission, Office of the State Auditor**, and the **St. Louis Collector** assumed there will be no fiscal impact to their respective agencies.

Oversight assumes this proposal is discretionary and would have no local fiscal impact without action by the governing body.

Officials from the Counties of: St. Charles, Greene, Jefferson, Clay, Boone, Jasper, Franklin, Buchanan, Cass, Platte, Cole, Cape Girardeau, Callaway, Taney, Camden, Johnson, New Madrid, DeKalb, Bates, Carroll, and Texas did not respond to Oversight's request for fiscal impact.

Section 55.030

In response to a similar proposal from this session (SB 628), officials from the **Office of the State Auditor** and **St. Louis County** assumed this proposal would have no fiscal impact on their organizations.

In response to a similar proposal from this session (SB 628), officials from **St. Charles County** estimated a savings of \$18,000 annually by eliminating fixed asset tracking of small dollar items.

Officials from **Jackson County** did not respond to our request for fiscal impact.

Oversight assumes this proposal would have no fiscal impact on state funds.

Section 56.700

In a similar proposal from 2009 (HB 375), officials from the **Office of Prosecution Services (OPS)** assumed the proposal would have no measurable fiscal impact on the OPS or County Prosecutors.

In a similar proposal from 2009 (HB 375), officials from the **Office of State Treasurer (STO)** assumed the proposal will not fiscally impact their organization. The STO assumes the Department of Mental Health will include the related appropriation in their budget request.

ASSUMPTION(continued)

Officials from the **Department of Mental Health (DMH)** assume that one county (Boone) is intended in this legislation. Therefore, the DMH projects an annual cost of \$30,000.

In response to a similar proposal from 2009 (HB 375), officials from **Boone County** stated the proposal would result in a savings to Boone County of \$15,000 to \$30,000, subject to state appropriation, as a partial reimbursement for legal representation provided by Boone County to the Department of Mental Health pursuant to RSMo Section 432.405. The proposal would have a corresponding cost to the DMH of the amount of the appropriation.

Oversight has adjusted DMH estimated costs to the General Revenue Fund and Boone County estimated savings for FY 2011 to reflect 10 months.

Section 59.003

Oversight assumes no fiscal impact.

Section 64.170

In response to a similar proposal from this session (HB 1592), officials from the **State Tax Commission** and the **Department of Public Safety - Division of Fire Safety** assumed this proposal would have no fiscal impact on their agencies.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Boone County** and **Boone County Fire District** did not respond to our request for fiscal impact.

Oversight assumes this proposal as written is enabling legislation and would require action by the county's governing body before fiscal impact would be realized. Oversight assumes no state or local fiscal impact.

Section 67.110

In response to a similar proposal from this session (SB 860), officials from the **State Tax Commission, Department of Revenue, Metropolitan Community Colleges, City of Centralia, and St. Louis County Collector** assumed this proposal would have no fiscal impact on their organizations.

ASSUMPTION(continued)

In response to a similar proposal from this session (HB 1392), officials from the **Parkway School District** stated that this proposal would have saved their organization \$3.5 million in the 2009-2010 fiscal year, and assume that costs savings would be similar in future years.

In response to a similar proposal from this session (SB 860), officials from the **Special School District of St. Louis County** stated that the proposal would fix a problem that caused the district to incur a 3% drop in property taxes in the current fiscal year. This was due to the setting of the tax rate before the final assessed values were available.

Oversight notes that this proposal would change the date by which taxing authorities must determine the ad valorem tax rate for the next year. Accordingly, Oversight assumes this proposal would have no fiscal impact on the state nor on its political subdivisions.

Section 67.309

In response to a similar proposal from this session (SB 831), officials from the **Office of the Secretary of State, St. Louis County, Cass County, Springfield Police Department, and Boone County Sheriff's Department** assumed the proposal would not fiscally impact their organizations.

In response to a similar proposal from this session (SB 831), officials from the **Columbia Police Department** stated this proposal would have a fiscal impact to their department due to the increased manpower hours of officers investigating, processing, and report writing on juvenile curfew violations.

