

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0206-03
Bill No.: Perfected HS for HB 287
Subject: Department of Corrections; Prisons and Jails
Type: Original
Date: March 1, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>All</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol, Department of Corrections, City of St. Louis,** and the **City of Kansas City** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Health (DOH)** assumed the proposal would not be expected to significantly impact the operations of the DOH. If the proposal were to substantially impact the DOH programs, then the department would request funding through the appropriations process.

Officials from the **Department of Natural Resources (DNR)** assume this proposal requires an environmental impact statement to be prepared concerning the effect of the proposed private jail on the surrounding area. This proposal does not assign any specific duties to the department; therefore, the DNR assumes there would be no direct fiscal impact. However, if the intent of this proposal is to require the DNR to review environmental impact statements on all proposed private jails, the DNR may have to request additional resources.

Officials from the **State Treasurer's Office (STO)** stated that Article IV Section 15 of the Missouri Constitution requires the Director of Revenue to be the custodian of nonstate funds. Therefore, STO assumes the proposal would not fiscally impact their agency.

Officials from the **Department of Revenue (DOR)** assume, based on the ballot language, these districts will be for an entire county or counties. The MITS sales tax mainframe system can handle the implementation as long as the districts maintain entire county boundaries.

Oversight assumes this proposal is permissive and would require Jail Districts that wanted to impose a sales tax (that could not exceed 1%) to receive voter approval. Jail Districts that would submit the question of levying a sales tax would have election costs.

Oversight assumes the state would retain a 1% collection fee, which would be deposited in the State General Revenue Fund. The amount of revenue that would be generated in a given year is unknown. Currently there are no Regional Jail Districts.

This proposal could result in an increase in Total State Revenue since Collection Fees are included in the General Revenue Fund and, thus, included in the calculation of Total State Revenue.

FISCAL IMPACT - State Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

GENERAL REVENUE FUND

BLG:LR:OD (12/00)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

<u>Income</u> - Department of Revenue 1% collection fee	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
--	-----------------------	-----------------------	-----------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

LOCAL GOVERNMENTS

<u>Income</u> - Regional Jail Districts Sales Tax Trust Fund	Unknown	Unknown	Unknown
---	---------	---------	---------

<u>Cost</u> - Regional Jail Districts Operations	(Unknown)	(Unknown)	(Unknown)
---	-----------	-----------	-----------

ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
---	------------	------------	------------

*Oversight assumes this proposal to be permissive. Jail Districts whose governing body would submit to the voters the question of implementing a local sales tax would have an election cost. Oversight assumes that costs would not exceed income resulting in either an annual zero or positive fund balance.

FISCAL IMPACT - Small Business

Small businesses which would operate a private prison would expect a fiscal impact as a result of this proposal. Small businesses located within a Regional Jail District, that would receive voter approval to impose a sales tax would expect to be fiscally impacted to the extent that they would collect and pay the sales tax within those districts.

DESCRIPTION

This proposal allows the operation of private jails within the state. The term "private jail" is defined as a correctional facility owned or operated by any private person or entity specifically for confining criminal defendants pending the disposition of criminal cases.

DESCRIPTION (continued)

This proposal also establishes the guidelines and standards which must be met before any private

person or entity may contract with the state or any political subdivision for the operation of a private jail. The proposal further requires private jails to provide certain inmate services.

The proposal also requires all private jails to operate in a manner that satisfies the accreditation standards of the American Correctional Association (ACA) and requires all private jails to obtain ACA accreditation within 24 months of the effective date of the proposal. Any private jail losing its accreditation or failing to obtain initial accreditation are required to immediately cease all operations and immediately notify the Office of the Attorney General.

In addition, the proposal would authorize Regional Jail Commissions to have a 1/8, 1/4, 3/8, or 1/2 of 1% district sales tax for the purpose of operating a Regional Jail District, if approved by qualified voters of the district. The proposal contains further provisions, which include: ballot language; implementation and effective date of the tax depositing revenue; use of funds collected; and establishment of the Regional Jail sales Tax Trust Fund and its operation. The provisions of this section of the proposal will expire August 28, 2015.

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

Department of Public Safety - Missouri Highway Patrol
Department of Corrections
Department of Health
Department of Natural Resources
State Treasurer's Office
City of Kansas City
City of St. Louis



Jeanne Jarrett, CPA
Director

March 1, 2001