

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5180-05
Bill No.: Truly Agreed To and Finally Passed CCS for SCS for HB 1553
Subject: Cities, Towns and Villages; County Officials; Counties, Courts, Fees, Libraries and Archives; Political Subdivisions; Taxation and Revenue - Sales and Use
Type: Original
Date: June 12, 2014

Bill Summary: This proposal would modify provisions relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0 or \$1,053,000	\$0 or \$1,053,000

FISCAL ANALYSIS

ASSUMPTION

Sections 50.660 and 50.783, RSMo. - County Purchasing:

In response to similar language in SB 854, officials from **Christian County** assumed no fiscal impact from the proposal. County officials noted this proposal would actually save the County money by reducing the amount of advertising in the newspaper.

Officials from **Boone County** and **Greene County** did not respond to **Oversight's** request for information.

Oversight assumes these provisions would have no fiscal impact on the state or on local governments.

Section 67.281, RSMO - Installation of Fire Sprinklers:

Officials from the **Department of Economic Development** assume there is no fiscal impact to their organization from this proposal.

In response to a similar language in SB 854, officials from the **Department of Public Safety's Division of Fire Safety**, the **City of Columbia** and **St. Louis County** each assumed no fiscal impact to their respective organizations from the proposal.

Oversight assumes this provision would have no fiscal impact on the state or on local governments.

Section 72.401, RSMo. - Annexed Property:

In response to similar legislation in HB 1667, officials from the **Kansas City Board of Election Commission**, the **St. Louis County Board of Election Commission**, the **Platte County Board of Election Commission**, the **City of Columbia** and the **City of Jefferson** each assumed no fiscal impact to their respective organizations from the proposal.

ASSUMPTION (continued)

Section 82.300, RSMo. - Ordinances:

In response to similar legislation in SB 780, officials from the **City of Kansas City** and the **City of Columbia** each assumed no fiscal impact to their respective organizations from this proposal.

Oversight assumes this proposal is permissive in nature and, for fiscal note purposes only, will show no direct fiscal impact from this proposal on local government funds.

Sections 82.1025, 82.1027, 82.1028, 82.1029, and 82.1030, RSMo. and Section 1 - Nuisance Ordinances

Officials from the **Office of the Attorney General** assume any potential costs arising from the proposal could be absorbed with existing resources.

Officials from the **Office of Prosecution Services**, the **Office of the State Courts Administrator**, the **Office of the State Public Defender** assume there is no fiscal impact from this proposal.

In response to similar language in SB 731, officials from **St. Louis County**, the **City of Columbia**, the **City of Kansas City**, the **City of Jefferson** and **Cole County** each assumed no fiscal impact to their respective organizations from the proposal.

Oversight notes these provisions are permissive and assumes any fiscal impact would depend on local government action to enforce local ordinances which might be adopted. Those costs would not be a direct impact of this proposal and will not be included in this fiscal note.

Section 94.579, RSMo - Ballot Language for Public Safety Sales Tax

In response to similar language in SB 607, officials from the **Office of Administration - Division of Budget and Planning** noted the proposal would change enabling language regarding a public safety sales tax and assumed it would have no direct impact on Total State Revenues.

Officials from the **Office of the State Treasurer**, the **Missouri State Tax Commission** and the **Department of Revenue** each assume no fiscal impact to their respective agencies from the proposal.

ASSUMPTION (continued)

Officials from the **City of Springfield** did not respond to **Oversight's** request for information.

Oversight assumes this provision would have no fiscal impact on the state or on local governments.

Section 99.805 and 99.825, RSMo - Redevelopment Areas:

Officials from the **Department of Revenue**, the **Department of Economic Development**, the **Office of State Treasurer** and the **State Tax Commission** each assume no fiscal impact to their respective organizations from this provision.

Oversight assumes this provision would have no fiscal impact on the state or on local governments.

Section 137.133, RSMo. - Required Statement on Assessor's Correspondence:

Officials from **St. Louis County** assume this provision would require all correspondence from the Assessor requesting information from a taxpayer to contain a notice that providing such information is voluntary. The only exceptions to this would be the requirement to provide information on personal property.

Since there are other instances when taxpayer input is necessary, not obtaining it would likely result in inaccurate assessments. A loss of just 1% accuracy in assessment data would also result in a 1% loss of tax revenue. The total tax billings for all St. Louis County taxing jurisdiction in 2013 was \$1.98 billion. A 1% loss of revenue would equal \$19 million per year.

The administrative costs of this proposal are expected to require 1 FTE at \$50,000 and IT support estimated at \$25,000.