Oversight assumes this proposal is discretionary and would have no local fiscal impact without action by the governing body.

The following counties did not respond to **Oversight's** request for a fiscal impact: **Jackson, St. Charles, Greene, Jefferson, Clay, Boone, Jasper, Franklin, Buchanan, Platte, Cole, Cape Girardeau, Callaway, Camden, and Taney.**

The following law enforcement agencies did not respond to **Oversight's** request for a fiscal impact: **Buchanan County Sheriff, Independence Police Department, Jackson County Sheriff, KC Police Department, Platte County Sheriff, St. Charles Police Department, St. Louis County Police, St. Louis County Sheriff's Department, and St. Louis Metro Police Department.**

ASSUMPTION(continued)

Section 67.314

In response to a similar proposal from this session (SB 729), officials from the **Department of Transportation, Department of Conservation, Office of the State Courts Administrator, Department of Natural Resources, St. Louis County, Cass County, and Missouri State University** assumed there would be no fiscal impact to their respective agencies.

In response to a similar proposal from this session (SB 729), officials from the **City of Kansas City** stated this legislation may have a negative fiscal impact on the City of Kansas City, Missouri, in an indeterminate amount because this legislation would result in higher administrative costs and unknown financial consequences of delaying the opening of bids and subsequent commencement of a project.

In response to a similar proposal from this session (SB 729), officials from the **City of Joplin** stated this legislation mirrors their city purchasing policies except for the bidding limit which is \$15,000. The reason for this limit is because local advertisement is quite expensive, and there are times that some smaller projects need a faster turn around than a formal bid can allow.

In response to a similar proposal from this session (SB 729), officials from the **City of Centralia** estimated this bill will increase costs for their jurisdiction by \$1950.00 per year. This is based on the purchase of 10 ads @ \$195.00 each for construction or repair projects, not otherwise advertised.

In a similar proposal from this session (SB 729), officials from the **Branson Public Schools** stated this bill would negatively affect their district in the following ways:

- An increase in advertising costs of \$10,000 based on their average 20 projects per year that don't currently require advertising.
- An expected increase of approximately 10% to cover the additional cost of contractors to provide bid and performance bond insurance previously not required on small projects.
- An unknown increase to construction costs based on fewer bidders per project due to the loss of small sized contractors that do not qualify to be bonded and thus unqualified to bid.

Oversight assumes an unknown negative impact to local government funds.

ASSUMPTION(continued)

Officials from the counties: **Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Randolph, St. Charles, St. Francois, Taney, Texas, Warren, and Webster** did not respond to **Oversight's** request for fiscal impact.

Officials from the following cities: **Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Kearney, Kirksville, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Linn, Louisiana, Maryland Heights, Maryville, Mexico, Neosho, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, West Plains** did not respond to **Oversight's** request for fiscal impact.

Officials from the following school districts: **Blue Springs Public Schools, Columbia Public Schools, Francis Howell, Independence Public Schools, Jefferson City Public Schools, Kansas City Public Schools, Kirksville Public Schools, Lee Summit Public Schools, Mehlville Public Schools, Mexico Public Schools, Nixa Public Schools, Parkway Public Schools, Sedalia School District, Sikeston Public Schools, Silex Public Schools** did not respond to **Oversight's** request for fiscal impact.

Section 67.402

Officials from the **State Tax Commission** assume there will be no fiscal impact to their agency.

Officials from the following counties: **Andrew, Buchanan**, did not respond to **Oversight's** request for fiscal impact.

Oversight assumes this proposal is enabling legislation and does not require the Buchanan and Andrew County Commissions to enact nuisance abatement ordinances. Oversight assumes no state or local fiscal impact.

ASSUMPTION(continued)

Section 67.456 & Senate Amendment 9

Senate Amendment 9 removes this section from the bill.

Section 67.1000

In response to a similar proposal from 2009 (SB 187), officials from the **City of Jefferson** stated for each one cent increase in the tax, they will generate \$140,000 in additional revenue for the Convention and Visitor's Bureau. Assuming the voters approved, the City could increase its tax by an additional 4 cents under this legislation.

