

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4962-05  
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for HB 2070  
Subject: Fire Protection; Taxation and Revenue - General  
Type: Original  
Date: June 2, 2010

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Bill Summary: Would provide for using revenues from taxes levied for joint central fire and emergency dispatching services.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Secretary of State**, the **Office of the State Auditor**, the **Department of Public Safety**, **Office of the Director and Division of Fire Safety**, the **State Tax Commission**, **Boone County**, and the **City of Centralia** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assume the proposed legislation would not result in additional costs or savings to their organization. BAP officials stated that general revenue and total state revenue would increase by the one percent fees the Department of Revenue would retain for collecting any voter approved taxes. In addition, BAP officials noted that the proposal would create the "County Emergency Communications Sales Tax Fund" which would not be considered state funds.

Officials from the **Department of Revenue** (DOR) assume that their organization would incorporate any newly approved local sales taxes into their existing processing system at no additional cost to their organization. DOR officials also assume their organization would be required to mail rate notification forms to approximately 10,000 businesses in St. Louis County that sell qualifying food at a cost of \$5,050 in FY 2011.

**Oversight** assumes the rate notification requirement could be met by incorporating the information in periodic communications with retailers and that there would be no additional DOR cost as a result of this proposal.

Officials from **St. Louis County** assume this proposal would result in a significant impact on their county sales tax revenue. The elimination of sales tax on food would reduce estimated revenue by \$2 million per year.

**Oversight** notes that the proposal provides an exemption from sales tax on food for those sales taxes that would be proposed by the governing body of the fire protection district and approved by the voters in that district. Oversight assumes that other county sales tax revenues would not be impacted by this proposal.

Officials from **Cass County** assumed a previous version of this proposal would not impact their organization's budget.

ASSUMPTION (continued)

**Oversight** requested information from a large number of local governments but did not receive any other responses regarding this proposal. Specifically, Oversight did not receive a response from the **City of Columbia**, the **City of Excelsior Springs**, the **City of Florissant**, the **City of Frontenac**, or the **City of Fulton**. In addition, Oversight did not receive a response from **Buchanan County**, **Butler County**, **Callaway County**, **Camden County**, or **Cape Girardeau County**. Finally, Oversight did not receive a response from the **Boone County Fire District**, the **Creve Couer Fire District**, the **Desoto Rural Fire Protection District**, or the **Hawk Point Fire Protection District**.

**Oversight** assumes this proposal would enable a local government to utilize certain tax revenues but would not increase or reduce those local government tax revenues, nor would it increase or reduce the related local government expenditures. Oversight notes that this proposal also includes provisions which would allow a fire protection district to submit a sales tax to the voters for approval. If the sales tax is approved by the voters, revenues for that local government would be increased, and state revenues would be increased by a one percent fee on sales tax collections. Any impact on state or local government revenues and expenditures would depend on future action by local government and voter approval. Accordingly, for fiscal note purposes, Oversight will indicate no fiscal impact for this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

### FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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 State Auditor  
Office of Administration  
    Division of Budget and Planning  
Department of Public Safety  
    Division of Fire Safety  
Department of Revenue  
State Tax Commission  
Boone County  
Cass County  
St. Louis County  
City of Centralia

NOT RESPONDING

**Columbia**  
**Excelsior Springs**  
**Florissant**  
**Frontenac**  
**Fulton**  
**Gladstone**  
**Buchanan County**  
**Butler County**  
**Callaway County**  
**Camden County**  
**Cape Girardeau County**  
**Boone County Fire District**  
**Creve Couer Fire District**  
**Desoto Rural Fire Protection District**  
**Hawk Point Fire Protection District**



Mickey Wilson, CPA  
Director  
June 2, 2010