Oversight received no other responses to our request for information.

Oversight assumes the requirement could be met at minimal cost which could be absorbed by the Assessor's Office.

ASSUMPTION (continued)

Section 162.481, RSMO - School Board Elections:

Under current law, school district directors in the City of Springfield serve three-year terms. This provision would update the description of the City of Springfield.

Oversight assumes this provision would have no fiscal impact on the state or on local governments.

Section 182.802, RSMO - Library District Sales Tax:

In response to similar legislation (HB 1553), officials from the **Office of the Secretary of State (SOS)** assumed this proposal would allow public libraries in Saline County to put before the voters a maximum one half cent sales tax to support library services. The sales tax could potentially provide a good revenue source for library service, and reduce the need for property tax increases.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume this proposal would not result in any additional costs or savings to their organization. BAP officials noted this proposal would allow Saline County, upon voter approval, to levy a sales tax of up to 0.5% for a public library district. BAP officials stated that the Department of Revenue reported taxable sales in Saline County in 2013 of \$210.6 million. Therefore this proposal might generate $(\$210,600,000 \times 1/2\%) = \$1,053,000$ in local revenues.

Officials from the **Department of Revenue** assume there would be no fiscal impact to their organization from this proposal.

Oversight assumes any administrative impact to DOR would be minimal and could be absorbed with existing resources.

IT impact

DOR officials provided an estimate of the IT cost to implement this proposal of \$1,092 based on 40 hours of programming to make changes to DOR systems.

ASSUMPTION (continued)

Oversight assumes OA - ITSD (DOR) is provided with core funding to handle a certain amount of 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 budget process.

In response to similar legislation (HB 1553), officials from the **Marshall Public Library** assumed this proposal would not have a fiscal impact on their organization.

Officials from Saline County did not respond to **Oversight's** request for fiscal impact.

Oversight notes this proposal would allow Saline County officials to submit a proposition to the voters for a one-half cent sales tax for library purposes. For fiscal note purposes, Oversight will indicate a local government impact from \$0 to the estimated sales tax revenue beginning in FY 2016 when the proposition could first be implemented.

Officials from **Saline County** did not respond to Oversight's request for information.

Section 349.045, RSMo. - Industrial Development Corporations:

Under current law, directors of industrial development corporations in first class counties must be duly qualified electors of and taxpayers in the county or municipality. This provision would specify that directors of an industrial development corporation formed by a municipality in St. Francois County could be taxpayers and registered voters in the county.

Officials at **St. Francois County** assume there is no fiscal impact from this proposal.

Oversight assumes this provision would not have a fiscal impact to the state or to local governments.

Section 483.140, RSMO - Court Rulings:

Officials at the **Office of State Courts Administrator**, the **Office of Prosecution Services** and the **Office of the State Public Defender** each assume there would be no fiscal impact to their respective organizations from this proposal.

ASSUMPTION (continued)

Bill as a Whole response

Officials from the **Joint Committee on Administrative Rules** assume there would be no fiscal impact to their organization from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2015 (10 Mo.)	 FY 2016	 FY 2017
LOCAL GOVERNMENTS			
<u>Income</u> - Saline County Library District			
Sales Tax		\$0 or	\$0 or
Section 182.802	\$0	\$1,053,000	\$1,053,000
 ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	 <u>\$0</u>	 <u>\$0 or \$1,053,000</u>	 <u>\$0 or \$1,053,000</u>

FISCAL IMPACT - Small Business

The proposed Saline County Library District sales tax would have a direct fiscal impact to small businesses in Saline County.

FISCAL DESCRIPTION

This legislation appears to have no direct 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

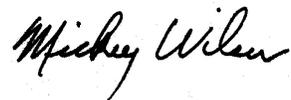
Christian County
City of Columbia
City of Jefferson City
City of Kansas City
City of Springfield
Cole County
Department of Economic Development
Department of Public Safety
 Division of Fire Safety
Department of Revenue
Joint Committee on Administrative Rules

SOURCES OF INFORMATION (continued)

Kansas City Board of Election Commission
Office of Administration
 Division of Budget and Planning
Office of Attorney General
Office of Prosecution Services
Office of the Secretary of State
Office of State Courts Administrator
Office of the State Public Defender
Office of State Treasurer
Platte County
Platte County Board of Election Commission
St. Francois County
St. Louis County
St. Louis County Board of Election Commission
State Tax Commission

Not Responding

Boone County
Greene County
Saline County



Mickey Wilson, CPA
Director
June 12, 2014

Ross Strope
Assistant Director

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