Oversight assumes this proposal increases the maximum tax from 5% to 7% that the City of Jefferson could charge guest of hotels and motels and other business that offer sleeping rooms. Oversight assumes the increase could not be taxed without voter approval; therefore, Oversight assumes this proposal to be permissive, and would have no state or local fiscal impact.

Section 67.1080 & Senate Amendment 33

Senate Amendment 33 removes this section from the bill.

Section 67.1360

Officials from the **Department of Revenue** assumed the proposal would not fiscally impact their agency.

Officials from **Sugar Creek, Jackson County** and **Clay County** did not respond to **Oversight's** request for fiscal impact.

Oversight assumes this proposal allows Sugar Creek to impose a transient guest tax of up to five percent and could not be implemented without voter approval. Therefore, Oversight assumes this proposal to be permissive and would have no state or local fiscal impact.

ASSUMPTION(continued)

Sections 67.1361 & 70.220

In response to a similar proposal from this session (SB 644), officials from the **Office of the State Auditor**, the **Department of Revenue**, the **State Tax Commission**, **Cass County**, **St. Louis County**, the **City of Centralia**, and the **City of Kansas City** assumed this proposal would have no fiscal impact on their organizations.

Oversight did not receive any other responses for this proposal.

Oversight notes that this proposal would allow the City of St. Joseph and Buchanan County to contract with one another to share tax revenues for the purpose of promoting tourism and constructing, maintaining, and improving a convention center. Current provisions allow the city and the county to perform similar functions individually. Since the proposed legislation would only become effective after the approval of the governing bodies of both organizations, Oversight will indicate no fiscal impact for the proposal.

Section 67.2000

Officials from the **Department of Revenue** stated their response to a proposal similar to or identical to this one in a previous session indicated the department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the department's tax systems, changes cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$4,441. The value of the level of effort is calculated by taking 1 FTE for a total of one month, for modifications to the department's sales tax system (MITS).

In response to similar proposal from this session (SB 700), officials from **DeKalb County** estimated the fiscal impact of the above-referenced bill for fiscal years 2009, 2010 and 2011 to be as follows:

- Revenues: Revenues for 2009 are final as this is the 12th month of the year. One-fourth is \$157,260. Revenues for 2010 estimated at \$150,000 and the same for 2011. I did not include an increase in Sales Tax for the 2010 and 2011 as it has declined from 2008 and I do not anticipate an increase in Sales Tax in the future.

ASSUMPTION(continued)

- Costs: Holding hearings for the establishment of this district would incur the expense of publication of hearing notices in the local newspapers. This expense would be approximately \$600 per newspaper with three newspapers to publish the hearing notice. Total expense estimated to be \$1,800. The expense of holding a County wide election is estimated to be \$8,000. If the issue passes and a board is appointed, the expense of their actual and necessary expenses would occur. This is estimated to be \$4,000 per year. This board would have to have Errors and Omissions Insurance with an estimated cost of \$5,000 per year.

In response to a similar proposal from this session (SB 700), officials from **Daviess County** assumed they would incur election costs of \$12,060 in FY 2011 as a result of this proposal.

Officials from **Caldwell County** and **Clinton County** did not respond to our request for fiscal impact.

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. If the governing body of the county approves the creation of an Exhibition Center and Recreation Facility District and the voters within the district approve a sales tax to operate the district, the Department of Revenue would collect the sales tax and would withhold a 1% collection fee. The collection fee would be deposited in the State's General Revenue Fund.

If the counties attempt to establish a district, they would realize the cost of an election, which is required to establish a district, and the district would realize income generated by the sales tax, and would have costs related to the operation and maintenance of the district. All amounts of income and costs are indeterminable and based upon the desire and action taken to set up such a district.

Sections 68.025, 68.035, 68.040, 68.057, 68.070, 68.200, 68.205, 68.210, 68.215, 68.220, 68.225, 68.230, 68.235, 68.240, 68.245, 68.250, 68.255, & 68.260

In response to a similar proposal from this session (SB 578), officials from the **Department of Revenue (DOR)** stated the proposal allows the port authority to levy a sales and use tax on all retail sales within the boundaries of the district and provides ballot language. The taxes may be imposed in 1/8 of 1 percent increments, up to 1 percent. The taxes are not effective until after approval by the qualified voters who live in the district.

ASSUMPTION(continued)

DOR states their response to a proposal similar to or identical to this one in a previous session indicated the department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the department's tax system, changes cannot be made without significant impact to the department's resources and budget. Therefore, the Information Technology portion of the fiscal impact is estimated with a level of effort valued at \$4,441 (1) FTE for 1 month to make updates to the Missouri sales tax system (MITS).

Oversight assumes DOR will not incur this expense unless the port authorities initiate a referendum and the appropriate voters approve the new sales tax.

In response to a similar proposal from this session (SB 578), officials from the **Department of Transportation** and the **Office of the State Auditor** each assumed the proposal would not fiscally impact their respective agencies.

In response to a similar proposal from this session (SB 578), officials from the **Office of the State Courts Administrator** assumed the proposal would not fiscally impact the courts.

In response to a similar proposal from 2009 (HB 215), officials from the **Kansas City Port Authority** assumed they would not be fiscally impacted by the proposal.

In response to a similar proposal from 2009 (HB 215), officials from the **Southeast Missouri Port Authority** (SEMO Port) stated in 1985, both Cape Girardeau and Scott Counties proposed and passed a quarter-cent sales tax to provide capital funds for Semo Port. The proposals passed by 65% to 70% in both Counties, strongly supported by the County Commissions and other local elected officials. The sales tax ran 1986-1990 and sunset after four years. It brought in \$7.3 million in capital funds and was crucial in giving the Port a strong development effort. This was done by the two Counties in coordination with and in support of the Port.

In their situation, SEMO port states they do not foresee trying to enact any kind of tax without the complete support of the two County Commissions. With their support, the tax likely would be pursued under the Counties rather than under the Port. If it were done under the Port, there could be additional costs for collecting the tax through the normal County procedures, but I do not see this happening -- it would be done by the Counties themselves. It would be difficult in any case to see a future tax to support the Port's development, unless some very specific major development were contemplated.

ASSUMPTION(continued)

Officials from the **City of St. Louis Port Authority, St. Joseph Regional Port Authority, Kansas City, Jackson County, City of St. Louis, City of St. Joseph** and **Buchanan County** did not respond to **Oversight's** request for fiscal impact.

Oversight assumes the proposal is permissive in nature and allows Port Authorities to pursue an increase in sales tax and/or property tax to fund projects. Approval must be given by the voters in the district. Therefore; Oversight will not reflect a direct fiscal impact as a result of this proposal.

Oversight assumes if the voters were to approve a tax increase, there would be revenue generated for the port authority projects. If the citizens would approve a sales tax increase for the Port Authorities, the Department of Revenue would retain a 1% collection fee which would be deposited into the State's General Revenue Fund.

Section 71.285

Oversight assumes this proposal as written is enabling legislation and would require action by the county's governing body before fiscal impact would be realized. Oversight assumes no state or local fiscal impact.

Section 77.305

In response to a similar proposal from this session (SB 581), the **Office of the Secretary of State** assumed this proposal would have no fiscal impact on their agency.

In response to a similar proposal from this session (SB 581), officials from the **Town of Carrollton** stated that election cost would be between \$5 and \$10 thousand.

In response to a similar proposal from this session (SB 581), officials from the **City of Maryland Heights** estimated the cost of conducting such a referendum would be approximately \$10,000 per election.

In response to a similar proposal from this session (SB 581), officials from the **City of Maryville** stated if citizens want a law enacted through a popular vote there is a procedure to make this happen. Officials also recognize that there would be a cost to place an advisory referendum on the ballot.

ASSUMPTION(continued)

Oversight assumes the proposal is permissive in nature. Therefore, Oversight will not reflect a direct fiscal impact as a result of this proposal.

Section 94.271

In response to a similar proposal from this session (SB 668), officials from the **Department of Revenue** assumed there will be no fiscal impact to their agency.

In response to a similar proposal from 2008 (SB 1089), officials from the **City of Grandview (Grandview)** estimated the proposal will have no fiscal impact in the first year; \$100,000 in the second year; and \$100,000 in the third year. Grandview has never had a hotel/motel tax before and officials state they are seeing an increase in traffic now that the Triangle project is complete. They estimate there are now 70,000 to 75,000 cars a day along Highway 71. This will increase with the opening of the National Nuclear Security Administration complex in 2010 and the intermodal facility at the former Richards-Gebaur Airport that opened in the spring of 2008. Grandview has no funding for marketing, public relations, tourism, or infrastructure related to completing the Downtown Corridor Plan.

Costs associated with this proposal would relate to an election and voters have to authorize the tax. Grandview officials were not aware of any revenue losses associated with this proposal.

Oversight assumes this proposal increases the tax to 5% that Grandview could charge a guest of hotels and motels and other businesses that offer sleeping rooms. **Oversight** assumes the tax could not be implemented without voter approval. Therefore, **Oversight** assumes this proposal to be permissive and there would be no state or local fiscal impact.

Section 94.840

Officials from the **Department of Revenue** assume the proposal would not fiscally impact their agency.

Officials from the **City of Raytown** and **Jackson County** did not respond to our request for fiscal impact.

Oversight assumes this proposal allows the City of Raytown to impose a transient guest tax of up to five percent and could not be implemented without voter approval. Therefore, Oversight assumes this proposal to be permissive and would have no state or local fiscal impact.

ASSUMPTION(continued)

Section 94.900

In response to a similar proposal from 2009 (SB 447), officials from the **Department of Revenue** assumed the proposal would not fiscally impact their agency.

In response to a similar proposal from 2009 (SB 447), officials from the **City of Peculiar** stated this proposal will aid in maintaining the current level of service to the citizens. The tax could generate between \$140,000 and \$145,000 annually.

Oversight assumes this proposal allows the City of Peculiar to impose a sales tax of up to one-half of one percent for improving public safety. Oversight assumes if the voters were to approve a sales tax there would be revenue generated as well as costs related to providing public safety services. Oversight assumes that the local annual fund balance would be either a positive unknown or a zero balance.

Oversight assumes if the citizens would approve a sales tax for public safety, the Department of Revenue would retain a 1% collection fee which would be deposited into the State's General Revenue Fund.

The tax must receive voter approval before it could be implemented; therefore, **Oversight** assumes this proposal is permissive and, by itself, would have no state or local fiscal impact.

Oversight has no way to determine if the city were to receive voter approval to impose a public safety sales tax; therefore, for the purposes of this fiscal note fiscal impact will be shown as zero.

Section 94.902

In response to a similar proposal from this session (SB 669), officials from the **Department of Revenue** and the **Department of Public Safety - Director's Office** each assumed the proposal would not fiscally impact their respective agencies.

Oversight assumes this proposal is enabling legislation and would have no fiscal impact unless the governing body would request the voters of their city approve the imposition of a sales tax. Should voters approve the imposition of a sales tax, the city could expect revenue to be generated and there would be costs of providing public safety programs. Oversight assumes the Department of Revenue would collect the sales tax and retain a 1% collection fee which would be deposited into the State's General Revenue Fund.

ASSUMPTION(continued)

Oversight assumes the annual City Public Safety Sales Tax Trust Fund balance would be either a positive unknown or zero.

Oversight has no way to determine if any city would receive voter approval to impose a public safety sales tax; therefore, for the purposes of this fiscal note fiscal impact will be shown as zero.

Officials from the **City of Grandview** did not respond to our request for fiscal impact.

Section 137.1040

In response to a similar proposal from this session (SB 743), officials from the **Office of the Secretary of State**, the **Department of Revenue**, **St. Louis County**, the **City of Centralia**, and the **City of Kansas City** assumed this proposal would have no fiscal impact to their organizations.

In response to a similar proposal from this session (SB 743), officials from the **Office of Administration, Division of Budget and Planning (BAP)** assumed this proposal would not result in additional costs or savings to their organization. BAP officials stated that the proposal would allow certain local governing bodies to impose a property tax to fund cemetery maintenance, upon voter approval. BAP officials assume this proposal would have no impact on general and total state revenues.

In response to a similar proposal from this session (SB 743), officials from **Boone County** assumed the fiscal impact of this proposal is unknown.

In response to a similar proposal from this session (SB 743), officials from **Cass County** assumed this proposal would provide enabling statutes and therefore believes it would have no fiscal impact on their organization.

Oversight assumes this proposal is discretionary and there would be no local government fiscal impact without action by a local governing body.

ASSUMPTION(continued)

Section 138.431

In response to a similar proposal from this session (SB 686), officials from the **Office of Administration, Division of Budget and Planning (BAP)** assumed this proposal would not result in additional costs or savings to their organization.

In response to a similar proposal from this session (SB 686), officials from the **Department of Revenue** assumed this proposal would have no fiscal impact on their organization.

In response to a similar proposal from this session (SB 686), officials from the **State Tax Commission (TAX)** assumed this proposal would require TAX to assign a new hearing officer to an appeal if the party files a timely application to disqualify the hearing officer originally assigned to the appeal. Currently TAX has only three hearing officers to handle the thousands of appeals filed each year. The TAX response included one FTE Hearing Officer; and estimated total costs for salary, benefits, expense, and equipment were \$70,412 for FY 2011, \$85,233 for FY 2012, and \$87,789 for FY 2013.

Oversight assumes there would be a limited number of hearings where one of the parties would request the disqualification of a hearing officer and that TAX could implement this provision with existing resources. If unanticipated costs are incurred or if multiple proposals are incurred which increase then TAX could request resources through the budget process.

Sections 140.150, 140.170, 140.190, 140.230, 140.250, 140.260, 140.290, 140.310, 140.340, 140.405, & 140.420

In response to a similar proposal from 2009 (HB 261), officials from the **Office of the Secretary of State**, the **Department of Revenue**, the **State Tax Commission**, **Linn State Technical College**, and the **Metropolitan Community Colleges** assumed this proposal would have no fiscal impact to their organizations.

In response to a similar proposal from 2009 (HB 261), officials from the **Office of the Attorney General** assume the proposal could be implemented with existing resources.

In response to a similar proposal from 2009 (HB 261), officials from **Cass County**, the **City of Centralia**, the **City of Joplin**, the **City of Kansas City**, and the **City of West Plains** assumed this proposal would have no fiscal impact to their organizations.

ASSUMPTION(continued)

In response to a similar proposal from 2009 (HB 261), officials from **Buchanan County** provided an estimate of \$6,146 in additional cost to the county for mailing costs.

In response to a similar proposal from 2009 (HB 261), officials from the **Office of the St. Louis County Collector of Revenue** provided an estimate of an additional cost for mailing 2,000 to 2,500 notices \$.346 each for mailing and \$5.32 for certified mail. $(2,000 \times \$5.666) = \$11,332$, and $(2,500 \times \$5.666) = \$14,165$.

In response to a similar proposal from 2009 (HB 261), officials from **Clinton County** assume this proposal may not have a significant impact although it could result in cost savings; Clinton County officials stated that the proposal could result in increased collections of delinquent taxes.

In response to a similar proposal from 2009 (HB 261), officials from **Office of the Taney County Collector** assume the additional cost to send certified mail prior to tax sales would amount to \$6,384 plus one additional employee at a cost of \$26,000 to \$27,000.

In response to a similar proposal from 2009 (HB 261), officials from the **Office of the Boone County Collector of Revenue** assume this fiscal impact to that office would be nominal.

In response to a similar proposal from 2009 (HB 261), officials from the **Office of the St. Louis City Collector of Revenue** assume that the additional cost of postage for their organization would be \$9,800 per year, and that lost revenue would be approximately \$150,000 per year.

Oversight assumes this proposal would have no fiscal impact to the state. Oversight assumes that some local governments already conduct tax sales under provisions similar to those prescribed in this proposal, but that other local governments may have additional costs and/or revenue reductions as a result of the proposal. Accordingly Oversight will indicate an unknown cost to local governments for this proposal. Since this proposal would become effective in August 2009 after 2009 tax sales are completed, this proposal would first impact local governments in 2010 (FY 2011).

Oversight assumes that any change in the distribution of proceeds from tax sales would apply only to tax sale proceeds in excess of the taxes, penalties, and interest owed on the property. Accordingly, oversight will not indicate any revenue reduction to local governments.

ASSUMPTION(continued)

Sections 181.060 & 182.802

In response to a similar proposal from this session (SB 713), officials from the **Office of the Secretary of State, Cass County, and St. Louis County** assumed the proposal would not fiscally impact their organizations.

In response to a similar proposal from this session (SB 713), officials from the **City of Centralia** and the **City of Kansas City** assumed the proposal would have no fiscal impact on their organizations.

In response to a similar proposal from this session (SB 713), officials from the **Department of Revenue (DOR)** assumed this proposal would allow a public library, by majority vote, to impose a tax not to exceed one-half of one percent on retail sales to fund public libraries.

DOR officials stated that there are at least 149 such districts, and DOR would require one FTE Revenue Processing Technician I (Range 10, Step L) to assist in implementing any tax, including registration of businesses, maintaining business lists and coordinating changes with the districts.

DOR estimated that this new FTE would cost \$38,813 in FY 2011, \$42,082 in FY 2012 and \$43,343 in FY 2013.

Oversight assumes the impact on DOR would depend on the number of library district governing bodies, if any, which would adopt such a sales tax and obtain voter approval. If a significant number of library districts were to do so, Oversight assumes that DOR could request resources through the budget process.

DOR officials estimated that the IT portion of the fiscal impact would be \$4,441 based on one FTE for one month, for modifications to the department's tax systems.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of normal activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Oversight assumes this proposal is discretionary and there would be no local government fiscal impact without action by the governing body of a library district.

ASSUMPTION(continued)

Sections 190.056

Oversight assumes no cost from this proposal unless an ambulance district decides to hold a recall election. The cost of the election would be paid by the ambulance district. Oversight, therefore, will show a zero fiscal impact.

Section 221.105

Oversight assumes no fiscal impact.

Section 231.444 & Senate Amendment 4

Senate Amendment 4 removes this section from the bill.

Section 1

In response to a similar proposal from this session (HB 1823), officials from the **Office of Administration** assumed in regard to land values- FMDC does not have any appraisal information for this property, but the University of Missouri Extension Office prepared a report that shows land values in St. Francois County for 2009 as follows:

Cropland \$2,319 - \$3,763 per acre
Pastureland \$1,698 - \$2,673
Timberland \$1,715 - \$1,782

This land would have a greater value than the amounts listed above. The land should be appraised for the value of the property on the open market. Estimated value of \$3,763 per acre times 24 acres = \$90,312. The sale of the land could be deposited into General Revenue.

In response to a similar proposal from this session (HB 1823), officials from the **Office of the Attorney General** stated that any costs arising from this proposal can be absorbed with existing resources.

Senate Amendment 10

Oversight assumes a fiscal impact of an unknown savings to specific counties.

ASSUMPTION(continued)

Senate Amendment 27

Officials from the **Department of Revenue** state this proposal will expand the types of elections that candidates would have to file an affidavit or affirm that they paid their taxes. It would also increase the types of taxes that they are affirming are paid by including city taxes and municipal user fees. Due to these increases in affirmations and the taxes that they are covering, the number of investigations that the Department of Revenue Criminal Investigation Bureau would be required to complete would also increase. In order to complete the additional investigations the Criminal Investigation Bureau would require one additional Investigator; and estimated total costs for salary, benefits, expense, and equipment are \$65,570 for FY 2011, \$71,134 for FY 2012, \$73,267 for FY 2013.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE FUND			
<u>Revenue</u> - to General Revenue Fund The conveyance of state property in St. Francois County to the City of Farmington (section 1)	\$90,312	\$0	\$0
<u>Costs</u> - DMH Payment to County Counselor and investigative and clerical costs	(Up to \$25,000)	(Up to \$30,000)	(Up to \$30,000)
<u>Costs</u> - DOR Require one additional investigator	<u>(\$65,570)</u>	<u>(\$71,134)</u>	<u>(\$73, 267)</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>(\$258)</u>	<u>(Up to \$101,134)</u>	<u>(Up to \$103,267)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
LOCAL GOVERNMENT FUNDS			
<u>Savings</u> - St. Charles County Eliminating fixed asset tracking of small dollar items	\$15,000	\$18,000	\$18,000
<u>Savings</u> - Senate Amendment 10 Changes the assessed valuation for counties in the first classification	Unknown	Unknown	Unknown
<u>Savings</u> - Boone County Reimbursement for legal representation provided to the DMH	Up to \$25,000	Up to \$30,000	Up to \$30,000
<u>Income</u> to Exhibition Center and Recreation Facility District from voter approved sales tax	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> to Exhibition Recreation Facility District from operation and maintenance of the district, election cost, etc.	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - City of Farmington Purchase a property from state (section 1)	(\$90,312)	\$0	\$0
<u>Increased cost</u> - mailing notices	\$0	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS FUNDS	<u>(\$75,312) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>

FISCAL IMPACT - Small Business

Section 67.2000 - Small businesses within any newly created district may have to collect and remit additional sales taxes to the Department of Revenue.

FISCAL DESCRIPTION

Section 55.030

This act requires the auditor of any county with a charter form of government to annually take an inventory of county property with an original value of \$2,500 or more, rather than \$250.

Section 56.700

This proposal authorizes compensation of \$15,000 annually to the county counselor in Boone County for duties relating to mental health and mental health facilities and up to \$15,000 annually for investigative and clerical personnel costs for assisting the county counselor in carrying out the duties relating to mental health and mental health facilities. The additional compensation is to be paid out of the state treasury from funds appropriated for these purposes.

Section 67.2000

This section allows real property owners in Caldwell, Clinton, Daviess, and DeKalb counties to seek voter approval for the creation of exhibition center and recreational facility districts. If such a district is created, it may seek voter approval for the imposition of a one-quarter of one percent sales tax, for a period not to exceed twenty-five years, to fund the district.

Section 1

This bill authorizes the Governor to convey certain property located in St. Francois county to the City of Farmington.

Senate Amendment 10

This bill makes changes when counties are classified as first class counties.

FISCAL DESCRIPTION(continued)

Senate Amendment 27

This bill will expand the types of elections that candidates would have to file an affidavit or affirm that they have paid their taxes.

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

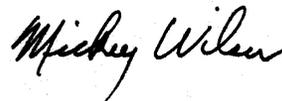
SOURCES OF INFORMATION

Office of the Attorney General
Department of Economic Development
Office of State Courts Administrator
Office of Administration
-Division of Budget and Planning
Department of Mental Health
Office of Prosecution Services
Office of State Treasurer
Department of Transportation
Department of Insurance, Financial Institutions
and Public Registration
Office of the State Auditor
Department of Conservation
Department of Natural Resources
Missouri State Tax Commission
Secretary of State's Office
Department of Revenue
Department of Public Safety
-Division of Fire Safety
St. Louis County
Taney County
Buchanan County
Boone County
DeKalb County
Cass County
Clinton County

KG:LR:OD

SOURCES OF INFORMATION

Platte County
Daviess County
City of Carrollton
City of Grandview
City of Maryland Heights
City of Maryville
City of Kansas City
City of St. Louis
City of West Plains
City of Centralia
City of Peculiar
City of Joplin
City of Jefferson
Springfield Police Department
Boone County Sheriff's Department
Columbia Police Department
Parkway School District
Special School District of St. Louis
Branson Public Schools
Missouri State University
Linn State Technical College
Metropolitan Community College
Moberly Area Community College
Kansas City Port Authority
Southeast Missouri Port Authority



Mickey Wilson, CPA

Director
February 15, 2010